

ADDENDUM 1-AP (PRESALE OR HOUSE UNDER CONSTRUCTION)

CONSTRUCTION LLC, a Washir	ngton Limited Liability Co	rporation ("Seller") and	_, between STEVE BURNSTEAD
"Buyer") and shall amend tha	t certain Residential R	eal Estate Purchase	e and Sale Agreement dated in the Plat of with Elevation and
with a cor garage	together with Model #	named <u></u> _	with Elevation and
with acar garage.			
1. Warranty: The Seller will fu Limited Warranty and a Landscape respectively. All warranty items sh workmanship and materials shall b standards or to Seller's normal sta Limited Warranty. STEVE BURNS WARRANTY REPRESENT THE F BUYERS HEREBY RELINQUISH.	e Warranty both in the forn all be governed by the cor the to STEVE BURNSTEAD and and sif not listed or cove STEAD CONSTRUCTION BULL LIMIT OF THE WAR	ns attached hereto as Enditions and standards CONSTRUCTION LLC red by the STEVE BUF LLC LIMITED WARRA RANTIES EITHER EXF	Exhibit C and Exhibit B-1, of such warranty. All C Limited Warranty Construction RNSTEAD CONSTRUCTION LLC ANTY AND LANDSCAPE PRESSED OR IMPLIED AND
	Buyer:	Date:	_
	Buyer:	Date:	_
Buyer understands and agrees tha WARRANTIES, ORAL AGREEME day Limited Landscape Warranty a SELLER MAKES NO WARRANTY MERCHANTABILITY OF THE GO OF THE GOODS FOR A PARTICE ON THE FACE OF THE STEVE B Buyer understands and agrees tha are those of the manufacturer or so any event, Seller shall not be liable losses which may arise from or out Warranty includes the provision the BE SUBMITTED TO BINDING AR	INTS OR REPRESENTATE as provided exclusively by INTERPRESSED OR IMPLE INTERPRESSED OR IM	IONS with the sole exc STEVE BURNSTEAD (ED AS TO QUALITY, E BUYER UNDER THIS HERWISE, EXCEPT AS TION LLC LIMITED W Inces and other consum- gned to Purchaser, effe other consequential or the STEVE BURNSTEA STHAT ARISE UNDER	eption being the inclusion of a 90 CONSTRUCTION LLC. HABITABILITY, THE S CONTRACT, THE FITNESS IS EXPRESSLY SET FORTH VARRANTY PROGRAM. The products installed in the home active on the date of closing. In secondary damages and/or D CONSTRUCTION LLC Limited
BUYER UNDERSTANDS AND AC DISCLAIMERS REFERENCED TH BARGAINED FOR, AND AGREED OPPORTUNITY AND RIGHT TO C AGREEMENT.	<u> IEREIN – WERE SPECIFI</u> DUPON BETWEEN BUYE	CALLY AND SEPARA ER AND SELLER, AND	TELY NEGOTIATED. D THAT BUYER HAD THE
	Buyer:	Date:	
	Buyer:		
Buyer: Buyer:	Date:	_	nte:

2. Binding Arbitration: The parties hereby agree that if a dispute arises regarding the interpretation or enforcement of the Purchase and Sales Agreement, the Warranty, or any matter relating to the construction of the home, said dispute shall be settled by binding arbitration. These disputes include but are not limited to: (1) any pre or post closing or construction disputes, (2) complaints; (3) unresolved warranty issues, (4) disputes as to events, representations, or omissions which predate the Purchase and Sales Agreement; (5) other action performed or to be performed by the Builder pursuant to the Purchase and Sales Agreement or the Warranty; (6) as to repairs or warranty claims arising during the term of the Warranty; and/or (7) as to the cost to repair or replace any defect covered by the Warranty (collectively, an "unresolved dispute"). Such arbitration shall be submitted to and governed by the procedures of the Commercial Rules of the American Arbitration Association and RCW 7.04 et. seq. You commence the arbitration process by giving the Builder written notice of your demand for Arbitration of an unresolved dispute. The dispute will be submitted to the American Arbitration Association, or such other independent arbitration service as is agreeable to STEVE BURNSTEAD CONSTRUCTION LLC and you (herein referred to as Arbitrator) within 20 days after STEVE BURNSTEAD CONSTRUCTION LLC has received your notice of demand for Arbitration. If you submit a demand for Arbitration, you must pay the Arbitrator's filing fee prior to the matter being referred to the Arbitrator. The Arbitrator shall have the power to award the cost of this fee to you or to split it among the parties to the Arbitration. The Arbitration shall be conducted in accordance with the Arbitrator's rules and regulations to the extent that they are not in conflict with RCW 7.04 et. seg. Notwithstanding anything to the contrary herein, the arbitration proceedings contemplated herein shall be considered a judicial proceeding, civil action or other "action" for the purposes of applying any applicable statutes of limitations or other limitation on civil actions as set forth under Washington law, including but not limited to RCW 4.16 et. seq., RCW 64.50 et. seq., 64.55 et. seq., as they may apply to the disputes covered by this Section 2 (as such applicable periods of limitation may be further modified or restricted by this Agreement).

