



PHILLIPS RIDGE PARTNERS, LLC

Seller’s Addendum to Purchase and Sale Agreement (“SAPSA”)

This agreement affects your legal rights. You are advised to seek legal advice before signing.

The following is an addendum to, and shall be included as part of the Purchase & Sale agreement dated, _____, 20____ between Phillips Ridge Partners, LLC (“Seller/Builder”) and _____ (“Buyer”) for the purchase of Lot # _____, in Phillips Ridge, a residential development. Builder’s Plan number # _____ Plan Name _____. The home will be built with the garage on the _____ side of the front home elevation.

Legally described as Lot _____, **Phillips Ridge**, A Residential Development, according to the survey map thereof recorded under Snohomish County Auditor’s file number _____ records of Snohomish County, Washington. Situate in the County of Snohomish, State of Washington.

All parties understand that Phillips Ridge Partners, LLC (Seller) has hired Afora Group LLC (Construction Manager) to manage the construction of the plat improvements and homes. Note *Construction Manager accepts neither warranty claims nor liability for any claims against construction.

APPLICABILITY: In the event of a conflict between this Addendum and any other contract documents, this Addendum shall supersede, preempt, and control unless the other document specifically references this SAPSA and states that it supersedes the provisions of the Addendum.

- TITLE INSURANCE:** *At closing Seller shall provide a Standard Title Insurance policy through CHICAGO TITLE, located at 3002 Colby Avenue, Suite 200, Everett, WA 98201. Title Officer is Gary Kruick - (425)259-8217 / gary.kruick@ctt.com. Buyers understand that Seller will receive a discounted Builder’s rate for said policy. It is the Buyer’s responsibility to review the title report and investigate any questions they may have until questions are deemed satisfied. Seller does not authorize Buyer’s lender or Closing Agent to apply for the additional coverage provided with the “Homeowner’s Policy of Title Insurance (ALTA 1998), unless Buyer(s) agree to pay for the additional cost.*
- CLOSING AGENT:** *The Closing Agent for this transaction shall be CHICAGO TITLE, located at 4100 194th Street SW, suite 100, Lynnwood, WA 98036. Escrow Officer is Amanda*

_____	Buyer	_____	Date	_____	Seller	_____	Date
_____	Buyer	_____	Date	_____	Seller	_____	Date`

King - (425) 921-1207 / Amanda.King@ctt.com. Buyers understand that the Seller shall receive a Builder’s discounted Escrow rate. The buyer will pay the Buyer’s normal Escrow fee.

3. ALL BUYERS MUST BE PREQUALIFIED WITH ONE OF SELLER’S PREFERRED LENDERS: Regardless of which lender buyer may choose, *all Buyers must apply for a pre-qualification certificate from one of Seller’s Preferred Lenders within 5 days of mutual acceptance. There will be no cost to the buyer for this service.*

Sellers Preferred Lenders: Movement Mortgage, NMLS 379952
11900 NE 1st Street
Bellevue, WA 98005
Attn: **Jolene Messmer, Mortgage Banker**
Direct: (425) 445-1945
Jolene.Messmer@movement.com

CMG Home Loans, NMLS 505812
15021 Main Street, Ste C
Mill Creek, WA 98012
Attn: **Joe Ennis, Mortgage Consultant**
Direct: (425) 652-0432
jennis@cmghomeloans.com

4. NOTICE TO BUYER’S LENDER*: *Lender shall submit written Pre-Approval documentation to Seller, via Seller’s Broker, based on but not limited to the following: lender’s in-house credit report, year to date pay stubs, the availability and verification of funds to close, length of days of mutual acceptance of this offer. Lender shall disclose to seller, via seller’s broker, the buyer’s qualifying ratios, credit worthiness and whether any contingent funds (i.e., release of pensions and/or retirement funds or receipt of gift funds etc.) are needed to close. This contract is contingent upon the Seller’s review and written disapproval of said documentation. Should the Seller issue such disapproval, this agreement shall become immediately null, and void and Seller shall refund any refundable earnest money to Buyer, subject to all terms with this agreement. In the event no disapproval notice is given, then this contingency shall be deemed satisfied. Lender and selling firm agree to inform seller via seller’s broker, immediately of any change in Buyer’s ability to qualify and *prior to any change in Buyer’s Lender*. All parties understand and agree that the Financing Contingency shall be automatically waived **25 (Twenty-Five)** days after mutual acceptance and all earnest money shall be non-refundable for any reason. Seller shall have neither liability nor responsibility of any sort regarding Buyer’s interest rate lock. ***Note:** *the term “Lender” shall refer to the institution **which will actually fund the loan** (not, for instance, the lender acting as Broker for the loan).**

