

**ADDENDUM "A" TO
REAL ESTATE PURCHASE & SALE AGREEMENT
FOR
McKinley Hillside View**



THIS ADDENDUM "A" is to be made a part of and further supplements and revises that certain Earnest Money Agreement and/or Purchase and Sale Agreement, hereinafter "the Agreement" dated _____, 20__ between Bill Riley Communities Family, LLC, known as "Seller" or "Builder" and _____, collectively known as "Purchaser" and/or "Buyer" with regard to that certain real property commonly known as:

_____.

Legal description:

Lot ____, MCKINLEY HILLSIDE VIEW, according to the Plat thereof, recorded under Recording Number [2009007015002](#), records of Pierce County, Washington;

SITUATE in the County of Pierce, State of Washington

1. **HOME STYLE SELECTION/ELEVATION:** Seller ("Seller") agrees to build Plan Style ____ Elevation ____ on the above lot or home is complete (check one).
2. **COMPLETION OF NEW HOME:** Seller believes that the new home to be constructed for Purchaser as described in the Agreement should be substantially completed on _____. However, in order to maintain the strict quality standards of each new home constructed by Seller, THIS COMPLETION DATE IS AN ESTIMATE ONLY AND IS NOT A GUARANTEE AS TO THE EXACT DATE WHEN YOUR NEW HOME WILL BE COMPLETED. In the event the Agreement provides for the sale and construction of a presale home, Seller shall apply for a Building Permit within ten (10) business days after the later date of Seller A) receiving acceptable loan approval from Buyer's lender, B) if applicable, the waiver by Buyer of any contingencies, and (C) completion of the preconstruction meeting (if any) between Buyer and Seller's representatives with all upgrades fully selected and paid. It is the goal of the Seller to complete construction of the new home subject to the Agreement, subject to adverse weather conditions and/or all Buyer's contingencies have been removed, on/or before one hundred forty (140) days after receiving a building permit from the local municipality. It is the Seller's basic philosophy to provide good quality homes to our Buyer's at the absolute best possible price.

Therefore, there may be conditions beyond the Seller's control, such as but not limited to: back orders, late customer selections, discovery of defective materials, weather issues, etc., which extend the completion date of the home. In such an event, the Seller shall assume an automatic 45-day extension of this agreement (notice will be sent to buyer). Purchaser shall be entitled to possession upon completion (as evidenced by the issuance of a Certificate of Occupancy) or upon closing, whichever event occurs last. "Closing" is defined as that date on which all documents are recorded and the sale proceeds are available to Seller and shall occur within 5 days of receipt of Certificate of Occupancy (Final with the County). The closing date in the Agreement shall be considered the termination date unless mutually extended or otherwise agreed in writing. If the new home described in the Agreement is not completed prior to the closing date, the exclusive remedy available to the Purchaser shall be either terminate the Agreement OR to extend the closing date of the Agreement. SELLER IS NOT RESPONSIBLE for the expiration of Purchaser's loan commitment, penalties, loan or other fees or losses due to the estimated completion date not being met. Buyer shall be responsible for any 442 re-inspection costs associated with the appraisal in order to close on time. PURCHASER IS ADVISED TO INSURE THAT THEIR LENDER AND ANY OTHER INTERESTED PARTY IS MADE AWARE OF THIS AGREEMENT. Any concerns with regards to materials or scheduling of construction will be directed to the Construction Superintendent.

3. **PURCHASER DÉCOR SELECTIONS:** Purchaser is aware that this is a "spec" built home, not a custom home. In the event that Seller has not already obtained a building permit prior to acceptance of this Agreement and Addenda, Purchaser may select colors of carpet, vinyl floor coverings and countertop laminates from Seller's designated suppliers and within Seller's standard designated specifications and cost allowances. Purchaser understands that they will have one visit with Seller's designer. Should they want more than one visit, Purchaser shall pay for designer's time directly to designer at a price to be determined by designer. Seller will pick all exterior color and stone choices. Any colors, selections or chosen items that are different from the Seller's standard designated specifications and/or cost allowances must be approved by the Seller and will be paid for in full by the Purchaser prior to installation and will remain the property of the Seller until transfer of title at time of closing. Should purchaser elect to use Prime Lending Bank (Jillian), builder will allow upgrades to flooring, countertops and lighting (up to a total of \$7,000) to be included in final sales price and included in loan. No payment shall be due to supplier until time of closing. If Purchaser uses a different lender, all upgrades are to be paid in full at time of selection. In the event Seller has already obtained a building permit and has ordered colors of carpet, vinyl floor coverings, countertop laminates, color of appliances, to mutual acceptance of this Agreement and related Addenda, Purchaser may request Seller in writing for a change in any of said items and, to the extent Seller consents to a change thereto, Purchaser understands they may incur an additional charge for restocking or replacement of previously selected items.

