

**PLAT OF CLOVER PARK & PLAT OF CLOVER PARK SOUTH**

**STANDARD ADDENDUM TO REAL ESTATE PURCHASE AND SALE AGREEMENT**

LEGAL ADVICE: This is a legally binding contract. The Agents are not licensed to practice law nor give legal advice. The parties are advised to consult with their own attorneys prior to signing this agreement.

The following is part of the Purchase and Sale Agreement dated \_\_\_\_\_, \_\_\_\_\_, between Mietzner Homes, Inc. ("Seller") and \_\_\_\_\_ ("Buyer") concerning the purchase and sale of Lot No. \_\_\_\_\_, Plat of \_\_\_\_\_ together with floor plan \_\_\_\_\_ in said plat.

- 1. **COMPLETION OF CONSTRUCTION.** Seller estimates, but does not represent or guarantee, that the home will be substantially completed and ready for legal occupancy by the Closing Date, as that date may be extended by Seller pursuant to Paragraph 2 below. If the home is not ready for legal occupancy on that date, either Buyer (as Buyer's sole remedy) or Seller pursuant to Paragraph 4 below may rescind this Agreement and, upon return of the earnest money, all parties shall be discharged from all obligations and liabilities hereunder. If construction of the home is substantially completed in accordance with Seller's plans and specifications by the Closing Date, Buyer agrees to close this sale even though defects, punch list items and similar work remain to be corrected and completed by Seller after closing.
- 2. **CLOSING DATE.** This transaction shall close on or before \_\_\_\_\_, \_\_\_\_\_ ("Closing Date"); provided, that Seller may at its option extend the Closing Date with no penalty whatsoever until the later of the following: (a) up to 60 days after that date; (b) up to 15 days following substantial completion of the home as evidenced by a certificate of occupancy issued for the home; or c) up to 15 days following satisfaction of any presale requirement established by Seller or Seller's lender. The Closing Date, as it may be extended by Seller, shall also be the Termination Date of this Agreement, which Termination Date shall in all events occur no later than 180 days after mutual acceptance of this Addendum. In the event that the Closing Date is extended at the request of the Buyer, Buyer shall pay to Seller at closing an extension fee of \$100.00 for each day the Closing Date is so extended; provided, that this fee will be waived if the extension is required by Seller exercising its right to extend as set forth in clauses (a), (b), or (c) above. If the Buyer defaults and fails to close on the Closing Date, then Seller shall have those remedies provided for under the Purchase and Sale Agreement.
- 3. **PRE-CLOSING INSPECTION.** Prior to occupancy (or prior to occupancy pursuant to a Pre-Closing Occupancy Agreement executed by Seller and Buyer), Buyer shall inspect the Property with Seller or a designated representative of Seller and, except for defects warranted against pursuant to Paragraph 7 below, 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 such defects.
- 4. **REFUND OF DEPOSIT.** In the event Seller shall, for any reason whatsoever, fail or be unable to convey the home or otherwise close the transaction in accordance with the terms and conditions of this Agreement or within the time requirement set forth in this Agreement, either Buyer (as Buyer's sole remedy) or Seller may elect to rescind this Agreement in writing and all monies paid pursuant hereto shall be refunded. Upon such refund being made to the Buyer, this Agreement shall be canceled and neither the Seller nor the Seller's agent shall be under any other, further

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or continuing obligation or liability whatsoever to the Buyer for any damage (including without limitation moving costs, temporary housing costs, loss of financing or increase in interest rates) that the Buyer may have sustained by reason of the Seller's failure or inability to comply with the terms and conditions hereof, and each of the parties shall thereby be released from any and all claims by the other of any kind or nature.