Either party may, within one year after an arbitration award, apply to the King County Superior Court for the State of Washington, to confirm the award. The forwarding of a written demand for arbitration shall toll the running of any applicable statue of limitations for the matter to be arbitrated. THE DECISION OF THE ARBITRATOR SHALL BE FINAL AND BINDING UPON ALL PARTIES.

In as much as this Agreement provides for the mandatory arbitration of disputes, if any party commences litigation in violation of the Agreement, such party shall reimburse the other parties to the litigation for their costs and expenses including attorney's fees incurred in seeking dismissal of such litigation.

The builder shall have 60 days after receipt of the arbitration award in which to comply with the arbitrator's decision. Repairs will be commenced as soon as possible and will be completed within 60 days with the exception of any seasonal repairs or items that would reasonably take more than 60 days to complete. The Builder will complete such repairs or replacement with diligence but without the necessity of incurring overtime or weekend expenses.

BUYER UNDERSTANDS AND AGREES THAT THE FOREGOING ARBITRATION PROVISION WAS
SPECIFICALLY AND SEPARATELY NEGOTIATED, BARGAINED FOR, AND AGREED UPON BETWEEN BUYER
AND SELLER, AND THAT BUYER HAD THE OPPORTUNITY AND RIGHT TO CONSULT THEIR AGENT AND
ATTORNEY PRIOR TO SIGNING THIS AGREEMENT.

		Buyer:	Date:		
		Buyer:	Date:		
Restrictions (plat. If only CC&R's, in posting the plat as with changes/addingerity. The conditions in thoroughly.	"C.C. & R's"). B a draft is provide art, set forth certa vell as the rights itions to homes is property is a in the CC&R's Homeowner Ass	duyer acknowledgesed, a copy of the lain terms and cond of other homeowing the plat. The Comember of a Homand any subsequesciation dues at the	The property will be substraction of a copy of (i) a draw recorded CC& R's will be defitions relating to the rights of the rest and Buyer relating to us CC&R's are recorded and be the time of closing are	aft or (ii) the reco livered to Buyer a the Seller to cons ses, maintenance come a restriction yer shall be bout Buyer is adviso	rded CC&R's for the after recording. The struct other homes in and construction of n on the title to the nd by all terms and ed to review them
that homeowi	ner dues are subj	ject to change per t	the CC&R's.		
		Buyer:	Date:		
		Buyer:	Date:		
Ruver	Buver [.]	Date:	Seller [.]	Date [.]	

- 4. **Insulation**: Insulation installed in the Property shall be as follows:
 - a. R-49 Blown Rockwool, Fiberglass or equal at flat trussed ceilings.
 - b. R-30 Fiberglass batts or equal at cathedral trussed ceilings.
 - c. R- 21 Fiberglass batts or equal at exterior house walls. Garage to house wall included. Unheated garage walls excluded.

d.	R- <u>30</u> Fiberglass batts o	r equal in underfloor crav	vlspace areas.	
Buyer h Commit	ereby directs and authoriz	es the Closing Agent or	Buyer's Mortgag	lender's title report and appraisal. e Company to deliver a copy of the Loan o Seller immediately upon the issuance of
loan). applicat	nancing: Loan Applicati Buyer agrees to pay \$_ tion for the Loans to pay t property within 3 days afte	he balance of the Purch	down, in add ase Price and pa	yer obtaining a (type of ition to the loans and to make written ay the application fee, if required, for the
after m				eemed automatically satisfied 20 days o Seller as a non-refundable deposit.
		Buyer:	Date:	
		Buyer:	Date:	
	PREQUAL	FICATION OF BUYER/E	BUYER LENDER	REQUIREMENTS
a.	purchase of the Property	, prior to Seller signing Pเ	urchase Agreeme	to Buyer's securing financing for ent , Buyer shall contact one of the st) to ascertain whether the Buyer will
b.	Lender Selection: If Buthe approval letter, the le			than one of Seller's Preferred Lenders, in
	They have revie the property are		ocuments, asset	documents and both the borrower and
Agreem		services of a mortgage b	proker to secure t	I acceptance of the Purchase financing then the approval letter must be
loan on		the Builder, the Buyer		Preferred Lenders and fail to close the r a daily extension fee of \$350.00 for
		IF SELLER INCE	NTIVES APPLY	
Preferre to one o	ed Lenders. In consideration of Seller's Preferred Lende	on of Buyer's acceptance rs to secure financing, an	of Seller incention of Sel	yer's use of a loan from Seller's yes, Buyer shall timely apply exclusively all use the loan to close on the purchase on this transaction are as follows:
Buver:	Buyer:	Date:	Seller:	Date:

a.	Seller shal	include in the home the fo	llowing purchase incentives:	
	up to \$		and/or credit buyer at Closing which shall be used for any combination o	an amount of
	costs, inter	est rate buydowns or upgra	ades to the home. Such credits and upgrades shall the Section 14 below and any unused amount shall be	be agreed to
	ISE OF ONE		CENTIVES AND/OR CONCESSIONS IS CONDITION ED LENDERS TO FINANCE THE PURCHASE OF T	
		Buyer:	Date:	
		Buyer:	Date:	
	with this ag		ts that Buyer has available sufficient funds to clo upon any contingent source of funds unless other	
No. 22B rela	ating to cont	ingent sale of Buyer's hous	gent upon sale of Buyer's house the provisions of se, shall apply as modified herein (agent must attac id NWMLS Form No. 22B is modified as follows:	
	a.		isted with a real estate firm acceptable to as and conditions acceptable to Seller.	
	b.	notice. Said notice to ex date on which notice is of deposited in the mail, when	five (5) days notice are changed to two (2) days write at midnight on the second day following the delivered, or following the third (3rd) day after it is nether or not the date in which notice is given or pires falls on any day including Saturday, Sunday	
	C.	Buyer's house, then in s	r removes the contingency relating to the sale of uch event, NWMLS Form No. 22B, or the provisions thereof shall be held for naught.	
Buyer's ear contingenci- required to transfer the closing. If the	nest money of es. Release release the deposit to his transaction	deposit shall automatically of the earnest money sha funds to the seller. Buyer the Seller. The earnest on should fail to close the	preement includes any contingencies (Financing of become nonrefundable upon the satisfaction or wall be automatic, no additional authorization or signal instructs the holder of the earnest money deposited money deposite shall be applied towards the pure earnest money deposite shall be forfeited to the Septiated until all contingencies have been removed.	iver of all such atures shall be to immediately chase price a
		Buyer:	Date:	
		Buyer:	Date:	

9. **Escrow Fees**: The Seller requests that all Buyer's use one of the following escrow companies in connection with this transaction:

Chicago Escrow – Patti Dettling - Officer 425-456-3863 Patti.Dettling@ctt.com Chicago Escrow – Emily LaMarche - Assistant 425-990-1300 emily.lamarche@ctt.com

The Buyer acknowledges that the Seller will receive a discount on the escrow fee based on volume of business and accordingly the Buyer and the Seller may pay different fees, irrespective of what is stated on the Real Estate Purchase and Sale Agreement. In the event that the Buyer elects to use another escrow company, the Seller's escrow fee shall not exceed \$100.00 plus applicable sales tax. Escrow Company also agrees to deliver to Seller's office for signature all closing papers and final closing check, with no courier fees paid by seller.

10. <u>Title Insurance Policy</u>: Notwithstanding the "Title Insurance" clause in the Purchase and Sale Agreement, seller authorizes Buyer's lender or Closing agent, at Seller's expense, to apply for a standard form Owner's Policy of Title Insurance (ALTA 1992 or equivalent), together with homeowner's additional protection and inflation protection endorsements if available at no additional cost, from the Title Insurance Company rather than the Homeowner's Policy of Title Insurance.

Title must be ordered through: Chicago Title Insurance Company

- 11. <u>Appraised Value of Changes:</u> Buyer is advised that not all upgrades and/or changes will increase the appraised value of the home. Any appraisal less than the amended sales price will not void this agreement, or cause any reduction in the amended sales price. Buyer agrees to pay any difference between the amended sales price and the appraised value in the event of an appraisal lower than the amended purchase price.
- 12. <u>Closing Extension</u>: If closing of this transaction is delayed for any reason other than lender delay (see paragraph 6) beyond the control of either Buyer or Seller, the closing date may be extended for up to five (5) days at the request of and without cost to either party. After this five (5) day period, any additional extension of the closing date requested by Buyer may be agreed to by Seller at Seller's sole discretion. In the event Seller agrees to an additional extension of the closing date, Buyer shall pay \$250.00 per day for that additional extension ("Extension Payment"). The Extension Payment shall be due upon the closing of this transaction.
- 13. <u>Metro Utilities Charge</u>: All new customers who connect to sewers in Metro's service area are required to pay a capacity charge.