4. **PURCHASERS UPGRADES:** Purchaser shall give Seller its choice of all TV and phone jack locations and any additional upgrade/option selections in writing to the Seller's designated listing agent within two (2) days of mutual acceptance of the purchase and sale agreement (see Upgrade Addendum B). Said selections will be written on a floor plan and initialed by both Purchaser and Seller and all upgrade/option selections selected by Purchaser and approved by Seller. Time is of the essence, the builder reserves the right to build the house on schedule as planned if not properly informed of any upgrade options.

5. **PURCHASERS PRESALE UPGRADES:** One quarter of the cost of any upgrades on Upgrade Addendum B requested by Purchaser and approved by Seller will be paid at the time of such selection. The balance will be paid at closing by Purchaser. This amount may be added to the loan (purchase price), subject to seller's approval. All upgrades are subject to a 2% surcharge paid to Seller for Seller's cost of additional excise and title fees. Seller's upgrade price list only applies to changes requested prior to commencement of construction. All payments for upgrades shall be considered to constitute a non-refundable payment to the Seller and shall be retained by the Seller in the event Purchaser is unable to and/or elects, for any reason whatsoever, not to complete the transaction contemplated by this Agreement. All items are subject to reasonable availability. Special Purchaser selected items shall not delay construction scheduling or completion. All changes/upgrades must be evidenced in the form of a written addendum ("Upgrade Addendum B") signed by both Seller and Purchaser. Any changes made after finalizing the "Upgrade Addendum B" will cost \$200 per change in addition to the cost of the upgrade/change requested. Any back out changes made after approval of requests will cost \$500 for administration fees of scheduling.

6. **FLOORING/COUNTERTOP AND LIGHTING UPGRADES:** Seller has designated:

1. Double Eagle Interiors Dori 253-347-5953

as its exclusive supplier of flooring and countertop materials for inclusion in your new home. Each buyer, limited to presale homes, may select their carpeting, hardwoods, vinyl and countertop surfaces within Seller's predetermined allowances directly from designated company (if upgrading only..standard choices to be completed onsite with builder representative).

2. Crescent Lighting Joyce 253-961-4848

Selling agent is responsible for having buyers contact above suppliers **if upgrading**. If buyers do not make contact with flooring and/or lighting representative prior to scheduled installation dates, Seller has right to pick selections at Seller's sole discretion.

Purchaser is responsible to pay for all upgrades directly to the supplier at time of selection.

7. ***NO VERBAL REPRESENTATIONS:*** It is natural during the course of the transaction for the Purchaser to have questions regarding their new home. In order for the Purchaser to receive responsible and authoritative answers to their questions, the questions shall be presented by the real estate agent to Seller's listing agent in written form who will then have the Seller respond in writing. Purchaser understands and agrees that sales agents and subcontractors are not authorized to make such representations, or representations that shall modify the Agreement as written, and that the full understanding shall be limited to the Agreement as written together with any clarifications made by Seller in writing.

8. ***PURCHASER'S ACCESS DURING CONSTRUCTION:*** Purchaser acknowledges that the property being purchased pursuant to the Agreement is and shall continue to belong to the Seller until the closing date of this Agreement. Purchaser agrees that neither they, or their agents or representatives, shall enter onto the property during construction unless accompanied by Seller's representative or agent. Purchaser further acknowledges notice that only Seller and Seller's employees and authorized subcontractors are authorized to enter and do work on the property, and Purchaser is expressly denied permission to do any work on the property prior to closing for any reason whatsoever without the prior written agreement and consent of Seller.