SPECIAL NOTE: In the event that buyer is unable or unwilling to close on the Closing Date, due to no fault of the Construction Manager or Seller, Seller, at seller’s sole discretion,

_____ Buyer _____ Date _____ Seller _____ Date
_____ Buyer _____ Date _____ Seller _____ Date`

may agree to extend the close date and may impose a late fee to buyer amounting to **\$500.00** per day for each day closing is delayed. Said late fee is due to seller at Closing.

Buyer's Initials Buyer's Initials

- 5. **NOTICE TO BUYERS REGARDING LOAN COMMITMENTS:** Seller shall not be responsible for Buyer's commitment, nor any losses resulting from the expiration of any commitment or special interest rates or points which may be subject to expiration. Construction Manger and Seller shall not be responsible for Buyer's housing or storage requirement if completion is delayed for any reason. The seller's sole liability in this contract shall be the refund of any earnest monies still remaining owed to the buyer, subject to all terms within this agreement. *Neither Construction Manager nor Seller shall incur other liability for any reason whatsoever.*
- 6. **EARNEST MONEY:** In the event of default by buyer, seller elects to retain Earnest Money as liquidated damages; the total sum of the earnest money shall be forfeited to Seller. Any claims by the buyer's broker against the earnest money must be paid by the buyer for the amount of such a claim.
- 7. **COMPLETION DATE/CLOSING DATE:** Seller shall make every reasonable effort to complete the home on or prior to the closing date stated in the Purchase and Sale Agreement. Due to the nature of "New Construction", the Seller will not be held responsible for delays due to plat recordation, materials availability, subcontractor scheduling, weather conditions or other factors beyond Seller's control. In the event closing is delayed, the ***closing date may be extended buy a period not to exceed 30 business days, at seller's sole discretion.*** If the buyer does not close within said time frame, seller may extend closing date or rescind this Purchase and Sale Agreement and retain all earnest monies per this purchase and sale agreement, at seller's sole option. In the event closing must be delayed (through no fault of buyer or buyer's lender, etc.) beyond said time frame, then buyers may, at buyer's option, rescind this contract within 3 days of notification of additional delay. All earnest monies will remain refundable and shall be returned to the buyer.
- 8. **REGARDING 2-10 HBW WARRANTY:** At or about close of escrow, Seller will purchase for Buyer(s) a 2-10 HBW Warranty administered by Home Buyers Warranty Corporation (HBW). The "2-10 HBW Warranty" is a limited warranty that provides one-year workmanship, two years systems and ten-year qualifying structural defect coverage for certain construction defects in the subject home. As consideration for the "2-10 HBW 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 2-10 HBW Warranty and has had an opportunity to read and understand it, including the binding Arbitration Agreement contained within it, before signing this Addendum.

_____	Buyer	_____	Date	_____	Seller	_____	Date
_____	Buyer	_____	Date	_____	Seller	_____	Date`

Any and all claims or disputes between Seller, and Buyer(s), HBW and/or the Warranty insurer arising from or relating to the 2-10 HBW Warranty, to the subject home, including the real property on which it is situated, any common elements that the Buyer has an interest, or to the sale of the home, shall be submitted to binding arbitration with your choice of two different arbitration services, Construction Dispute Resolutions Services, LLC, or DeMars & Associates, Ltd., or some other mutually agreeable service. Any person in contractual privity with the Builder whom the Buyer contends is responsible for any construction defect in the Home shall be entitled to enforce this arbitration agreement. The Builder and Buyer agree that this agreement and arbitration provision involve and concern interstate commerce and all 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. The arbitration agreement in the “2-10 HBW Warranty” is incorporated in full herein. By signing this Addendum, Buyer(s) agrees to all terms of the arbitration agreement.

9. REGARDING WARRANTY COMMUNICATION: All warranty questions or request shall be submitted to 2-10 HBW “Frontline Warranty Service”. Please contact **Front Line Team, Warranty Administration** (Direct Line (800) 811-8787) or Email to FLWS@210.com. This includes all 1-Year Workmanship, 2-Year Systems and 10-Year Structural inquires. The warranty team will answer all questions regarding warranty coverage and provide enhanced coordination to resolve any warranty issues requested by the Buyer.