The Metro Council established this capacity charge to help offset the cost of providing wastewater treatment and conveyance capacity for all new customers. Development of Metro's capacity charge program followed 10 years of study and deliberations by committees of elected and appointed officials in the metropolitan area.

Capacity charge bills are sent to affected customers about six months after sewer service begins. New customers are then billed directly by Metro every six months for 15 years. At any time during this period, the balance of the remaining payments can be paid at a discount rate per year.

Want more information?

If you have questions or want more information about capacity charge, visit http://www.kingcounty.gov/environment/wastewater/capacitycharge.aspx or call Metro communications, Water Pollution Control Department, at (206) 296-1450.

14. <u>Plans and Specifications</u>: Seller shall construct the home in accordance with the general layout depicted in the drawings and per Specifications which are attached hereto as Addendum ("Specifications"). Seller reserves the right to modify the material specifications provided that the material modifications must be of a quality equal to or better than the materials provided for in the original Plans. Seller reserves the right to change subcontractor without prior notice to Buyer.

Buyer:	Buver:	Date:	Seller:	Date:
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- 15. <u>Buyer's Selections and Upgrades</u>: On or before_______, 20____. Buyer shall select certain items from among Seller's standard stock or materials. If Buyer elects to upgrade the selections by making selections not included in the Seller's standard stock or materials, Buyer must pay for the upgrades in cash upon selection. Such payments shall be nonrefundable to Buyer and are not additional earnest money. If Buyer has not waived all contingencies contained in the Agreement, any upgrades made by Buyer are subject to Seller's prior approval, at Seller's sole discretion.
- 16. <u>Additional Work Authorization</u>: Buyer shall pay for any additional work upon execution of the "Additional Work Authorization" order. Such payments shall be nonrefundable to the Buyer and are not additional earnest money. All such items are subject to Washington State Sales Tax. If additional work authorizations are to be included in the sales price in order to add them into the Buyer's mortgage an additional charge of 3% will be added to the additional work authorization price. Sales commission is based upon the home price not including any upgrades. The Seller will document payments received from the purchaser for additional work authorizations or Buyer product upgrades for the Buyer's use in their financing arrangements.
- 17. <u>Construction Delays</u>: In the event of construction delays due to conditions beyond Seller's control including but not limited to: work stoppage due to labor disputes, strikes, governmental agency delays, natural physical events, floods, wind damage, snow, earthquakes or acts of God, Seller, at its option, may extend the closing date as specified in the Purchase and Sale Agreement, by (30) days. Further, if construction is not completed by the adjusted closing date, Buyer's sole option other than waiving timely performance and closing on completion is cancellation of the Purchase and Sale Agreement and return of earnest money deposit.
- 18. <u>Right to Enter Property and Possession</u>: Buyer or Buyer's authorized agents shall have the right to enter upon the Property and make any agreed upon inspections, tests and surveys. Such access shall be at reasonable times and with at least one (1) day's notice to Seller. Buyer agrees to release, indemnify and hold Seller harmless from any damages, claims or liability, including attorney's fees, arising from such entry onto the property.

Seller shall deliver possession of the property to Buyer at or before 5:00 P.M. on the date Buyer is entitled to possession.

- 19. <u>Closing Cost Disclosures [Between Buyer and Seller]</u>: The parties shall provide to Escrow the following at least forty-five (45) days prior to Closing:
- 19.1 All upgrades agreed to after the date of mutual acceptance that will be added to the sales price must be itemized and agreed to in a mutually executed addendum.
- 19.2 Any credits provided by Seller must be itemized and set forth in a mutually executed addendum.
- 20. <u>Closing Cost Disclosures [Between Buyer and Agent]</u>: Any credits provided by selling and/or listing agent must be a part of the Agreement when originally written or as soon as the credit is known, but in no event later than 45 days prior to closing.
- 21. <u>Conflict</u>: If any term or condition in this Agreement conflicts with any term or condition in the Residential Real Estate Purchase and Sale Agreement or any other Addendum or Agreement, the terms and conditions herein shall control.
- 22. <u>Entire Agreement</u>: This Agreement including the Purchase and Sale Agreement (and attached Exhibits) contain the entire agreement and understanding of the parties with respect to the purchase and sale of any and all real or personal property which is the subject matter hereof. There are no representations, inducements, promises or agreements, oral or otherwise, not included herein. Any and all prior discussions, negotiations, commitments and understandings not expressly included in this Agreement are null, void and unenforceable. There are no conditions precedent to the effectiveness of this Agreement other than as stated herein, and there are no related collateral agreements existing between the parties that are not referenced herein.

