

NEW HOME ADDENDUM & EXHIBIT A

Park Lane at Edgewater

The following is a part of the Purchase and Sale Agreement dated _____
between _____ Oakridge Homes II, LTD ("Seller")
and _____ ("Buyer")
concerning the property legally described as:

Lot _____, Hawks Prairie Phase 1 Unit 9
In Thurston County, Washington, with Home Plan # _____ on it.

IT IS AGREED BETWEEN BUYER AND SELLER AS FOLLOWS:

1. **Earnest Money.** Earnest Money shall be **\$3,500** paid directly to Seller and credited to the Buyer at Closing. Earnest Money is considered a non-refundable construction deposit upon removal of contingencies.
2. **Closing Agent.** The Closing Agent shall be **First American Title Company**, 3905 Martin Way, Suite A, Olympia, WA 98506, Office Phone: 360-350-6760, Fax: 888-341-0145. Seller receives a Builder's discount rate on the escrow fee, which does not affect Buyer's normal competitive rate.
3. **Title Insurance.** A Standard Owner's Policy of Title Insurance Policy shall be ordered through First American Title Company.
4. **This offer** **is not** **is contingent** upon the sale of the Buyer's home (is not, if not checked).
5. **This home is:** (Check one)
 - To Be Constructed (Pre-Sale):** The Standard Features Addendum is hereby attached and incorporated into this Agreement as Addendum A-1. Options and upgrades may be selected per paragraph 19 below.
 - Under Construction:** The Standard Features Exhibit is attached and incorporated into this Agreement as Addendum A-1. Options and upgrades not already ordered may be selected per paragraph 19 below.
 - Complete:** It is offered AS IS. Buyer confirms that installed features and options are satisfactory. The Standard Features Addendum is attached for information only.
6. **Buyer confirms receipt** of the following, which are also available on **www.oakridgehomes.com**:
 - Covenants, Codes and Restrictions (CC&R's)
 - Oakridge Homes Express Limited Warranty Sample
7. **Hawks Prairie Community Association.** Upon Closing, Buyer shall pay a **\$650** initial fee and the first month's Homeowner's Association (HOA) dues, which is approximately **\$55**, per paragraph 24 below.
8. **A Closing Credit of \$_____** is available to Buyers financing with the Preferred Lender. It is applied at Closing towards allowable closing costs or design options, per paragraph 16.f. below.
9. **Completion and Completion Date.**
 - a. Estimated Completion Date: _____
 - b. **Completion** is defined as when a **Certificate of Occupancy** is issued by the permitting authority. The exact Completion Date is not guaranteed.
 - c. **Automatic Extension:** Completion may be delayed when contingencies are not removed by the dates specified in the Agreement. If construction cannot be completed prior to the Estimated Completion Date, this Completion Date shall be automatically extended until Seller has obtained a Certificate of Occupancy. This extension shall not exceed four (4) months from the original Estimated Completion Date.
10. **Closing and Possession.**
 - a. For a **Completed Home** the Closing Date shall be _____.
 - b. **Pre-Sale or Under Construction Home** the Closing Date shall be five (5) days from Completion of the home.

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- c. If Buyer is unable to close by the Closing Date, Buyer shall be pay to Seller a penalty of \$150 per day until Buyer is able to close.
- d. "Closing" shall occur when the Closing Agent has reported recording numbers and released Buyer's funds to the Seller.
- e. Buyer shall be entitled to Possession upon Closing. Keys shall be available to the Buyer once Closing is confirmed.

11. Inspections.

- a. The Seller encourages Buyer to have the Property inspected. Any inspections are to be (a) ordered by the Buyer, (b) performed by a licensed inspector, and (c) completed at Buyer's expense.
- b. Inspections shall be commenced after Completion.
- c. Any notice of proposed corrections, pursuant to paragraph 11.e. below, shall be delivered by the Buyer to the Seller prior to the New Home Orientation. Such notice proposing corrections must include a complete copy of the inspection report and a copy of the inspector's license and credentials.
- d. All inspections must be scheduled with the approval of the Oakridge Homes superintendent.
- e. Seller agrees in advance to correct items required by local building code, items required to obtain final Certificate of Occupancy and items that do not meet the Seller's standards as stated in the Oakridge Homes Express Limited Warranty. Any other items noted by the inspector may not be completed by the Seller and shall not be cause to terminate the sale.
- f. NWMLS Form 35 is not part of this Agreement.