10. CONTINGENCIES: If this Purchase and Sale Agreement is contingent upon the sales of Buyer’s property, then the provisions of NWMLS for 22B, (Contingent Sale of Buyer’s Home) shall apply as modified herein.

- a. Buyer’s property shall be listed with a member of MLS acceptable to Seller within 3 days of Mutual Acceptance of this agreement.
- b. Bump Notice shall be 24 hours.
- c. Buyers to submit a copy of the listing to Seller via Seller’s Broker for Seller’s approval of price and terms with 4 days of mutual acceptance of this agreement.
- d. Buyers to be prequalified with Seller’s Preferred Lender per the terms of #4 above regardless of the contingency terms.
- e. *Any cost for upgrades to floor coverings, countertops etc. or selection outside Builder’s Standard Selections are to be paid to Seller and/or Seller’s supplier (as directed by Seller) in full directly, prior to order submission and are non-refundable construction deposit.*

_____ _____ _____
Selling Broker Initials Buyer’s Initials Buyer’s Initials

11. FINISH SELECTIONS AND UPGRADE CHANGES: Depending upon the stage of construction at the time of Mutual Acceptance, an appointment will be arranged with Buyer to meet with the Options & Upgrades Director/Coordinator (“Roslyn”) to select finishes (which

_____ Buyer _____ Date _____ Seller _____ Date
_____ Buyer _____ Date _____ Seller _____ Date`

have not already been selected) from builder’s standard selection. This appointment shall be scheduled during normal business hours and within 5 days of Mutual Acceptance or as the Design Director shall determine to be necessary. Any additional request for changes or upgrades made after the initial meeting must be pre-approved by the seller and will be subject to an additional administration fee of **\$150.00 per change or additional price quote**. If the buyer does not make said selections in a timely manner (per Design Director’s reasonable determination), seller will select finishes of seller’s choice from standard finish selections. Any finish selection(s) must be approved by seller. In any case, construction will not be held up for any reason whatsoever due to buyer’s choices, options, or upgrades. Any costs for upgrades to floor coverings, countertops, etc. or selection outside of builder’s standard selections, are to be paid directly to seller and/or seller’s supplier (as directed by seller) *prior* to order submission.

REGARDING PAYMENT CHOICES FOR UPGRADES OR OTHER OPTIONAL ITEMS:

- a) Full payment directly to seller or Vender per Seller as described above.

OR (for non-contingent sales only)

- b) All, or portion thereof, of the upgrades or other add-ons may be added into the purchase price with the following guidelines:
 - (1) *110% of the additional amount shall be added to the purchase price. (Note that this is offered as a convenience to buyer and Buyer’s sole benefit – the 10% fee is charged to buyer to help cover Seller’s additional costs and administration.)*
 - (2) All upgrades or add-on require a minimum 100% non-refundable construction deposit to Seller.
 - (3) Said construction deposit is to be released to Seller immediately & prior to any order or installation and shall become immediately non-refundable for any reason whatsoever.
 - (4) Construction deposits will be credited to Buyer upon successful closing.
 - (5) The seller does not warrant the buyer’s lender’s appraisal value. Appraiser may not find additional value in extras and/or upgrades. Buyers hereby accept all risk regarding appraisal value and hereby agree that in the event of a low valuation, Buyer will make up any shortfall due to additional amounts added to the purchase price.

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12. REPRESENTATIONS AND MATERIALS AND SITE CONSIDERATIONS: Seller and seller’s broker make no representations as to the accuracy of unit size or the exact square footage of the home. Seller will complete the home in a professional, workman-like manner according to Standard Building Practices and Local Codes. The seller reserves the right to modify elements such as pony walls. Foundation walls, footing elevations and materials depending on material availability and individual site requirements without prior written notice, and this shall not constitute a breach of this agreement. Any substituted materials will be equal or better quality.

Buyer Date Seller Date

Buyer Date Seller Date`

The specification of the model home may differ from the home being purchased. Buyers acknowledge that the information on the plans and renderings represents only an approximation of the scale and dimensions designated therein. The residence as built will be substantially similar to the plan, but the residence may differ to an extent consistent with seller’s normal practices and tolerances. Seller makes no warranties or representations relating to any work to the property prior to seller’s ownership and does not warrant any of the subdivision conditions such as, but not limited to, roads, curbs, drainage, sewer, cable availability, internet access, telephone access, mailboxes, etc.