Buyer:	Date:
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- 23. <u>Representations</u>: Buyer, (in the purchase of their lot and model) has not relied on any representation by the Seller, their representatives, or any person whomsoever, concerning the placement, style, color, building materials or location of homes on other lots in the neighborhood. The excavation of this lot, or adjacent lots, for installation of foundation, rockery, retaining walls and/or lot drainage may change existing grade elevations. Buyer understands that the finished grade and slope of any lot can change.
- 23.1 Renderings of elevations and floor plans are for illustrative purposes to help Buyer visualize the home and are not warranted to be exact.
- 23.2 Interior decorations, upgrades and furnishings in model homes are displayed for illustrative purposes only and are not included in this Purchase Agreement unless otherwise set forth in the Purchase & Sale Agreement.
- 23.3 Buyer acknowledges and agrees that there are no representations or conditions to this sales transaction which are not specifically set forth in writing in the Addendum and the Purchase Agreement and that oral statements and/or representations by Seller's employees, representatives and/or agents are not binding on the Seller and are not part of the Purchase Agreement terms and conditions. If Buyer believes that there has been any material oral statements and/or representations upon which Buyer has relied, Buyer must request in writing that the same be made in writing and incorporated into the terms of the Purchase Agreement before the full execution of the Addendum. Seller is not obligated to accept or incorporate into the Purchase Agreement as a part of this sales transaction oral statement and/or representations which are not agreed to in writing by Seller. Under no circumstances shall Seller be bound by any oral statements or representations made after full execution of the Purchase Agreement and this Addendum.
- 23.4 Notwithstanding the foregoing, Buyer agrees and acknowledges that Seller retains the exclusive right to (a) designate placement of any home on any lot within the plat so long as Seller has obtained a building permit for such home in the designated location; (b) change the models and colors of homes within the plat; (c) control the grading, terracing, excavation, foundation and drainage for each lot in the plat; and (d) alter and/or modify view and view corridors from the Buyer's home and property may change, become restricted or blocked as additional homes are constructed in the plat. The terms and conditions of the listing agreement and any "camera cards" or written materials prepared to market the home do not become part of the Purchase Agreement and are fully superseded and supplanted by the Purchase Agreement and this Addendum.

	Buyer:	Date:	
	Buyer:	Date:	
24. <u>Inspections:</u> Buyer may, at Buyer's inspector prior to Closing. Buyer shall homeowner's orientation and in any ever inspection report that do not meet local I Seller's election. Non building code item Seller may review the Additional Item(saddress any or all of the Additional Item(purchase the home are not contingent or and Seller will have no obligation to make	notify Seller of the completed prior building codes, shows may be noted as) and determine so. However, the note inspection or	he date of the inspection, to the Closing Date. Thos all be corrected by the Sell in the inspection report (eawhether Seller, in Seller's Purchase and Sale Agreement to a	which shall be prior to the e conditions described in the er, before or after Closing, at ach an "Additional Item") and sole discretion will agree to nent and Buyer's obligation to address the Additional Items,
25. Facsimile and Email Transmission notice, and retransmission of any signer original. Email transmission of any signoriginal. At the request of either party, or signatures by signing an original document	d or initiated facsi ned or initiated do or the closing Age	mile transmission, shall be ocument or notice shall be	the same as delivery of an the same as delivery of an

Seller: Date:

Buyer:_____ Date:____

- 26. <u>No changes or Revisions to this Addendum:</u> No changes and or revisions to this Addendum (other than checking boxes or inserting dates or names in places identified in this form) are permitted or enforceable unless the changeand or /revisions are made as a part of a separate addendum (such as NWMLS Form 34). Changes/revisions made on this addendum (whether handwritten or typed) are unenforceable and not binding on the Seller.
- 27. <u>Closing Date:</u> Once a closing date has been given to buyer by seller, buyer must agree to close within 5 days of that date or paragraph 12 will be enforced.

BUYER:	SELLER:
	STEVE BURNSTEAD CONSTRUCTION LLC a Washington Limited Liability Corporation
	Ву:
	Its:
Date:	Date:
D : 14/40	

Revised 1/19