12. New Home Orientation. The Seller will schedule a New Home Orientation for the Buyer prior to Closing. Only the Buyer and the Seller representative are to be present. Any item(s) requiring additional attention, and noted at the New Home Orientation, will be completed as soon as reasonably possible, but in no event will these items delay the Closing. Minor defects or deficiencies in construction, appliances, equipment or landscaping shall not justify the Buyer's refusal to close this transaction, at full price, within the time provided. After Closing, Buyer acknowledges that it is Buyer's sole responsibility to provide access to home and property during Seller's normal working hours to ensure prompt correction of any deficiencies.

13. Removal of Contingencies. All contingencies expire and are deemed waived fourteen (14) days of mutual acceptance unless otherwise agreed in writing.

14. Construction Delays. Permits are not ordered and construction will not begin until all contingencies are removed in writing. If, for the Buyer's convenience, construction is delayed past the agreed upon contingency removal dates, the Seller may choose to terminate the Agreement or adjust the Purchase Price to reflect any market changes.

15. Home Sale Contingency.

- a. **Acceptable Price Opinion.** If this Agreement is contingent upon the successful sale and closing of Buyer's current residence, then Seller's acceptance herein is subject to Seller's determination of the strength and soundness of Buyer's list price of the contingent property. Buyer or Buyer's Agent will provide said list price within three (3) days of mutual acceptance. Seller will have three (3) days to review and disapprove the List Price in writing or it is deemed acceptable. If Seller disapproves of the list price, this Agreement shall terminate and the earnest money returned to Buyer.
- b. **Property to remain on market.** The Seller shall keep the property on the market and shall continue to show it until the Buyer removes this contingency. If the Seller receives an acceptable offer prior to Buyers removal of this contingency, the Seller shall give the Buyer notice of Seller's intent to terminate this Agreement. The Buyer shall then have two (2) calendar days to waive this contingency.

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16. Financing.

- a. **The Preferred Lender for Oakridge Homes is: James Nesbit – Republic Mortgage**, 300 Deschutes Way, Suite 315, Tumwater, WA 98501, PHONE: 360-236-9777, FAX: 360-236-9778.
Other Lenders: The Buyer is not obligated to use the Preferred Lender for financing.
- b. **Loan Application Deadline.** The Buyer must make loan application with the Preferred Lender, or any other lender, within three (3) days of mutual acceptance. A loan qualification letter must be provided to the Seller by the Preferred Lender, or any other lender, within five (5) days of mutual acceptance.
- c. **Selection of Lender and Loan Commitment Letter.** The Buyer must notify the Seller of selection of lender by providing an acceptable loan commitment letter from that lender to the Seller within fourteen (14) days of mutual acceptance. If an acceptable loan commitment letter is not received in this time, the Buyer must waive any financing contingencies or the Seller may terminate this Agreement and return the earnest money. Buyer may not change lenders without written approval of the Seller. For this purpose, "lender" means the party funding the loan.
- d. **Lender Fees.** Seller will pay no fees to Buyer's lender unless expressly agreed in writing.
- e. **VA Financing.** The Buyer will finance the VA Funding Fee, which is not part of the purchase price. Any and all Seller paid closing cost on the Buyer's behalf, such as escrow fee, shall be deducted from any other Seller credits.
- f. **Closing Credit for Use of the Preferred Lender.** The Buyer shall receive a closing credit in the amount specified in paragraph 8 above for the using the Preferred Lender. The closing credit will applied at closing, towards Closing Costs or Design Options. Of the total amount, \$1,500 is paid by the Preferred Lender and the balance by the Seller. **This credit is not available for offers that are contingent upon the sale of Buyer's current home unless Seller agrees in writing to the List Price of the Buyer's property.**
- g. **Forfeit of Incentives and Options Deposits.** If the Buyer receives incentives for using the Preferred Lender and changes lender prior to Closing, all incentives received are forfeited and all deposits owed are due and payable immediately. If the payment is not made within 5 days of approval of change of lender, the Seller may terminate this Agreement and retain all deposits.
- h. **Price Increase to Cover Closing Costs.** In the event that the Purchase Price is raised to cover closing costs, upgrades, etc., an amount equal to 10% of the added items costs will also be added to the Purchase Price.
- i. **Buyer Responsibility to Inform Selected Lender.** THE BUYER AGREES TO ENSURE THAT THE LENDER AND ANY OTHER INTERESTED PARTY IS MADE AWARE OF THE FINANCIAL TERMS OF THIS AGREEMENT.

