

Evergreen State Builders LLC- Addendum A

Evergreen Addendum A- 2/23/2007 - final

1 The following is part of the PURCHASE AND SALE AGREEMENT, dated _____,
2 between Evergreen State Builders LLC (Seller) and _____
3 (Buyer) concerning the property legally described as: **Lot** ____ **Plat** of _____
4 in _____ County, Washington, with Home Plan # _____ on it.

5 **IT AS AGREED BETWEEN BUYER AND SELLER AS FOLLOWS:**

6 **1. Earnest Money:** Earnest Money shall be **\$3,500** paid directly to Puget Sound Title and
7 Escrow. Buyer authorizes Puget Sound Title to immediately release Earnest Money to
8 Evergreen State Builders LLC once the following condition has been met: Removal of the
9 financing contingency or 20 days after Mutual Acceptance, whichever is first. Earnest Money
10 deposits are credited to the Buyer at closing. Once Earnest Money is released to Seller it is
11 considered a non-refundable construction deposit

12 **2. Title Insurance** shall be ordered through **Puget Sound Title**, 811 South Hill Park Dr. #B,
13 Puyallup, WA 98373, office # 253-474-4747 Fax # 253-446-0482 for Pierce County
14 transactions or **First American Title Company**, 4200 6th Avenue SE, Ste 201, Lacey,
15 Washington 98503. Office # 360-491-2441 Fax # 360-491-2431 for Thurston County
16 transactions.

17 **3. Closing Agent** shall be **Puget Sound Title and Escrow**, 811 South Hill Park Dr. #B,
18 Puyallup, WA 98373. Office # 360-474-4747 Fax # 253-446-0482. Buyer is aware that the
19 Seller receives a Builder's discount rate on the escrow fee which does not affect Buyer's
20 normal competitive rate. Seller is on the Board of Directors at Puget Sound Title and Escrow.

21 **4. Completion, Closing and Possession:** The closing date contained in this agreement is
22 only a best estimate of completion. The exact completion date is not guaranteed.
23 **Completion** is defined as when a **Certificate Of Occupancy** is issued by the permitting
24 authority. Once the **Certificate of Occupancy** is issued, the Buyer must **close** within 5 days
25 or pay a penalty of \$150 per day to Evergreen State Builders. Once the transaction is
26 **closed** and recording numbers have been reported to the Seller, the Buyer may take
27 **possession** of the home. Keys will be available to the Buyer once recording numbers are
28 confirmed.

29 **4A. Automatic Extension:** If the Transaction cannot close by the ____ day of
30 _____, 20___. And Seller elects not to terminate Agreement, then the Buyer and
31 Seller hereby mutually agree upon an automatic extension until Seller has obtained a
32 Certificate of Occupancy or in any event no later than 4 months from the above
33 mentioned date.

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Buyer: _____ Date: _____

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34 **5.Financing:**

35 **5a. Preferred Lender: Evergreen State Builders LLC** has selected Community One
36 Financial, 9317 113th St E, Suite B, Puyallup, WA 98373, 253-770-2282, as their
37 **Preferred Lender.** The Buyer is not obligated to use the Preferred Lender.

38 **5b. Other Lenders:** The Buyer is free to select any other lender and is not obligated to
39 use the Preferred Lender.

40 **5c. Loan Application within Three Days:** The Buyer must make loan application
41 with Community One Financial, and any other lender, within three (3) days of mutual
42 acceptance of this offer. A loan qualification/pre-approval letter must be provided to
43 Evergreen State Builders by Community One Financial, and any other lender, within 5
44 days of mutual acceptance.

45 **5d. Selection of Lender and Loan Qualification. Pre-Approval Letter:** The Buyer
46 must notify the Seller of selection of lender by providing an acceptable loan
47 Qualification/Pre-Approval letter from that lender to the Seller within twenty (20) days
48 of mutual acceptance. If an acceptable letter is not received in this time, the Buyer
49 must waive any financing contingencies or the Seller may rescind this agreement and
50 return the earnest money. The Buyer may not change lenders without written approval
51 of the Seller.

