

Donati Builder Addendum

The following is part of the Purchase & Sale Agreement dated _____

Between Seller: **Landsverk Quality Homes, Inc.**

And Buyer: _____ for the Property

located at: _____

If a recorded legal description of the subject property is not available upon mutual acceptance of the Purchase and Sale Agreement, then both Buyer and Seller agree to allow Seller to insert the recorded legal description into Exhibit A of the Purchase and Sale Agreement upon recording and prior to closing.

It is agreed between Seller and Buyer as follows:

1) Earnest Money:

Earnest Money shall be a minimum of \$10,000.00 and the Earnest Money shall be deposited into Closing Agent (Chicago Title & Escrow) trust account. Should all or any of the Earnest Money be retained as liquidated damages, the full amount retained shall be paid to the Seller exclusively. In the event of default by Buyer, Seller elects to retain the total sum of Earnest money as liquidated damages, in addition to any deposits to which Seller is entitled as provided herein (including all paid in full upgrades).

2) Title Company & Escrow Company:

Buyer will receive a copy of the title report from:

Chicago Title
4100 194th St SW Suite #230
Lynnwood, WA 98036
(425) 775-1840

The Escrow Company for this property is Chicago Escrow. Their address is:

Closer: Jennifer Nilson
4100 194th St SW Suite #230
Lynnwood, WA 98036
(425) 697-8954
Jennifer.Nilsen@Ctt.com

Due to annual volume discounts, Seller pays builder rate plus tax for their escrow and title fees. Buyers will pay their normal portion.

3) Per Diem:

Should the closing be delayed by the Buyer or the Buyer's lender through no fault of the Seller, then the Closing Agent is instructed to charge the Buyer a \$250.00 (two hundred and fifty dollars) per diem for every day delayed beyond the original agreed closing date of the Purchase and Sale Agreement.

Buyer's Initials Date Buyer's Initials Date Seller's Initials Date Seller's Initials Date

4) Utilities:

Buyer agrees to waive services of Closing Agent for payment of utilities (Item 12 on Residential PSA Form 21). All utility companies will be notified by Seller of the closing date. Buyer must also call to have the utilities put into their name or the utility company might turn the service off. Seller will pay the closing bill for any fees owed during Seller’s ownership of the home upon receiving a bill from the utility company.

5) Financing Deadline:

The Financing Addendum (Form 22A) **shall conclusively be deemed waived** unless within 21 days after mutual acceptance of this agreement, Buyer has given notice to Seller that Buyer is unable to obtain financing, then the financing contingency shall be deemed waived. If Buyer provides written notice that the Buyer is unable to obtain financing within the above referenced time frame and includes with said notice a letter of declination from the Buyer’s lender, then this agreement shall terminate and the Earnest Money shall be returned to the Buyer. This paragraph supersedes Financing Addendum (Form 22A).

6) Preferred Lender:

There are two Preferred Lenders for this community. If Buyer chooses to get their home loan with either Preferred Lender, then Buyer will receive the benefits of using the Preferred Lender below.

By initialing here, Buyer(s) elects to take advantage of the benefits of using the preferred lender:

- 1) The per diem charge in paragraph 3 is waived by the Seller.
- 2) Earnest Money is lowered to a minimum of \$5,000.00 or more.
- 3) Paragraph 5 of this Builder Addendum shall be removed.
- 4) **IF financed with 1st Security Bank OR CMG Home Loans**, then this home qualifies for the Buyer advantage credit. Buyer(s) are entitled to receive up to 1-point credit from the lender at closing (this is in addition to any other incentives agreed upon between Buyer and Builder/Seller.)

Example: if financing \$450,000 your 1-point credit would equal \$4,500 from the Preferred Lender (1st Security Bank).

By initialing here, Buyer(s) elect to take advantage of this credit as well as the benefits outlined above.