The seller shall have sole discretion to locate the home on the homesite observing curb appeal, driveway location, drainage considerations, existing trees, utilities, and topography. The area within the clearing limit shall be graded for proper drainage to an approximate finished grade using materials available on site. In clearing the homesite, it is the seller’s normal policy to save as many trees as is reasonably possible. In some cases, however, trees will be removed due to their proximity to the home, their grade relationships to the home or their undue interference with construction of the home. The seller shall have sole discretion in such matters.

The seller shall have the sole discretion regarding whether a wood decking or exposed aggregate concrete is used for any front porch and/or back patio/deck. The seller shall make this determination no sooner than after the foundation is completed and the “decking” of the first floor has been built or before such time as grading work can be completed, depending on the individual unit topography.

Insulation Values per FTC Regulations:

Wall Insulation	R –Value	R-21
Ceiling Insulation	R –Value	R-49
Floor Insulation	R – Value	R-38

13. NO VERBAL REPRESENTATIONS: It is natural during the course of a transaction for a buyer to have questions regarding their new home. In order for buyer to receive responsible and authoritative answers, question shall be presented only to seller via seller’s broker for answers. The buyer understands and agrees that field superintendents, subcontractors, suppliers and/or Real Estate Brokers are *not authorized to make representations for seller*. The buyer is prohibited from asking questions on site of ANY of the sub-contractors, workers, or employees of Afora Group LLC unless prior permission has been granted by seller. All parties hereto agree that no verbal reoperation shall modify the written agreement and that the full understanding shall be limited to the written agreement together with any clarification made by the seller in writing.

14. MOLD/MILDEW: Buyer acknowledges that Seller has endeavored to prevent mold and mildew in the home as of the date of completion. Buyer has also been advised that it will be Buyer's sole responsibility to protect the Property from mold and mildew after Buyer occupies the Property. Buyer agrees Seller will have no control over use or care of the Property, nor levels of humidity and moisture that may be allowed to exist in the Property following transfer of possession to Buyer. Accordingly, Buyer agrees Seller will not be liable for any actual, special,

_____	Buyer	_____	Date	_____	Seller	_____	Date
_____	Buyer	_____	Date	_____	Seller	_____	Date`

incidental or consequential damages based on any legal theory whatsoever, including, but not limited to, strict liability, breach of express or implied warranty, negligence or any other legal theory with respect to the presence and/or existence of molds, mildew and/or microscopic spores unless existing at the time Buyer obtains possession of the Property or unless caused by the sole negligence or willful misconduct of Seller. Except as provided in the preceding sentence, Buyer, on behalf of itself and its family members, tenant, invitees and licensees, hereby releases Seller and Seller’s officers, directors, partners, members, successors and assigns from and against any and all claims, actions, damages, causes of action, liabilities and expenses (including without limitation attorneys’ fees and costs of enforcing this indemnity) for the property damage, injury or death resulting from the exposure to microscopic spores, mold and/or mildew and from any loss of resale value due to the presence and/or existence of mold, mildew and/or microscopic spores. This provision is more fully explained and clarified in a separate Mold Addendum that has been specifically negotiated as part of the Agreement.

15. WOOD FENCING: Seller may install limited perimeter and lot fencing on all lots within the subdivision. The seller reserves the right, however, is not required, to apply a finish to the fencing of either the common or limited elements within the subdivision or on Buyers lot. If after possession, Buyer chooses to finish or re-finish the fencing adjacent to its lot, Buyer agrees to use only the approved finish (Storm Systems - Portobello (Miller Paint Mix # 12MO188 - MATCH)), unless previously amended by Seller.

16. BUYERS’ INSPECTION: If this agreement is conditioned upon an inspection performed by an inspector of Buyer’s choice, then NWMLS 35 is attached. Buyer’s inspection shall be performed and any requests for action by the Seller must be presented to the Seller’s Broker no fewer than 4 days prior to “CUSTOMER ORIENTATION MEETING.”
If inspection identifies code deficiencies, then Seller shall have the opportunity to correct the deficiencies at Seller’s expense. Inspection results shall not constitute a legal reason to allow Buyer to void or cancel this Agreement except for code deficiencies, as defined by the *Uniform Building Code adopted by the local governmental jurisdiction and which Seller cannot or will not correct*. Although every effort will be made to complete items related to corrective action prior to closing, there are some occasions where it is not reasonably possible. However, barring any circumstances from scheduling issues beyond the Seller’s control, walk through items and/or inspection items will be taken care of within 30 days after closing. The completion of items related to corrective action (from either Buyer’s inspection or Customer Orientation) shall not affect or delay closing of this transaction.