52 **5e. Lender Fees:** Seller will not pay any fee of any nature to purchaser's lender
53 unless expressly agreed in this agreement.

54 **5f. VA Financing:** The Purchaser will finance the VA Funding Fee, and it is
55 understood that this fee is not part of the purchase price herein. Any and all Seller
56 paid closing cost on the Purchaser's behalf such as escrow fee shall be deducted from
57 any other builder credits.

58 **5g. Affiliated Business Arrangement:** The Principle of Evergreen State Builders
59 owns an interest in SJ Lending, Ltd. dba Community One Financial, Ltd and because
60 of this relationship, this referral may provide The Principle of Evergreen State Builders
61 with a financial benefit. Set forth below are the estimated charges or range of charges
62 for the settlement services listed. You are not required to use Community One
63 Financial, as a condition for purchase of the subject property. However, should you
64 choose Community One Financial, as your provider, Evergreen State Builders may
65 pay additional incentives. THERE ARE OTHER MORTGAGE SERVICE PROVIDERS
66 AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO COMPARE
67 COMMUNITY ONE FINANCIAL WITH OTHER MORTGAGE PROVIDERS TO
68 DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST
69 RATE FOR THESE SERVICES.

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5h. Community One Financial Settlement Services & Costs

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	Conventional	FHA	VA
Loan Origination Fee	Typically 1% of loan amount	Same	Same
Application Fee	\$0	N/A	N/A
Appraisal Fee	\$400	\$450	\$400
Credit Report Fee	N/A	\$60	\$60
Processing Fee	\$0	N/A	N/A
Underwriting Fee	\$0	N/A	N/A
Administration Fee	\$0	N/A	N/A
Flood Cert Fee	N/A	\$10	\$10
Final Inspection	\$0	\$65	\$75
Attorney Fee	\$0	\$175	\$175

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5i. Selection of Community One Financial: Buyers who select Community One Financial will receive the following additional incentives at closing:

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- Special Financing Package (If one is offered) OR
- Evergreen State Builders will provide \$_____ credit at closing for closing costs or upgrades.
- If using credit for upgrades, upgrade deposit amount will not be reduced
- Community One Financial will provide \$1,000 for Closing Cost Credit or free rate lock extension.
- Evergreen State Builders will provide a reduction of required non-refundable option/upgrade deposits. (See Paragraph 6c.)

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5j. Forfeit of incentives: If Buyer receives incentives for using Community One Financial and changes lenders prior to closing, all incentives received are forfeited and all deposits owed are due and payable immediately. If payment is not made within five (5) days of approval of change of lender, Builder may at his sole option terminate this agreement and retain all deposits.

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5k. Price increase to cover closing costs: In the event that the purchase price is raised to cover closing costs, an additional 10% will be added for the increased amount. Commissions are paid on the base price only.

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5l. Seller not responsible: The Seller is not responsible for the expiration of the Buyers' loan commitment, penalties, loan fees, rent, storage or any other costs or expenses due to the estimated completion date not being met.

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98 **5m. Buyer Responsibility to provide Selected Lender:** THE BUYER AGREES TO
99 PROVIDE SELECTED LENDER A SIGNED COPY OF THE MUTUALLY AGREED
100 UPON PURCHASE AND SALES AGREEMENT AND ALL ATTACHED ADDENDUMS.

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102 **6. Buyer Standard Selections & Upgrade Options:**

103 **6a. Buyer selections:** Within 10 days of mutual acceptance of this agreement the
104 buyer must contact the Design Consultant who will assist the Buyer with selecting
105 colors of carpet, countertops, tile (if applicable). Colors of lighting, and exterior base
106 and trim colors, providing seller has not already ordered these items. All colors must
107 be within Builder allowances and color schemes. **Upgrade credits are issued at**
108 **closing**

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110 6. b Please note that siding types and styles, exterior paint color and masonry are
111 determined by Seller for all homes in the community before any construction
112 commences in order to ensure an overall high quality design, and therefore changes
113 by Buyer(s) may not be accepted.