17. Appraisal. Should the Purchase Price be increased to cover closing costs or Buyer selected options and the appraised price fails to meet the agreed sales price, Buyer must pay the difference between the sales and appraised price in cash directly to the Seller.

18. Seller not responsible. The Seller is not responsible for the expiration of the Buyer's loan commitment, penalties, loan fees or any other costs due to the estimated Closing Date/Completion Date not being met.

19. Personalizing your home.

- a. **Design Selections.** Buyer selection on non-standard options, modifications, and colors, lighting, carpet and hard surfaces not already ordered must be completed within fourteen (14) days of mutual acceptance. Extension of this selection period must be made in writing and may invoke the Construction Delays clause in paragraph 14 above.
- b. **Options Paid in Advance.** All design selected options are to be agreed upon and paid for in full within fourteen (14) days of mutual acceptance of this Agreement. All upgrades must be purchased through Seller and paid for at the time order is placed. These funds are non-refundable at the time order is placed. Option payments are as follows:

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- Preferred Lender Clients: 50% down plus the balance on a promissory note due at Closing, rescission or change of lenders.
 - Other Lender Clients: 100% Down.
 - Plan Modifications: 100% deposit of \$5,000 plus the minimum price of at least \$1,200 for options or upgrades that involve the modification of wood or sheetrock. Inclusion of these modifications is at the Seller's sole discretion and requires a pre-paid \$250 review fee.
- c. **Price Increased to Cover Options.** The Purchase Price will be increased to cover the cost of options with advance payments being credited to the Buyer at Closing.
- d. **Termination Based on Design Selections.** Should the Buyer be unable or unwilling to continue at the end of the design selection period, this Agreement will be terminated and the Earnest Money will be returned to the Buyer.
- e. **Unused Design Credits.** In the event that Seller provided design credits are not fully used within 30 days of mutual acceptance of this Agreement, the unused portions are surrendered back to the seller and are not longer redeemable. If an upgrade is not installed, the Buyer will be refunded the upgrade as the sole and exclusive remedy.
- f. **Buyer Requests for Modifications.** Requests for modifications after the end of the option selection period must be submitted to the design consultant in writing and accompanied by a non-refundable review fee of \$400.
- g. **Installation of Options after Closing.** Options not paid in advance or not required for construction or appraisal purposes will be installed after Closing unless otherwise agreed.
20. **Construction.**
- a. **Home Placement and Exterior Finish.** The Seller has sole discretion as to the selection and placement of the home on the lot. If the construction of the home is subject to the approval of the Architectural Control Committee (ACC), Buyer agrees to abide by any ACC ruling.
- b. **Plans & Designs.** Plans, drawings, specifications and design materials shall remain the sole property of the Seller and will not be available to Buyer.
- c. **Insulation Values.** Ceiling R-38 at approximately 10", Wall R-21 at approximately 5-5/8" thick, floor R-30 at approximately 9-1/2" thick.
- d. **Seller Modifications.** Seller reserves the right to modify floor plans, exteriors, specifications, features, product types and substitute items of comparable quality without notice or obligation, in order to accommodate governmental requirements or availability.
- e. **Plan Variations.** No two homes are built exactly alike. It is not uncommon to have differences in style of concrete, landscaping, framing, wiring, cabinets, windows 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.
- f. **No Property Access for Buyer.** YOUR NEW HOME IS A CONSTRUCTION JOB SITE AND IS A DANGEROUS PLACE. The Property belongs to the Seller until Closing and only the Seller and the Seller's subcontractors are authorized to enter and to do work on the home or premises for any reason. The Buyer agrees not to enter onto Property during construction without consent of the Seller. Buyer is expressly denied permission to perform any work on the Property prior to Closing.
- g. **No Verbal Representatives.** All questions regarding the new home shall be submitted to the Seller in writing and only written responses shall be relied upon. Realtors, Subcontractors, and Field Superintendents are not authorized to make representation for the Seller and the Buyer is cautioned not to make verbal inquires or rely on any verbal representations.
- h. **Questions about your home.** Questions will arise during completion of your home. "Questions About My Home" Forms are available in the Sales Office. Questions submitted on these forms will receive a response in about two (2) business days. Sales staff, production staff and subcontractors cannot respond to production questions without approval of the superintendent.