Selling Broker Initials _____ Buyer’s Initials _____ Buyer’s Initials

17. CUSTOMER ORIENTAION MEETING: Prior to closing, a meeting shall be scheduled (*within normal business hours*) between Buyer and Seller or Seller’s representative or Construction Manager. The purpose of this orientation meeting is to familiarize the Buyer with

Buyer _____ Date _____ Seller _____ Date

Buyer _____ Date _____ Seller _____ Date`

mechanical systems, to review Warranty information and to examine and record any items that need to be repaired or completed. As an accommodation to Buyer (see below for terms) any independent inspection performed on behalf of Buyer shall be reviewed in connection with the orientation meeting.

18. KEYS: Closing shall be the date the sale has been recorded and proceeds are available to Seller. Keys will be available for Buyer to pick up from Listing Agent (*prior to 5:00 p.m.*) after Closing Agent’s notification to Listing Agent, Seller and Construction Manager that closing has been accomplished.

**** Note that under no circumstances does Seller grant occupancy prior to closing**

19. UTILITIES: Upon closing, Buyer shall assume responsibility for all utility fees and use charges of the property (from closing date forward), including but not limited to natural gas, electricity, water, sewer, sewer capacity charge (see below), telephone, cable, and garbage. See “**Your Home Welcome Package**” which is part of your 2-10 HBW Warranty package supplied to the Seller at the Customer Orientation Meeting.

Water District: ALDERWOOD WATER AND SEWER DISTRICT (425) 743-4605

Sewer District: CITY OF BRIER (425) 775-5440

Garbage: WASTE MANAGEMENT (800) 592-9995

Electricity: PUD #1 OF SNOHOMISH COUNTY (425) 783-1000

Natural Gas: PUGET SOUND ENERGY (888) 225-5773

Direct TV, FIOS, Internet and TV and Telephone: Ziplly Fiber. (866) 699-4759

Xfinity TV, High Speed Cable Internet, and Phone: COMCAST (800) 934-6489

20. SEWER CAPACITY CHARGE: Newly constructed homes in this area are subject to a sewer capacity charge/assessment. All parties understand and agree that any sewer capacity charge is *Buyer’s sole responsibility from closing forward*. Buyer agrees to contact King County, Wastewater Treatment Division at (206) 296-1450, with the property address to ascertain all information to Buyers sole satisfaction within 3 days of Mutual Acceptance of this Agreement. Additional information may also be available by way at:

<http://www.kingcounty.gov/environment/wastewater/CapacityCharge.aspx>

Selling Broker Initials Buyer’s Initials Buyer’s Initials

21. BUYERS ON SITE: Due to Safety Codes and concerns. *Buyers may visit the home under construction only if they are accompanied by their Real Estate Broker. Construction Manager and Seller request that Buyers visit the home after 5:00 p.m. or on the weekend when construction is not actually in progress.* Construction Manager, Seller and Seller’s Broker or representatives are hereby held harmless for any injuries sustained by Buyers and/or Buyer’s

Buyer _____ Date _____ Seller _____ Date

Buyer _____ Date _____ Seller _____ Date`

representatives and/or guest while on the property. In addition, Buyer shall be responsible for any damage done or loss of property and/or material during visit.

22. NWMLS FORM NO. 17: Seller will provide Seller’s Disclosure Statement, NWMLS for #17, normally within 5 days of mutual acceptance.

23. FACSIMILE AND E-MAIL TRANSMISSION: All parties agree the email and/or facsimile transmission of any signed original document, and retransmission of any signed email or facsimile transmission shall be the same as delivery of an original.

Sellers’s (Listing) Broker:

Bruce Lystad / John L. Scott, Mill Creek
Mill Creek Town Center
15522 Main Street, P104
Mill Creek WA 98012
Contact: *Bruce Lystad*, Cell: (425) 750-7006 / brucelystad@gmail.com

**All parties certify that this original document has not been modified or changed from the original, as published by Seller, Construction Manager or Listing Broker except as may be handwritten, specifically referenced, and agreed upon by all parties.*

Buyer’s Signature Date

Buyer’s Signature Date

Seller’s Signature Date
Phillips Ridge Partners, LLC

Selling Broker Date

Listing Broker Date

_____ Buyer _____ Date _____ Seller _____ Date
_____ Buyer _____ Date _____ Seller _____ Date`