9. ***APPROVED LENDERS:*** In order to maintain the current low pricing of the homes at McKinley Hillside View, Purchaser agrees that they will apply for financing to purchase the above property within five (5) days of mutual acceptance of the Agreement through Seller's approved premium lender: **In order for the seller to minimize seller's financial risk and avoid any unnecessary closing fees, the purchaser shall be pre-approved by the seller's approved premium lender.**

1. PRIME LENDING BANK – Jillian Tuato'o 253-686-1127

The Seller shall not pay any fee on behalf of the Purchaser or to the Purchaser's lender unless expressly agreed in this Agreement. With regard to presales, Purchaser shall supply Seller with a pre-qualification letter and verification of their credit approval from their lender within five (5) days after mutual acceptance of the Agreement. No construction will commence until after Seller has received and is satisfied with the content of such information. All mandatory VA or FHA Seller paid costs shall be paid out of the buyer bonus (i.e. Seller paid closing costs) agreed to in the Purchase and Sale Agreement. Should Purchaser(s) choose to add any additional closings costs and/or upgrades to purchase price, Purchaser shall be responsible for paying any additional costs incurred by Seller, i.e. excise and revenue taxes, title and escrow premiums.

10. **ESCROW/CLOSING OFFICE:** Purchaser and Seller further agree that the designated closing/escrow agent for the Agreement shall be Bill Bartlett at First American Title & Escrow Company which is located at 612 Harrison Street, Suite 100, Sumner, Washington 98390, telephone number (253) 299-3993, facsimile number 866-526-0611, or such other closing/escrow agent as Seller may approve. Seller is allowed a special builder's rate on escrow fees if such company is used and these costs savings are reflected in the sales price of your new home. Buyer understands that Buyers rate may differ from Sellers cost because of the volume of sales Seller does.

11. **NEW HOME ORIENTATION:** Prior to the closing date of this Agreement, Seller will schedule a new home orientation with the Purchaser to explain the new home warranty program, required Purchaser maintenance and the operational procedures of the home's appliances, heating and plumbing systems. Due to the number of new homes constructed by Seller and the importance of this limited time available, the only parties that shall be permitted to attend the new home orientation shall be the Purchaser's and the Seller's trained representatives. No other family members, representatives or real estate agents are permitted to attend this orientation session. In the event Purchaser elects to have a home inspection conducted of the property prior to closing, such inspection will waive the typical orientation offered by Seller and in such event, Purchaser and Seller's representative will conduct, prior to closing, a limited orientation.

12. **LOCATION OF HOME ON SITE:** BUILDER shall have sole responsibility and authority to locate the house on the lot, observing curb appeal, drive location, existing trees, topography, set back requirements and opposite side attached home requirements. If site condition does not allow for the house to be built as per plan, BUILDER reserves the right to void the earnest money agreement and refund earnest money deposit to buyer.

13. **WARRANTIES:**

A. Seller warrants that all labor, materials and taxes will be paid for and there will be no potential lien claimants upon the completion of the work and final payment by the Purchaser. All work will be performed in a commercially reasonable manner. For a period of twelve (12) months from the date of the date of closing of the Agreement, Seller will promptly return to the project and repair or replace, as necessary, any defective workmanship as defined in Sellers written limited warranty (See Limited 1 year Warranty agreement) at the Seller's sole expense. Seller's warranty is for a period of twelve (12) months from the date of the closing of this Agreement and thereafter expires. Any claim or cause of action arising under the terms of this Agreement, including the warranty, must be filed in a court of competent jurisdiction within four (4) months from the expiration of this warranty. Any unresolved, unasserted or undiscovered claim or cause of action which is not filed timely is waived. Warranty work performed by the Seller does not extend the warranty. The warranty is void if a person or firm other than this Seller performs or re-performs any work within the scope of this Agreement, including but not limited to Purchaser altering the grade of the lot and condition of landscaping as originally installed by Seller. The Seller is not responsible for consequential damages. This warranty is non-transferable. THIS WARRANTY IS GIVEN IN LIEU OF ANY EXPRESS OR IMPLIED WARRANTIES OTHERWISE

PROVIDED UNDER THE LAWS OF WASHINGTON. PURCHASER HAS NO WARRANTY CLAIMS AGAINST THE LAND OWNER OR ANY OTHER PARTY OTHER THAN THE SELLER.

