



**Nelson Home Group**  
**NEW HOME ADDENDUM #1**



**THIS ADDENDUM #1** is to be made part of that certain Purchase and Sale Agreement dated \_\_\_\_\_ having Nelson Home Group as “Seller and having \_\_\_\_\_ as “Purchaser” with regard to that certain real property commonly known as \_\_\_\_\_ S Verde Street Tacoma WA 98409 and legally described as Parcel \_\_\_\_\_ in **Pierce County, WA**.

The purpose of this Addendum is to clarify, modify, and add certain provisions pertaining to the Agreement. Both parties to this Addendum hereby acknowledge by their execution hereof that they fully consent to the provisions set forth below and agree to perform each and every provision according to its terms and conditions.

**1. PRICE:** Total purchase price \$ \_\_\_\_\_.

**2. CHANGES:** Total purchase price is subject to change based upon alterations, additional upgrades and/or additional features that may be requested by Purchaser after the date of the Effective Date of this ADDENDUM #1. Purchaser acknowledges and hereby agrees that any such change(s) are to be selected and completed prior to the commencement of the installation of drywall. If Purchaser requests any further change(s) after said date, Seller may, in its sole discretion, either; (i) deny such request; or (ii) grant any such request, provided that Purchaser prepays in its entirety to the Seller the full price of any such additional requested Changes, plus a construction change fee of up to \$400.00 per each Change request. Purchaser agrees to make a good faith effort to attempt to advance any and all requests for Changes prior to the installation of drywall.

The Purchaser shall pay the estimated costs of any and all of such Changes in advance directly to the Seller within fourteen (14) days after mutual acceptance of any such Changes and such payment shall thereafter become non-refundable. Purchaser acknowledges and agrees that due to variable appraisal policies, the full value of the Changes may not be included in the appraised value of the completed single family residence. Purchaser further agrees to execute a waiver of low appraisal at any time during the term of this Agreement, except on FHA/VA financed transactions, if necessary, to include the value of any such Change(s) to the Total Purchase Price.

**3. FINANCING:** For financing the Sellers’ preferred lender is Banner Bank, Meghan Parsons, cell (360) 499-9967, meghan.parsons@bannerbank.com Sellers’ “preferred lender”. The Seller shall not pay any fee on behalf of the Purchaser or to the Purchaser’s lender unless expressly agreed in this Agreement. **Seller paid closing costs with VA financing, if any, to include all Seller paid Buyers closing costs.** With regard to presales, Purchaser shall deliver to Seller a pre-qualification letter and verification of their credit approval received from the applicable lender within thirty (30) days after mutual acceptance of the Agreement. No construction will commence until after Seller has received and is satisfied with such information. With regard to contingent offers where Purchaser must first sell their present home, Seller, at Seller’s sole option, will not commence construction until after Purchaser has waived their present home sale contingency and has delivered to Seller sufficient information evidencing to the Seller’s satisfaction their qualifications for loan approval (e.g. funds required for presale, pre-qualification letter, verification of credit approval, purchase and sale agreement and/or closing statement pertaining to sale of present home etc.).

**4. EARNEST MONEY AND NON-REFUNDABLE DEPOSIT:** Purchaser hereby agrees to deliver simultaneous with Purchaser’s execution of this Addendum #1 an earnest money deposit of \$ \_\_\_\_\_ payable to Puget Sound Title and Escrow a non-refundable deposit for Changes payable directly to the Seller in the amount of \$ -0- (collectively, the “Deposits”). The deposits will be credited to Buyers at closing. Upon commencement of construction of pre-sales, earnest money deposits shall become non-refundable to Buyer and closing agent is instructed to release earnest money to the Seller.

**5. ESCROW AND TITLE:** Purchaser and Seller further agree that the designated escrow agent for the Agreement shall be Puget Sound Title & Escrow (Deanna Allen) located at 5350 Orchard St W #100 University Place WA 98467, telephone (253) 474-4747, (the “Escrow Agents”). Seller provides Home Owners Policy of title insurance only.