114 **6c. Upgrade Options selected paid in advance:** All upgrade options and terms of
115 payment shall be agreed upon and paid within 10 days of mutual acceptance of this
116 agreement. All upgrade options must be purchased through Evergreen State Builders.
117 The upgrade payments which are received by the seller are nonrefundable and will not
118 be refunded to the buyer. Option payments are as follows:

119 • Community One Clients: 50% Down Plus the balance on a promissory note due at
120 closing, rescission or change of lenders.

121 • Other Lender Clients: 75% Down Plus the balance on a promissory note due at
122 closing or rescission.

123 **6d. Appliances:** The stove/range, dishwasher, and microwave are included in the
124 base price of the home. All other appliances are options.

125 **6e. Unused Design Credits:** In the event that Seller provided upgrade credits that
126 are not fully used within 30 days of mutual acceptance of this agreement, the unused
127 portion will be credited to buyer in the form of closing costs at closing. If an upgrade is
128 not installed by the seller for any reason, the buyer will be refunded the money paid for
129 the upgrade as the buyers' sole and exclusive remedy.

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130 **6f. Option installation after closing:** Some options may be installed after closing.

131 **.6g. Model Homes:** Interior and exterior decorations, such as window coverings,
132 valances, furniture, washer, dryer, and refrigerator are displayed in the model home for
133 illustration purposes only. Model homes may also feature security systems, skylights,
134 decorative wall paint, optional cabinetry and millwork, upgraded landscaping, decking,
135 and/or patio, exterior lighting and/or lampposts, which are not included in the base
136 price of the home. The Buyer has received the Standard Features Addendum and has
137 not relied on verbal representation.

138 **6h. Requests for Modification:** 10 days after mutual acceptance any requests for
139 modifications or additional options/upgrades must be submitted to the builder in writing
140 and accompanied by a non refundable review fee of \$400.

141 **6i. Appraisal:** Should the appraised price not meet the agreed sales price due to
142 changes/upgrades the Buyer has selected, Buyer must pay the difference between the
143 sales and appraised price in cash directly to the Seller and proceed towards closing.
144 The above also applies in the event Buyer increases Purchase price to cover
145 additional closing costs as well. All commissions will be based on the original listed
146 price of the home.

147 **7. Construction:**

148 **7a. Home Placement:** The Seller has sole discretion as to the selection and
149 placement of the home on the lot. If the construction of the home is subject to the
150 approval of the Architectural Control Committee (ACC), Buyer agrees to abide by any
151 ACC ruling.

152 **7b. Plans & Designs:** Plans, drawings, specifications and design materials shall
153 remain the sole property of the builder and will not be available to purchaser.

154 **7c. No Verbal Representation:** All questions regarding the new home shall be
155 submitted to the Builder in writing and only written responses shall be relied upon.
156 Agents, Subcontractors, suppliers and Field Superintendents are not authorized to
157 make representations for the Builder and the Purchaser is cautioned not to make
158 verbal inquiries or rely on any verbal representations.

159 **7d. Insulation Values:** Ceiling R-38 at approximately 10", Wall R-21 at approximately
160 5-5/8" thick, Floor R-30 at approximately 9-1/2" thick.

161 **7e. No Property Access for Buyer:** Your home is a construction job site and is a
162 dangerous place. The property belongs to the Seller until closing. Only the builder
163 and the builders sub contractors and or suppliers are authorized to enter and to do
164 work on the home or premises for any reason. The Buyer agrees not to enter onto

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165 property during construction unless accompanied by an Evergreen State Builders
166 representative. Buyer is expressly denied permission to do any work on the property
167 prior to closing.