B. Manufactured or consumer products such as roofing materials, appliances, hardware, siding materials, window, heating and mechanical systems, fixtures, etc. may be separately warranted by the manufacturers thereof and are not separately warranted by the Seller. In the event that the Purchaser encounters a defect in a manufactured or supplied product, the Seller shall cooperate providing to Purchaser information on how Purchaser may directly apply to the manufacturer or supplier for repair or replacement of these products pursuant to the particular manufacturer's or distributor's warranty.

Purchaser acknowledges receipt of Seller's written warranty and agrees to review and accept the terms of said warranty prior to closing.

C. Squeaks. Floors are nailed in a special manner to try to eliminate squeaking. Purchaser should be aware, however, that it is virtually impossible to "squeak proof" a wood-floored structure.

D. Wood Floors. Wood floors are beautiful but have drawbacks. One such drawback is possible warp age and cupping which may result from a moisture variation of as little as two percent (2%). Builder will be responsible for wood floors until closing at which time Purchaser will assume responsibility for any warping or cupping which may occur.

E. Concrete. Although Builder uses every possible precaution to prevent cracking there is no such thing as "crack-proof" concrete. Thus concrete driveways, walkways, patios, garage floors, etc., are considered a non-warranted item.

F. Purchaser Maintenance of Tile Countertops, Shower/Bath Surrounds, and Caulking. Tile offers longevity and great durability, as well as beauty, with very minor maintenance. Tile manufacturers recommend that tile and grout be cleaned four times yearly with a Tile Grout Cleaner. Repairs to the grout, if needed, may be done at these times. The tile and grout should then be resealed with two coats of Silicone Sealer and a check made for any cracks which need caulking. Furthermore, the grout applied around tile is porous and may absorb kitchen/bathroom stains permanently. Choice of dark grout may help alleviate this problem.

Of particular importance is the caulking of tub and shower areas every six months which will prevent moisture from seeping into the sub floor and/or underlayment thereby causing delamination and/or dry rot. The caulking of these areas is the Purchaser's responsibility and needs to be completed in order to keep Builder's warranty in effect. Damage occurring as direct result of lack of

maintenance of tile silicone sealer or caulking will void any Builder warranty.

- G. Gypsum Wallboard/Dryboard. Small cracks in GWD inevitably occur throughout the drying and settling process. Builder will repair these cracks One (1) time during the first year of warranty. It is suggested that Purchaser delay this repair process for close to one year following closing in order to allow maximum drying and settling. After this one-time repair Builder shall have no further responsibility.
 - H. Siding. Siding dimensions vary with changing weather conditions, swelling in wet weather and shrinking in dry. Furthermore, the siding may shrink vertically to expose thin, unpainted siding below the butt of the beveled siding, a condition for which Builder offers no warranty.
 - I. Brick Facing (if applicable). The brick facing, both inside (if fireplace is bricked) and outside, is subject to minute hairline cracking. Such cracks, however, do not affect the looks, safety, or use of the facing or fireplace.
 - J. Vegetation. Builder's policy is to leave as many trees and as much natural ground cover as possible to enhance the environmental quality and appearance of the neighborhood. At the same time, all buildings must meet certain requirements with respect to grading and water drainage. Accordingly, all decisions regarding eliminating ground cover, retaining or cutting down trees, and grading must be left to Builder. Builder will strive to accommodate Purchaser in his/her desires while satisfying the requirements of the applicable inspection and/or good building practices to which Builder must conform.
 - K. Square Footage. Square footage referred to in plans, brochures, and MLS books is approximate and will vary depending upon the method of calculation. The square footage quoted shall be used only as a guideline and should not be relied upon in making a decision to purchase a new home.
- 13a. Non-Warranted Items; also see: (Limited 1 year Warranty and F.A.Q.'s).
- a. Landscaping in place at the time of possession is not warranted by Builder and is the sole responsibility of the Purchaser.
 - b. Wood flooring in kitchen and bathroom(s) is excluded from Builder's warranty (refer to Item D).
 - c. Concrete garage floors, driveways, walkways, and patios are non-warranted items (refer to Item E).
 - d. Builder does not warrant for abuse, alteration, accident, damage, wear and tear, or frozen pipes.
 - e. Siding exposure caused by vertical shrinkage (refer to Item H). There are no other warranties; express or implied, including implied warranty of habitability.
 - f. Inconsistencies in the transfer of the HOA to the homeowners