- 5. **REPRESENTATIONS.** There are no other express or implied agreements, promises or representations except as set forth herein, or in another written document executed by Seller and Buyer. Buyer and all agents acknowledge that no agent, job superintendent, contractor or subcontractor has authority to make, or has made, any agreement, promise or representation on behalf of the Seller.
- 6. **OTHER PROVISIONS.** Jeffrey W. Mietzner, an owner of Mietzner Homes, Inc., is a licensed Real Estate Broker and owner of HomeMarketing, Inc. Karen Orkney, an owner of Mietzner Homes, Inc., is a licensed Real Estate Agent and owner of HomeMarketing, Inc.
- 7. **LIMITED EXPRESS WARRANTIES.** Buyer has been provided a copy of "The Washington Warranty" booklet by Residential Warranty Corporation (6-Year limited Warranty (RWC Warranty)), as of the date of the execution of this Agreement and is incorporated by reference, and made a part of this Agreement. Buyer has read, understands, agrees to, and accepts this Warranty Agreement. The RWC Warranty is the sole warranty provided to Buyer. Any other warranty or warranties, whether express or implied, including any implied warranty of habitability, are hereby disclaimed by Seller and waived by Buyer in consideration of the RWC Warranty made a part of this Agreement. Buyer hereby acknowledges having received, read, and understood and agreed to the warranties contained in the booklet, as of the date of execution of this Agreement. Buyer understands and agrees that the Seller/Builder will only be responsible for those items specifically listed in the above Warranty Agreement. Buyer further agrees that all claims, disputes and controversies between Buyer and Seller arising from or related to the subject property, identified herein, or to any defect in or to the subject home or the real property on which the subject home is situated, or the sale of the subject home by Seller, including but not limited to, any claim for breach of contract, negligent or intentional misrepresentation, any claim for breach of the implied warranted habitability, shall be submitted to binding arbitration by and pursuant to the arbitration provisions contained in the most recent edition of the RWC Warranty Booklet, as of the date of the execution of this Agreement. As set forth in the RWC Warranty Booklet, binding arbitration of disputes which arise after the close of escrow will be accomplished pursuant to the rules of Construction Arbitration Services ("CAS"), in effect at the time of the request for arbitration. This arbitration agreement shall be governed by the Federal Arbitration Act, to the exclusion of any inconsistent state law.
- 7. **NOTICE REQUIRED BY RCW 64.50.050.** Chapter 64.50 RCW contains important requirements you must follow before you file a lawsuit for defective construction against the Seller or Builder of your home. Forty-five (45) 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 Seller or Builder. There are strict deadlines and procedures under State Law, and failure to follow them may affect your ability to file a lawsuit.
- 8. **MODEL HOMES.** Model homes, if any, and appurtenances and furnishings thereto, are displayed only for illustration purposes and shall not be deemed to be an agreement or commitment by Seller to deliver the Property being purchased by Buyer in accordance with any such Model homes, and appurtenances and furnishing thereto. None of the furnishings, decorations or other appurtenances in or to any Model homes is included in this Agreement, unless Seller herein (or hereinafter) agrees in writing to deliver the same as part of the purchase price.