**6. COMPLETION OF SINGLE FAMILY RESIDENCE:** Seller shall make a good faith effort to substantially complete the Single Family Residence on or before (the “Completion Date”). However, in order to maintain the strict quality standards, **THIS COMPLETION DATE IS AN ESTIMATE ONLY AND IS NOT A GUARANTEE AS TO THE EXACT DATE WHEN CONSTRUCTION OF THE SINGLE FAMILY RESIDENCE WILL BE COMPLETED.** Should construction be delayed due to circumstances beyond Seller’s control, the Closing Date and the Completion Date shall be extended for the same amount of time. The Closing Date shall also be considered to be the termination date unless mutually

extended or otherwise agreed in writing. If the Single Family Residence described in the Agreement is not completed prior to the closing date, the exclusive remedies available to the Purchaser shall be to; (i) either terminate the Agreement; or (ii) mutually extend the Closing Date of the Agreement provided that Seller is willing to do so. Purchaser hereby agrees that **SELLER IS NOT AND SHALL NOT BE AT ANY TIME RESPONSIBLE** for the expiration of Purchaser's loan commitment, penalties, loan origination or other fees or losses due to the Completion Date not being met. **PURCHASER IS ADVISED TO ENSURE THAT THEIR LENDER AND ANY OTHER INTERESTED THIRD PARTY IS MADE AWARE OF THIS AGREEMENT AND IN PARTICULAR THE FOREGOING PROVISION WHICH PROVISION WAS MATERIAL TO SELLER'S DECISION TO ENTER INTO THIS AGREEMENT.**

**7. CC&Rs, if Applicable:** Purchaser hereby acknowledges that they; (i) have been provided with a copy of the Covenants, Conditions, and Restrictions (C,C&Rs) affecting said lot; (ii) have read said documents; (iii) understand and have no objection to said documents; and (iv) agree to unconditionally abide by said C,C&Rs.

**8. MOLD DISCLOSURE:** Seller is not responsible for; (i) "bodily injury", "property damage", medical payments, "personal and advertising injury", arising out of, resulting from, caused by, contributed to, or in any way related to the existence, inhalation or exposure to any "fungus/fungi" and or "spore(s)"; or (ii) Any cost or expenses associated in any way, or arising out of the abatement, mitigation, remediation, containment, detoxification, neutralization, monitoring, removal, disposal, or any obligation to investigate or assess the presence or effects of any "fungus/fungi" or "spore(s)" including without limitation any obligation to share with or repay any person, organization or entity, related in any way to items (i) and (ii) above.

**9. INSULATION:** In accordance with Washington State Energy code and requirements at the time of issuance of the applicable building permit for the Single Family Residence and pursuant to Federal Trade Commission Regulations requirements, the following information is provided by Seller regarding the insulation types and specifications to be installed in the Single Family Residence.

Wall insulation:	Type: Batt	Thickness: 5 1/2"	R-Value: R-21
Ceiling insulation:	Type: Batt/Blown	Thickness: 14"	R-Value: R-49
Floor insulation:	Type: Batt	Thickness: 10"	R-Value: R-38
Other insulation data:			

The Seller represents and warrants that the insulation installation specifications meet or exceed Washington State requirements.

**10. PURCHASERS ACCESS DURING CONSTRUCTION:** Purchaser hereby acknowledges that the Property being purchased pursuant to the Agreement is and shall continue to belong to the Seller until the Closing Date. Purchaser hereby further agrees not to enter onto Property during construction unless accompanied by Seller's designated representative or agent. Purchaser further acknowledges that only Seller and Seller's employees and authorized subcontractors are authorized to enter and perform work on the Property and Purchaser is expressly denied permission to provide any materials, labor, equipment and/or perform any work on the Property whatsoever prior to the Closing Date for any reason without any exception or reservation, without the prior written agreement and consent of the Seller.

**11. SUBSTITUTION:** Seller reserves and Purchaser hereby grants to Seller the right to substitute materials and equipment of comparable quality without prior notice to Purchaser. All materials and equipment are subject to reasonable availability. Special materials and/or equipment selected by the Purchaser may delay construction scheduling or completion.

**12. NO VERBAL REPRESENTATIONS:** The Parties hereby acknowledge that it is natural during the term of the Agreement for the Purchaser to have questions regarding the new single family residence while it is under construction. In order for the Purchaser to receive responsible and authoritative answers to questions, such questions shall be presented in writing to the Seller who will likewise respond in writing. Purchaser understands and agrees that the sales agents, field superintendents, other employees of Seller, subcontractors and/or any other third parties are not authorized to respond to such questions. The Agreement as written constitutes the full understanding between the parties and may only be amended or modified by a mutually agreed to written document setting forth with particularity modifications and/or clarifications made in a document signed by both Purchaser and Seller.

**13. LOCATION OF HOME: PURCHASER HEREBY GRANTS TO THE SELLER SOLE DISCRETION TO DETERMINE THE EXACT LOCATION OF THE SINGLE FAMILY RESIDENCE ON THE LOT.** The Seller hereby agrees to accept such exclusive responsibility and authority to make such decisions.