168 **7f. Questions about your home:** Questions will arise during completion of your
169 home. "Questions About My Home" Forms are available in the Sales Office.
170 Questions submitted on these forms will receive a response in about 2 business days.
171 Sales staff, production staff, sub contractors and or suppliers cannot respond to
172 production questions without approval of the superintendent or authorized Evergreen
173 State Builders representative.

174 **7g. Modifications:** Seller reserves the right to modify floor plans, exteriors,
175 specifications, features, product types and substitute items of comparable quality
176 without notice or obligation, in order to accommodate governmental requirements or
177 availability.

178 **7h. Plan Variations:** No two homes are built exactly alike. It is not uncommon to have
179 differences in style of concrete, landscaping, framing, wiring, cabinets, plumbing,
180 arches etc. All homes are built with similar quality materials, but the above mentioned
181 items can, and do vary from home to home. These variations are not considered
182 defects and will not be changed.

183 **8. Home Sale Contingency:**

184 **8a. Acceptable Price Opinion:** If this Purchase and Sale Agreement is contingent
185 upon the successful sale and closing of Purchaser's current residence, then Seller's
186 acceptance herein is subject to Seller or Sellers agent acceptance of Purchaser's
187 Broker's price opinion. Purchaser or Purchaser's Agent will provide said Broker's price
188 opinion within 3 days of mutual acceptance. Seller or Sellers Agent will have 3 days with
189 which to review Brokers price opinion and if Seller or Sellers Agent has not disapproved
190 in writing then Broker's price opinion is deemed acceptable. If Seller disapproves
191 Brokers price opinion and Buyer chooses not to accept Sellers or Sellers Agents
192 recommended price opinion and or repair/modification then Seller may elect to
193 unilaterally terminate Purchase and Sales agreement and refund Buyer all deposits
194 made. No mutually agreed upon signed rescission agreement will be required.

195 **8b. Property to remain on market:** The Seller shall keep the property on the market
196 and shall continue to be shown until the Buyer removes this contingency. If the Seller
197 receives an acceptable offer prior to Buyers removal of this contingency, the Seller shall
198 give the Buyer notice of Seller's intent to terminate this agreement. The Buyer shall
199 then have **2** business days to waive this contingency and proceed towards closing per
200 the terms of the Purchase and Sales Agreement

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201 **8c. Construction starts after removal of Contingencies:** Evergreen State Builders is
202 not obligated to obtain building permits until they receive confirmation that the Home
203 Sale Contingency is removed. Additional costs may accrue if construction is delayed.

204 **9. New Home Orientation:** The Seller will schedule a new home orientation for the Buyer
205 prior to closing. Only the Buyers and the Evergreen State Builders representative are to be
206 present. Seller and Purchaser agree that any item(s) requiring additional attention, as noted
207 at the new home orientation, will be completed as soon as reasonably possible; but in any
208 event will not delay the closing process. Minor defects or deficiencies shall not justify the
209 Purchaser's refusal to close this transaction, at full price, within the time provided. After
210 closing, Purchaser acknowledges that it is Purchaser's sole responsibility to provide access
211 to the home and property during Seller's normal working hours to ensure prompt correction of
212 any deficiencies after closing.

213 **10. Buyer's Third Party Home Inspection:** The builder allows the buyer the opportunity to
214 have the property inspected by a licensed home inspector prior to Home owner Orientation..
215 Inspections must be performed after notification of availability of the home for inspections and
216 prior to the Homeowner Orientation. If an inspection report is submitted to the Builder, it must
217 include a copy of the inspector's license and credentials. The Seller will not accept
218 inspections unless this information is included. Seller agrees in advance to correct items
219 required by local building code or items required to obtain final Certificate of Occupancy. Any
220 items found by the inspector that do not fall under the above stated requirements shall not be
221 completed by the Seller and shall not be cause to terminate the sale. The terms of NWMLS
222 Form 35 is not acceptable to the Seller and NWMLS Form 35 is not included in this
223 agreement.