g. Purchaser acknowledges receiving a copy of the Limited one-year warranty.

14. **HOMEOWNER'S ASSOCIATION & DUES:** It is understood that all owners of lots within McKinley Hillside View will become members of the McKinley Hillside View Homeowner's Association. The homeowner's association is a non-profit corporation organized and existing under the laws of the State of Washington. The Association will provide for the assessment and collection of \$500 from each Purchaser, at closing - \$250 of which shall be a non-refundable capital contribution, which will be paid directly to the HOA, and \$250 of which shall be reimbursed to the Builder for expenses paid to the HOA. The Association will also assess annual dues to each member to maintain and improve the common areas. The dues of the Association are in the amount of \$250 per year and will be pro-rated for the year at closing.

15. **SUBSTITUTION:** Seller reserves the right to substitute items of comparable quality or to make changes or modifications, as needed, to meet County, City, FHA, VA or Lender guidelines or codes, without prior notice to Purchaser.

16. **PLAN VARIATIONS:** No two homes are built exactly alike. It is not uncommon to have minor differences in the dimensions or style of concrete, landscaping, framing, cabinets etc. All homes are built with the same quality materials, but the above-mentioned items can and do vary from home to home. These variations are not considered defects and will not be changed. Print, web and/or hard copy advertisements are all subject to change without notification.

17. **PLANS ARE PROPERTY OF SELLER:** Plans, drawings, specifications and design materials shall remain the sole property of the Seller and will not be made available to the Purchaser.

18. **INSULATION:** As to homes permitted with applicable governmental authorities prior to July 1, 2002 and in accordance with Washington State Energy code requirements at the time of building permit and pursuant to Federal Trade Commission Regulations requirements, the following information shall be filled in by Seller: (If insulation is not yet selected, FTC regulations require Seller to furnish to Purchaser the information below in writing as soon as available.)

Wall Insulation:	Type: Batt	Thickness: 5 1/2"	R-Value: R-21
Ceiling Insulation:	Type: Batt/Blown	Thickness: 13"	R-Value: R-38
Other Insulation Data: Insulation installation specifications meet or exceed Washington State requirements.			

19. **UTILITIES PAID OUTSIDE OF ESCROW BY SELLER:** Seller acknowledges the obligation under RCW 60.80.010 to satisfy, upon closing, any lien or charge provided for by RCW 35.21.290, 35.67.200, 36.36.045, 36.89.090, 36.94.150, 56.16.100, 57.08.080, or 87.03.445. Seller agrees to satisfy any such liens or charges outside of closing and Seller and Purchaser hereby waive the right to have escrow closing agent

administer the payment of such liens or charges as provided under RCW 60.80. Closing agent shall not be held liable or responsible in connection with the same now or hereafter the close of escrow.

20. **WAIVER OF REAL PROPERTY TRANSFER DISCLOSURE STATEMENT:**

Buyer has received a blank Property Disclosure Statement from Selling Agent for informational purposes. **All questions referred to in “Environmental Section” have an answer of “no”.** Buyer understands that due to the fact this home is a new construction home, there is not a completed Property Disclosure Statement. Purchasers waive their right to receive a Real Property Transfer Disclosure Statement as provided in RCW 64.06 et. seq.