The preferred lenders are:

1st Security Bank

Loan Officer: Alycia Edmonds
6920 220th St SW, Mountlake Terrace, WA 98043
Phone: (425) 697-8106
Email: Alycia.Edmonds@fsbwa.com

CMG Home Loans

Loan Officer: Ryan Wheelwright
Phone: (206) 909-1758
Email: RWheelwright@cmghomeloans.com

Initials: Buyer: _____ Buyer: _____

7) Access to Home:

Buyers are specifically prohibited from accessing the Property unless accompanied by Selling Agent or a Seller’s representative with a confirmed appointment. Buyer should recognize the Builder has a responsibility to keep a safe construction site for the contractors and the community. Construction sites are dangerous and Buyers may ENTER AT THEIR OWN RISK with a confirmed appointment. Buyer must obey all posted job site rules and warnings when visiting the job site. Prior to closing, Buyer and Buyer’s Agents are strictly prohibited from working on the property or directing others, including but not limited to Seller’s contractors working on the Property.

_____	_____	_____	_____	_____	_____	_____	_____
Buyer’s Initials	Date	Buyer’s Initials	Date	Seller’s Initials	Date	Seller’s Initials	Date

8) Inspections:

Buyer is entitled to conduct an inspection of the home either prior to getting under contract or no later than the Builder’s Initial Walkthrough. Buyer may bring any questions they have to the Builder’s Initial walkthrough and they will be addressed at that time. The Builder’s Initial Walkthrough occurs approximately one week prior to closing. The Buyer is NOT permitted to provide Seller/Builder any inspection reports. Buyer must bring any concerns regarding the inspection to the walkthrough and they will be verbally discussed at that time. Again, the builder will NOT review inspection reports.

9) Walkthroughs:

Prior to closing, buyer shall inspect the property with Seller or a designated representative of Seller and have the opportunity at that time to note any defects in construction. Except for defects warranted against pursuant to the Builder’s Home Warranty, and except for any defects noted on the inspection and acceptance report, Buyer agrees to accept the Property in the condition existing on the date of inspection. Buyer agrees that closing will not be delayed pending correction of any noted defects. These inspections will be scheduled during normal business hours (Monday-Friday 8:00am-4:00pm).

Since many homes are being completed on the day of closing, it is not always possible to correct all items before closing. This is the reason a walkthrough occurs prior to closing. All mutually agreed upon items will be corrected as soon as possible. Some items can be fixed immediately while others involve a subcontractor who needs to be notified for scheduled repairs. Buyer agrees to close on the Closing Date even if items noted on the Builder’s Final Walkthrough have not been completed by Seller.

In the walkthrough and also in the warranty certain items are maintenance items, not warranty items. The most common is caulking. Although windows, siding and various other items are caulked within the home; caulking shrinks as it ages and should be checked yearly. This is a maintenance item. Settling cracks are also a maintenance item. **(Please refer to the warranty manual for tolerances on settling cracks)**. The earth was disturbed to dig a foundation of the new home and as such will settle slightly during the life of your home.

Small cracks will appear at corners and around door frames and are not a major concern, they can easily be repaired by the homeowner. It is necessary to understand that touch-up paint on the outside or inside of the home will not be a perfect match. The minute the paint dries, it is subject to pollution, light, etc., all of which affect the color of the paint. Buyers can bring any questions or concerns they have to the walkthrough, they will be addressed at that time.

10) Insulation – New Construction:

Federal trade commission regulations require the following to be filled in. If insulation has not yet been selected, FTC regulations require Seller to furnish Buyer the following information:

- A) Exterior Wall – R-23 (blown-in)
- B) Ceiling – R-30 Batt + R-17 poly-iso (2 layers 1.5”) = R-47
- C) Unconditioned Floors – R-38

11) Color Variations:

The Buyer acknowledges that the Seller(s) surfaces are subject to availability as well as color variation and/or dye lot changes that occur either in nature or through manufacturing.

12) Floor Plan:

While floor plans may be the same in some houses, elevations can change and a plan may vary slightly due to the type of lot upon which the house is placed. Builder reserves the right to make changes as necessary. It is the Buyer’s responsibility to understand what they are buying before signing a Purchase and Sale Agreement. Builder may substitute products for like products should a particular item not be available or become too expensive. Certain components of every home constructed may vary from the model home. The model home and renderings are for general illustrative purposes only and are not exact representations of homes to be constructed. Interior

 Buyer’s Initials Date Buyer’s Initials Date Seller’s Initials Date Seller’s Initials Date

decorations, upgrades and furnishings in the model home are also for illustrative purposes to help the Buyer visualize the home and are not warranted to be accurate Model representations of future homes. Decorations, upgrades and furnishings are not included in this Agreement unless otherwise expressly set forth in the Purchase and Sale Agreement.