224 **11.Limitation of Warranty:** The only warranty expressed or implied provided by the seller is
225 a limited, insurance-backed homeowner's warranty from the Residual Warranty Corporation
226 (RWC) which by reference is incorporated herein as if fully set forth. No other warranties are
227 given, expressed or implied and the buyer agrees to accept the property and the home
228 constructed thereon in it's "AS IS" condition. THE PARTIES AGREE THAT IN THE EVENT
229 THERE IS ANY DISPUTE OR DISAGREEMENT BETWEEN THE PARTIES OR ANY ISSUE
230 CONCERNING THE WARRANTIES GIVEN HEREUNDER, ALL SAID DISPUTES SHALL BE
231 RESOLVED BY MANDATORY BINDING ARBITRATION AS SPECIFICALLY SET FORTH
232 IN THIS AGREEMENT. The Buyer by initialing herein agrees to be bound by all of the terms
233 and provisions of this paragraph.

234 Buyer: _____ date: _____ Buyer: _____ date: _____

235 **12. Buyer acknowledges that if an irrigation system is provided it is the buyer's responsibility**
236 **to perform any winter maintenance needed with regard to the system to prevent pipes from**
237 **freezing as well as spring maintenance to re-activate the system.**

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238 **13. Manufacturer Warranties:** Certain Manufactures provide warranties that are direct
239 between Buyer and Manufacturer, for example appliances.

240 **14. Homeowner's Association & Dues:** It is understood that all owners of lots will become
241 members of The Homeowner's Association, a non-profit corporation organized and existing
242 under the laws of the State of Washington. This Association will provide for the assessment
243 and collection of a one-time initiation fee of **\$500.00** for each Purchaser collected at closing
244 which will be paid to Seller directly to partially reimburse it for expenses and associated with
245 certain improvements installed by the Seller on behalf of the Association. The Association
246 will also assess annual dues each member to maintain and improve common areas. The
247 annual dues of the Association for 200_ are in the amount of approximately **\$_____** and will be
248 prorated at closing.

249 **15. Receipt of CC&R's:** Buyer has received reviewed, understands and accepts the
250 recorded plat Covenants Codes and Restrictions (CC & R'S).

251 **16. General Provisions:**

252 **16a. Utilities:** NWMLS Form 22K is waived. The Builder will provide a list of utilities at
253 the Homeowner Orientation. Purchaser agrees to notify utilities companies (gas,
254 water, sewer, electricity, etc.) and make necessary arrangements to transfer billings
255 effective as of the date of closing or possession, whichever comes first.

256 **16b. Easements:** The buyer acknowledges that the property may have easements
257 and accepts this at the time of signing this agreement.

258 **16c. Waiver of Disclosure Statement:** The Buyer has seen and waives the right to
259 receive a Real Property Transfer Disclosure Statement under RCW 64.06.

260 **16d. Buyer obligation to Verify:** The Seller, Listing Agent, and Selling Licensee
261 make no representations concerning: (a) the lot size; (b) the square footage of any
262 improvements on the Property; (c) whether there are any encroachment (fences,
263 rockeries, buildings) on the Property, or by the Property on adjacent properties. Buyer
264 agrees to verify lot size, square footage, and encroachments to Buyer's own
265 satisfaction.

266 **16e. Purchasing a Model Home:** When purchasing a model home Seller will include
267 an additional Addendum to the Purchase and Sales agreement.

268 **16f. Owner Occupancy:** Evergreen State Builders LLC intends all homes for owner
269 occupancy and will make all efforts to ensure that no more than 10% of the homes in
270 any community are investor purchased. The Buyer intends to occupy this home.

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17. Dispute Resolution:

Prior to Closing: In the event there is any dispute or disagreement of any kind between the buyer and the seller, the Seller at its sole option shall have the right to rescind the Purchase and Sale Agreement by giving notice of the same to the buyer together with a return to the buyer of all earnest money deposits as well as the refund of any other deposits or funds paid to the seller by the buyer and the Purchase and Sales agreement will be immediately terminated. The buyer agrees that in the event the seller makes such an election, that the refund of their earnest money and all other deposits shall be their sole and exclusive remedy as to any claims the buyer may have against the seller arising out of or in connection with this agreement.