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- 9. **SITE WORK, VEGETATION.** Trees and vegetation, if any, even if remaining at close of purchase, escrow and occupancy, may not survive and may need to be replaced at the expense of each Lot Owner.
- 10. **BUILDING PERMITS.** The Purchase & Sale Agreement is conditioned upon obtaining a building permit and meeting bulk regulation requirements of its city, state or county.
- 11. **BUYER'S ACCESS PRIOR TO CLOSING.** Prior to closing (or prior to occupancy pursuant to a Pre-Closing Occupancy Agreement executed by Seller and Buyer), Seller or Selling Agent must accompany Buyer whenever accessing the Property. Prior to closing, only employees and contractors of Seller (acting pursuant to written instructions of Seller) are authorized to work on the Property and Buyer and Buyer's agents are expressly denied permission to work on the Property.
- 12. **ADDENDUM CONTROLS.** The provisions of this Addendum shall control over any conflicting provisions of the Agreement or any other written document.
- 13. **RISK OF LOSS.** All risks of loss shall be upon the Seller until closing or early occupancy by Buyer, whichever first occurs.
- 14. **TIME OF ESSENCE.** Time is of the essence of this agreement.
- 15. **INSULATION.** To code in effect when permit is purchased.
- 16. **SELLER'S EXISTING MORTGAGE.** Buyer is advised that there may be an underlying mortgage (or other) loan on this property. Buyer understands that all of the terms and provisions of this Agreement are and shall be subordinated to the lien of any such existing mortgage, but, if this transaction is consummated, Seller shall cause such mortgage to be partially released upon closing to the extent of Buyer's interest purchased. Buyer fully understands that consummation of this transaction may be subject to satisfaction of a presale requirement established by Seller or Seller's mortgagee and Seller acquiring clear title to the property.
- 17. **TITLE INSURANCE/ESCROW/FINANCING.** Title insurance shall be provided by Pacific Northwest Title Company. Escrow agent shall be Realty Escrow. Buyer shall pay one-half the normal scheduled escrow fee. Seller shall be entitled to any builder's discount on the escrow fee. If this Agreement is contingent on financing, Buyer agrees to make an application for such financing through a lender which is on the list approved by Seller for this project. Buyer consents to any lender with whom Buyer has made a loan application informing Seller and Agents as to the status of the application. Buyer must be pre-qualified by the lender within ten (10) days of application. If Buyer is not pre-qualified within the ten (10) day period, this agreement may be terminated at the Seller's option. Seller reserves the right to change the approved title insurer, escrow agent and /or lender; use of any other title insurer, escrow agent and/or lender must be approved in advance by Seller in writing.
- 18. **ESCROW OF DEPOSITS.** Any deposits made in connection with the purchase of the home shall be placed and held in escrow.
- 19. **REAL ESTATE TAXES PRORATED.** Real Estate taxes shall be prorated between Seller and Buyer as of the date of closing.

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- 20. BUYER'S EXTRAS.** Seller and Buyer shall meet within seven (7) days after mutual acceptance of this Agreement to determine costs of Buyer's extras, if any. Said costs shall be itemized in writing, approved by Buyer and Seller and attached hereto as an Addendum. One hundred (100%) percent of said costs shall be paid immediately upon Agreement in cash, as a non-refundable deposit to Seller.
  
- 21. CONSTRUCTION.** Seller reserves the right of product or design change without notice or obligation.
  
- 22. ASSESSMENT.** Buyer acknowledges this plat belongs to the Clover Park Homeowners Association and the initial Association assessment shall be \$200 per lot. Said sum shall be assessed and collected from the initial purchaser of each lot. Said sum shall be collected from Escrow upon the closing of each sale and deposited with Keybank to be held until the transition of the Association to the homeowners occurs.
  
- 23. COMMENCEMENT OF CONSTRUCTION.** Buyer and Seller acknowledge that, upon payment of the deposit, Seller will commence construction of the residence for the Buyer and will incur costs in amounts which are difficult or impossible to determine with any accuracy. Accordingly, upon termination of this Agreement by Buyer for any reason other than breach by Seller, the entire deposit shall be retained by Seller as liquidated damages, actual damages being incapable or difficult of accurate estimation.
  
- 24. KING COUNTY METRO SEWER CAPACITY CHARGE.** Buyer acknowledges this plat has a King County Metro Sewer Capacity charge for each individual lot and it is the responsibility of each lot owner to pay. Buyer may contact Metro Sewer Capacity at 206.296.1450 for their exact assessment and for more information.
  
- 25. EARNEST MONEY.** The Earnest Money shall be held by and made payable to Realty Escrow, Inc.
  
- 26. TITLE INSURANCE.** 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) from the Title Insurance Company. The Title Insurance Company is to send a copy of the preliminary commitment to both Listing Agent and Selling Licensee. The preliminary commitment, and the title policy to be issued, shall contain no exceptions other than the General Exclusions and Exceptions in the Policy and Special Exceptions consistent with the Condition of Title herein provided. If title cannot be made so insurable prior to the Closing Date, then as Buyer's sole and exclusive remedy, the Earnest Money shall, unless Buyer elects to waive such defects or encumbrances, be refunded to the Buyer, less any unpaid costs described in this Agreement, and this Agreement shall thereupon be terminated. Buyer shall have no right to specific performance or damages as a consequence of Seller's inability to provide insurable title.

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