13) Weather & Construction Delays:

Weather is a condition that cannot be controlled. During certain times of the year, weather may be a factor that can delay closing. Construction changes and conditions can delay the original closing date as presented on the Purchase and Sale Agreement. If either weather or construction delays occur, Buyer agrees that Seller shall not be liable for the expiration of the Buyer’s loan commitment or for any penalties or fees forfeited by Buyer due to a change in Closing Date or for any other damages, costs, expenses or fees incurred by Buyer as a result of Seller’s failure to close on the Closing date set forth in the Purchase and Sale Agreement.

14) Closing Date:

Buyer acknowledges that the Closing Date outlined in the Purchase and Sale Agreement (Page 1 Item 11) is an estimated date. Seller may give by written notice to Buyer, in Seller’s sole and absolute discretion, extend the Closing Date. Buyer agrees to close on the Closing Date established by Seller. Seller shall make reasonable effort to complete the house and close on the Closing Date. In no event shall the closing date exceed nine (9) months from Mutual Acceptance of this Purchase and Sale Agreement, unless by mutual agreement by both parties. Buyer agrees that Seller shall not be liable for the expiration of the Buyer’s loan commitment or for any penalties or fees forfeited by Buyer due to a change in Closing Date or for any other damages, costs, expenses or fees incurred by Buyer as a result of Seller’s failure to close on the Closing date set forth in the Purchase and Sale Agreement.

15) Move In & Closing:

Keys are available from the Listing Agent once closing has occurred – closing is defined as Deed of Trust recorded and funds received by Seller or Seller’s financial institution.

In the event that the county recording office is unable to record closing documents on the Submission Date but the Title Insurance Company will issue title insurance that is effective on the Submission Date and the sale proceeds are made available to Seller, then Closing shall be deemed to have occurred on the Submission Date. The parties are advised to confer with their respective property and casualty insurers to ensure that all desired coverages will be effective as of the date of Closing.

16) Buyer Broker Compensation:

Any Buyer Broker Compensation shall be paid on the Net Purchase Price (less any Seller upgrades or closing costs, included in the Purchase Price). The BBC will be paid on two levels as identified in the Builder’s Site Registration Policy. Level 1 is a full BBC paid at 2.5% and Level 2 is a BBC paid at 1%. Buyer Broker’s Compensation will be paid out as identified in 17B on page 1 of this Purchase and Sale Agreement and is subject to the compliance with the Site Registration Policy.

17) Common Interest Community:

This Property is part of a Common Interest Community (“CIC”) as defined in RCW 64.90.

- A) CIC’s include certain condominium, cooperative, plat, leasehold, and miscellaneous communities created after July 1, 2018 or CIC’s created before July 1, 2018 that have amended their governing documents to provide that RCW 64.90 will apply.
- B) Buyer acknowledges that they will receive a Public Offering Statement (POS) which will include copies of the Codes, Covenants & Restrictions (CC&R’s) for Donati Homeowners’ Association within 15 days of mutual acceptance. If Buyer, in Buyer’s sole discretion, does not give notice of disapproval within 7 days of receipt of the POS, then the POS review period shall conclusively be deemed satisfied (waived). If Buyer gives timely notice of disapproval, then this Agreement shall terminate and the Earnest Money shall be refunded to the Buyer.
- C) The association assessment is \$115.00 per month. Buyer to deposit \$460.00 (equal to 4 months assessment) at closing for the initial contribution to the homeowner association.

_____	_____	_____	_____	_____	_____	_____	_____
Buyer’s Initials	Date	Buyer’s Initials	Date	Seller’s Initials	Date	Seller’s Initials	Date

18) Precedence:

Should there be any conflict between this addendum and any terms of the listing agreement or the Purchase and Sale Agreement, this addendum shall prevail.

Manufacturers Warranties: Seller shall assign to Buyer any warranties issued by the manufacturer covering equipment installed by or on behalf of Seller.