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18. After Closing:

18a. NOTICE REGARDING CONSTRUCTION DEFECT CLAIMS: The Buyer is required to deliver to Seller at least forty-five days prior to the institution of arbitration proceedings, under this agreement the buyer shall deliver to seller or builder a written notice of any construction conditions that are alleged to be defective and also provide the seller or the builder the opportunity to either repair or pay for the remediation expenses/ The buyer is not obligated to accept any offer made by the builder or seller however such notice must be given prior to institution of arbitration proceedings.

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18b. ARBITRATION OF NON-WARRANTY CLAIMS: All claims, disputes and controversies arising out of or relating to this Purchase and Sales Agreement and all attached Addendums, and any claimed breach of this Agreement, including without limitation any claim brought under the Washington State Consumer Protection Act, but excluding any claims related to a defect in or to the subject home on the Property asserted by Buyer after Buyer closes the purchase of the Property (which claims shall be determined as provided below) shall be submitted to binding arbitration commenced and conducted in accordance with RCW 7.04.060. A single arbitrator shall be necessary to hold a private hearing within ninety (90) days of the initial demand for arbitration and to conclude the hearing within three (3) days; and the arbitrator's written decision shall be made not later than fourteen (14) calendar days after the hearing. The parties have included these time limits in order to expedite the proceeding, but they are not jurisdictional, and the arbitrator may for good cause afford or permit reasonable extensions or delays, which shall not affect the validity of the award. The written decision shall contain a brief statement of the claim determined and the award made on each claim. In making the decision and award, the arbitrator shall apply applicable substantive law. Absent fraud, collusion or willful misconduct by the arbitrator, the award and decision shall be final, and the judgment may be entered in any court having jurisdiction thereof. The arbitrator may award injunctive relief or any other remedy available from the judge, including without limitation joinder of parties or consolidation of this arbitration with any other involuntary common issues of law or fact or which may promote judicial economy, but shall not have the power to award punitive or exemplary damages.

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314 **18c. ATTORNEY'S FEES:** In the event arbitration proceedings are instituted pursuant
315 to the provisions of this Agreement, either party shall be responsible and pay for all of
316 said parties attorney's fees and costs and that neither party shall recover
317 reimbursement of attorney's fees from the other. However in the event the buyer in
318 violation of the provisions of this Agreement institute a legal action in Superior Court
319 and the seller is successful in dismissing said action in having the matter submitted to
320 arbitration as provided for under the terms of this agreement, then in that event the
321 buyer shall pay the attorney's fees of the seller inundating such dismissal and order
322 requiring arbitration.

323 **18d. ARBITRATION OF WARRANTY CLAIMS:** All claims, disputes and controversies
324 between Seller and Buyer arising from or relating to alleged defects in the home or the
325 Property which are asserted by Buyer after the Buyer's closing of the purchase of the
326 Property shall be submitted to binding arbitration commenced and conducted in
327 accordance with the arbitration provision of the most recent edition of the HBW 2-10
328 Warranty Booklet, as published on the date of the execution of this Agreement. The
329 warranty Booklet has been made available to the Buyer, is incorporated into and made
330 part of this agreement by reference.

331 19. The Seller is only required to sign the last page of this agreement to make it a binding
332 contract. Buyer is required to initial and date every page and sign and date the last page

333 20. This Agreement shall supersede and prevail in any conflict between the NWMLS Form
334 21, Purchase and Sale Agreement, and its addenda, to which this is attached. Changes to
335 the standard form of this addendum shall prevail, provided they are initialed by both parties.

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337 Buyer Date For Evergreen State Builders LLC Date

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341 Buyer Date

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343 **2-20-07**

Initials:
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Buyer: _____ Date: _____