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21. Oakridge Homes Express Limited Warranty.

- a. The only warranty expressed or implied provided by the Seller is the Oakridge Homes Express Limited Warranty, which by reference is incorporated herein as if fully set forth. No other warranties are given, expressed or implied and the Buyer agrees to accept the Property and the home constructed hereon in its "AS IS" condition. THE PARTIES AGREE THAT IN THE EVENT THERE IS ANY DISPUTE OR DISAGREEMENT BETWEEN THE PARTIES OR ANY ISSUE CONCERNING THE WARRANTIES GIVEN HEREUNDER, ALL SAID DISPUTES SHALL BE RESOLVED BY MANDATORY BINDING ARBITRATION AS IF SPECIFICALLY SET FORTH IN THIS AGREEMENT. The Buyer, by initialing herein, agrees to be bound by all of the terms and provisions of this paragraph.
- b. **Irrigation Systems.** Buyer acknowledges that if an irrigation system is provided it is the Buyer's responsibility to perform any winter maintenance needed with regard to the system to prevent pipes from freezing as well as spring maintenance to re-activate the system.
- c. **Manufacturer Warranties.** Certain manufacturers provide warranties that are direct between Buyer and manufacturer, for example, appliances. At Closing, Seller shall assign all applicable manufacturer warranties to Buyer.

22. Dispute Resolution.

- a. **Prior to Closing.** In the event there is any dispute or disagreement of any kind between Buyer and Seller, the Seller, at its sole option, shall have the right to rescind the Purchase and Sale Agreement by giving written notice to the Buyer, together with a return to the Buyer of that portion of earnest money and option deposits that have not been expended on the Buyer's behalf. Upon delivery of this notice to the Buyer or Buyer's agent, the Agreement will be immediately terminated. Buyer agrees that in the event the Seller makes such an election, that the refund of these funds shall be Buyer's sole and exclusive remedy as to any claims the Buyer may have against the Seller arising out of or in connection with this Agreement.
- b. **After Closing:**
 - 1. **Builder Warranty Claims.** Buyer shall present all claims for breach of the Oakridge Homes Express Limited Warranty within 30 days of the time that Buyer discovered, or in the exercise of reasonable diligence, should have discovered the defect. All such warranty claims shall be made in accordance with the Oakridge Homes Express Limited Warranty, a copy of which Buyer acknowledges having received.
 - 2. **Non-Warranty Claims.** (a) All claims, disputes and controversies arising out of or relating to this Agreement and all attached addenda, other than those provided in paragraphs 21.a. and 21.b.1. above, shall be commenced by providing written notice of the claim or dispute to the other party. In the event that the parties fail to resolve the claim or dispute within 30 days of such notice, as a precondition to any other method of dispute resolution, Buyer or Seller must commence action of the claim or dispute at the Pierce County Center for Dispute Resolution. Each party will pay one-half of the cost of such mediation. Notice of a request for such mediation shall be sent by the requesting party to the other party by certified mail, return service requested.
(b) In the event that the claim or dispute is not resolved in mediation, either party may commence arbitration proceedings before a single arbitrator pursuant to RCW 7.04. Each party shall pay one-half of the cost of the arbitrator. Neither party shall be entitled to attorney's fees or costs from the other party. This provision regarding attorney's fees shall supersede any other provision contained in the Agreement or any addenda thereto regarding attorney fees. The arbitration hearing shall be conducted at a time and place set by the arbitrator provided that such hearing must occur within 90 days of the appointment of the arbitrator. The decision of the arbitrator shall be issued within 30 days of the hearing and shall be final ad

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judgment may be entered upon or in accordance with the applicable law of any court having jurisdiction thereof.