21. **POSSESSION:** Purchaser shall be entitled to possession of their new home on the closing date as defined in Section 2 above. In the event that Purchaser desires to take possession of their new home prior to the actual closing date, Seller may agree, at Seller’s exclusive option, to allow Purchasers to move into their new home prior to the actual closing date only if 1) Purchaser has signed all closing documents at escrow and has deposited all funds required for closing with the designated escrow company, 2) the home is fully completed and the Seller has received a final certificate of occupancy from all applicable governmental agencies, 3) the Purchaser provides Seller with verification of insurance coverage in an amount not less than the purchase price naming Seller as an additional loss payee for the period prior to the actual closing date, and 4) Purchaser executes a pre-closing rental agreement in a form approved by Seller and agrees to prepay rent to Seller in the amount of \$85.00 per day from and inclusive of each day Purchaser is granted possession of their new home prior to the actual closing date of the Agreement, said rental amount to be in addition to all other sums represented by this Agreement and all rents pre-paid by Purchaser shall be pro-rated and any excess rent paid shall be refunded to Purchaser within five (5) days after the closing date.

22. **AGENCY:** Both Seller and Purchaser acknowledges that the selling real estate agent represents Purchaser exclusively and not the Seller and that the listing agent represents Seller exclusively and not the Purchaser. If selling agent and listing agent are different licensees affiliated with the same real estate broker, then both Seller and Purchaser consent to said broker acting as a dual agent. Both Seller and Purchaser acknowledge receipt of a copy of the pamphlet entitled “The Law of Real Estate Agency.” **Principals of the Seller are licensed real estate agents/brokers in the state of Washington. Bill Riley Communities Family, LLC contractor number is BRCFAFL901QQ.**

23. **PURCHASER'S EXCLUSIVE REMEDY:** IN THE EVENT OF ANY DISPUTE OF ANY KIND REGARDING THIS AGREEMENT, THE PURCHASER'S SOLE AND EXCLUSIVE LEGAL AND EQUITABLE REMEDY SHALL BE THE RESCISSION OF THIS AGREEMENT AND THE RELEASE BY SELLER OF ANY CLAIM OR INTEREST IN THE EARNEST MONEY DEPOSIT PAID BY PURCHASER (RCW 64.04.005).

24. **WALK THROUGH:** It is the goal of Bill Riley Communities Family, LLC (BRCF) to offer a high level of customer service providing the buyer with efficient and professional work. Prior to occupancy of the home located at _____, a walk-through condition report will be completed, agreed upon by both parties and signed by the Buyer and Seller (or agent of the Seller). This report shall serve as a final checklist for acceptance of the home by the Purchaser prior to closing the transaction. It is understood that all appointments with the building representative will be made during normal business hours.

25. **DISCLAIMER:** Although we strive to be accurate in our advertisement and disclosures either because of timing of notices and/or inconsistencies in house plans we are not able to at times accurately meet the customer expectations. Every home will have some inconsistencies and/or some features we have elected not to include. The Buyer is advised that if there are features in a particular home they are interested in please specifically address those items in writing. Closing is predicated upon construction financing obtained by Seller.

26. **MISCELLANEOUS:** SSB6409 OUTLINES REQUIREMENTS YOU MUST FOLLOW BEFORE YOU MAY FILE A LAWSUIT FOR DEFECTIVE CONSTRUCTION AGAINST THE SELLER OR BUILDER OF YOUR HOME. FORTY-FIVE DAYS BEFORE YOU FILE YOUR LAWSUIT, YOU MUST DELIVER TO THE SELLER OR BUILDER A WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS YOU ALLEGE ARE DEFECTIVE AND PROVIDE YOUR SELLER OR BUILDER THE OPPORTUNITY TO MAKE AN OFFER TO REPAIR OR PAY FOR THE DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY THE BUILDER OR SELLER. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER STATE LAW, AND FAILURE TO FOLLOW THEM MAY AFFECT YOUR ABILITY TO FILE A LAWSUIT.

Selling agent understands that Real Estate commissions are paid on the list (Base) price of the home or sales price, whichever is less.

Selling Agent Signature

27. **INTERPRETATION:** This Addendum shall supersede and prevail in any conflict between the Agreement to which this Addendum is attached and made a part of. Only handwritten or typed changes to the Agreement or this addendum shall have effect, provided that both Purchaser and Seller initial them.

All other terms and conditions of said Agreement remain the same and unchanged.

DATED this _____ day of _____, 200__.

SELLER:

BUYER:

By: _____