19) Warranty:

Seller to provide Buyer a builder-backed warranty administered by 2-10 Home Buyers Warranty Corp.

- A) Superseding Agreement: The provisions of this addendum are a material consideration for the Builder/Seller to enter into the purchase contract to which this addendum is attached and such provisions supersede and preempt any and all different or inconsistent provisions in the purchase contract.
- B) The Builder-Backed Warranty: At or about close of escrow, Builder/Seller will purchase for Buyer(s) a builder-backed warranty administered by 2-10 Home Buyers Warranty Corporation ("2-10 HBW®"). The builder-backed warranty is a limited warranty that provides one-year workmanship, one-year systems and qualifying structural defect coverage for certain construction defects in the subject home. The structural defect coverage expires on the date the Builder/Seller's liability expires under the state statute of repose. As consideration for the builder-backed warranty, Buyer(s) agrees to the provisions of this addendum, which supersede any different or inconsistent provisions in the purchase contract. Buyer(s) represents that they have been furnished with a copy of the builder-backed warranty and have had an opportunity to read and understand it, including the binding arbitration agreement contained in it, before signing this addendum.
- C) Manufacturers Warranties: Seller shall assign to Buyer any warranties issued by the manufacturer covering equipment installed by or on behalf of Seller.
- D) Deviations from Plans: So long as the improvements are completed substantially in accordance with the plans and specifications, minor deviations and variations involving painting, floor coverings, cabinets, plumbing and electrical fixtures, hardware and other decoration and finish work shall not be considered defects.
- E) Site Work/Vegetation: Landscaping, trees and vegetation, any remaining at close of this Purchase Agreement may not survive and may need to be replaced at the SOLE expense of the owner.
- F) Arbitration Agreement: Any and all claims or disputes between Builder/Seller, Buyer(s), and/or 2-10 HBW® arising from or relating to the Builder-Backed Warranty, Purchase Contract, the Home, the real property on which it is located, and any common elements in which the Buyer(s) has an interest, including without limitation, any claim of negligent or intentional misrepresentation, shall be settled by binding arbitration. The arbitration shall be conducted by Construction Dispute Resolution Services LLC, or DeMars & Associates, Ltd, or some other mutually agreeable service. The decision of the arbitrators shall be final and binding and may be entered as a judgement in any state or federal court of competent jurisdiction. Any person in contractual privity with the Builder/Seller whom the Buyer(s) contends is responsible for any construction defect in the home shall be entitled to enforce this arbitration agreement. The Builder/Seller and Buyer(s) agree that this agreement and arbitration provision involve and concern interstate commerce and are governed by the provisions of the federal arbitration act (9 U.S.C. §§ 1-16), to the exclusion of any different or inconsistent state or local law, ordinance or judicial rule.

_____	_____	_____	_____	_____	_____	_____	_____
Buyer's Initials	Date	Buyer's Initials	Date	Seller's Initials	Date	Seller's Initials	Date

By signing this addendum, Buyer(s) agrees to all terms of the arbitration agreement and waive their right to a jury trial or class action litigation.

20) Construction Professional Right to Offer to Cure Defects – Notice to Homeowner:

- 1) The construction professional shall provide notice to each homeowner upon entering into a contract for sale, construction, or substantial remodel of a residence, of the construction professional’s right to offer to cure construction defects before a homeowner may commence litigation against the construction professional. Such notice shall be conspicuous and may be included as part of the underlying contract signed by the homeowner. In the sale of a condominium unit, the requirement for delivery of such notice shall be deemed satisfied if contained in a public offering statement delivered in accordance with chapter [64.34](#) RCW.
- 2) The notice required by this subsection shall be in substantially the following form:
CHAPTER [64.50](#) RCW CONTAINS IMPORTANT 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.
- 3) This chapter shall not preclude or bar any action if notice is not given to the homeowner as required by this section. [[2002 c 323 § 6.](#)]

Buyer’s Signature	Date	Buyer’s Signature	Date	Seller’s Signature	Date
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Landsverk Quality Homes, Inc.

Buyer’s Initials	Date	Buyer’s Initials	Date	Seller’s Initials	Date	Seller’s Initials	Date
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