3. **Arbitration of Warranty Claims.** All claims, disputes and controversies between Seller and Buyer arising from or relating to alleged defects in the home or Property which are asserted by the Buyer after the Buyer's closing of the purchase of the Property shall be submitted to binding arbitration commenced and conducted in accordance with the arbitration provision of the most recent edition of the Oakridge Homes Express Warranty, as published on the date of the execution of this Agreement which has been made available to the Buyer and is incorporated into and made part of this Agreement by reference.
23. **Attorney's Fees and Costs.** In the event arbitration proceedings are instituted pursuant to the provisions of this Agreement, each party shall be responsible and pay for their respective attorney's fees and costs, and neither party shall recover reimbursement of attorney's fees and costs from the other. However, in the event the Buyer, in violation of the provisions of this Agreement, institutes a legal action in Superior Court and the Seller is successful in dismissing said action in having the matter submitted to arbitration as provided for under the terms of this Agreement, then the Buyer shall pay the attorney's fees and costs the Seller incurred to obtain such dismissal and order requiring arbitration.
24. **Home Owner's Association and Dues.** Upon Closing, Buyer will become a member of the community Home Owner Association (HOA), a non-profit corporation organized under the laws of the State of Washington. The one-time initial fee in paragraph 7 above is collected at Closing and will be paid directly to Seller to partially reimburse expenses for the improvements installed by Seller on behalf of the Association. The HOA will also assess annual dues on each member to maintain and improve common areas. The monthly dues shown in paragraph 7 above represents the known dues for the current fiscal year and will be prorated at Closing.
25. **General Provisions.**
 - a. **Model Homes.** Interior and exterior decorations and appliances, such as window coverings, valances, washer, dryer, and refrigerator are displayed in the model home for illustration purposes only. Model homes may also feature, among other things, security systems, decorative wall paint, optional cabinetry and millwork, upgraded landscaping, decking, and/or patio, exterior lighting and/or lamp posts. None of these items are included in the base price of the home. The Buyer has received the Standard Features Addendum and has not relied on verbal representation.
 - b. **Purchasing a Model Home.** If the property is a home that has been used as a display model, Buyer accepts the flooring in its existing condition unless otherwise agreed in writing.
 - c. **Included Items.** NWMLS Form 21, Line 5 is superseded. The stove/range, dishwasher, garbage disposal and microwave are included in the base price of the home. All other items, including but not limited to appliances, screens, fences, garage door openers, irrigation systems, are options unless specifically listed in the Standard Features Addendum.
 - d. **Utilities.** NWMLS Form 22K is waived. The Seller will provide a list of utilities at the Homeowner Orientation. Buyer agrees to notify utilities companies (gas, water, sewer, electricity, etc.) and make necessary arrangements to transfer billings effective as of the date of Closing or possession, whichever is first.
 - e. **Easements.** The Buyer acknowledges that the Property may have easements and accepts this at the time of signing this Agreement.
 - f. **Waiver of Disclosure Statement.** Buyer has received a copy of a Real Property Transfer Disclosure Form, acknowledges that there are no environmental issues disclosed, and waives the right to receive completed Form under RCW 64.06.
 - g. **Buyer obligation to Verify.** The Seller, Listing Agent, and Selling Licensee make no representations concerning: (a) the lot size; (b) the square footage of any improvements on the

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- Property; (c) whether there are any encroachments (fences, rockeries, buildings) on the Property, or by the Property on adjacent properties. Buyer agrees to verify lot size, square footage, and encroachments to Buyer's own satisfaction.
- h. **Owner Occupancy.** Seller intends all homes for owner occupancy and will make all efforts to ensure that no more than 10% of the homes in any community are investor purchased. The Buyer intends to occupy this home.
 - i. **Renting or Re-Sale.** The Buyer agrees that For Rent and/or For Sale signs may only be placed with permission of Seller until after the final Oakridge Homes II, LTD owned home is sold. This provision shall survive Closing.
 - j. **Commissions.** Commissions are paid only on the base price, without options or added closing costs.
 - k. **Buyer Expenses.** Seller is not responsible for rent, storage, or any other expenses related to the Buyer moving into the home.
26. This Agreement shall supersede and prevail in any conflict between the NWMLS Form 21, Purchase and Sale Agreement, and addenda, to which this is attached. Changes to the standard form of this addendum shall prevail, provided they are initialed by both parties.

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