**14. PLAN VARIATIONS:** The Parties hereby acknowledge and agree that; (i) no two homes are exactly alike; (ii) it is not uncommon to have minor differences in the dimensions or style of concrete, landscaping, framing, wiring, cabinets, etc.; (iii) all homes are not constructed with the same quality materials; (iv) the above referenced items can and do vary from home to home; (v) such variations are not considered defects and will not be changed; and (vi) standard features in a particular home design style vary from subdivision to subdivision.

**15. PLANS ARE PROPERTY OF SELLER:** Plans, drawings, specifications and design materials shall remain the sole property of the designer, architect, engineer, surveyor, other consultant and/or Seller during and after the term of this Agreement and will not be made available to the Purchaser at any time either temporarily or permanently.

**16. HOMEOWNERS ASSOCIATION & DUES, if Applicable:** Not applicable

**17. UTILITIES PAID OUTSIDE OF ESCROW BY SELLER:** Seller hereby acknowledges its obligation arising out of RCW 60.80.010 to satisfy, upon Closing Date, any lien or charge specified in RCW 35.21.290, RCW 35.67.200, RCW 36.36.045, RCW 36.89.090, RCW 36.94.150, RCW 56.16.100, RCW 57.08.080, or RCW 87.03.445. Seller agrees to satisfy any such liens or charges outside of the escrow. Seller and Purchaser hereby waive the right to have the Escrow Agent administer the payment of such liens or charges as provided under Chapter 60.80 RCW. Purchaser and Seller hereby agree that the Escrow Agent shall not be held liable or responsible in connection with the same prior to or after the close of escrow.

**18. NOTICE TO THE BUYER REGARDING INFORMATION AVAILABLE REGARDING REGISTERED SEX OFFENDERS:** Information regarding registered sex offenders may be obtained from local law enforcement agencies. This notice is intended only to inform the Purchaser of where to obtain this information and is not an indication of the presence or absence of registered sex offenders residing in the vicinity of the Property.

**19. INTERPRETATION:** The terms, conditions and all provisions included in this Addendum #1 shall supersede, modify and prevail in the event of any conflict between this Addendum #1 and the Earnest Money Agreement or Purchase and Sale Agreement to which this Addendum #1 is attached and made part of. To the extent that the terms, conditions and provisions included in the Earnest Money Agreement or Purchase and Sale Agreement are not superseded by this Addendum #1, they are hereby ratified and approved by both parties.

**20. POSSESSION:** Purchaser shall be entitled to possession of the Property including the Single Family Residence on the closing date as defined on Page 1 of Form 21, Line 11. In the event that Purchaser desires to take possession of the Property prior to the actual closing date, Seller may agree, at Seller's exclusive option, to allow Purchaser to move into the Single Family Residence prior to the actual closing date only if; (i) Purchaser has obtained final loan approval and has deposited all funds required for closing with the designated escrow company; (ii) the construction is fully completed and the Seller has received a final certificate of occupancy from all applicable governmental agencies; (iii) the Purchaser delivers to Seller in advance of such possession date an insurance certificate evidencing verification of insurance coverage in the amount not less than the Total Purchase Price naming Seller as an additional loss payee for the period prior to the actual closing date; and (iv) Purchaser executes a pre-closing rental agreement in a form approved by Seller and prepays rent to Seller for an initial two (2) week period in the amount of One Hundred Twenty Dollars (\$120) per day from and inclusive of each day Purchaser is granted possession prior to the actual Closing Date of the Agreement. Said rental amount shall be charged by Seller and prepaid by Purchaser in the manner specified by the Seller for so long as the occupancy occurs prior to the Closing Date and will be owed and paid in addition to all other sums owed by Purchaser pursuant to this Agreement. All rents pre-paid by Purchaser shall be pro-rated and refunded to Purchaser within five (5) business days after the Closing Date.

**21. AGENCY:** Both Seller and Purchaser acknowledge that; (i) the selling real estate broker represents the Purchaser exclusively and not the Seller; (ii) and the listing broker, Dennis Folk, represents Seller exclusively and not the Purchaser. If selling broker and listing broker are affiliated with the same real estate brokerage firm, or if \_\_\_\_\_ acts as both listing and selling broker, then both Seller and Purchaser consent to said broker acting as a dual agent. Both Seller and Purchaser hereby acknowledge receipt of a copy of the pamphlet entitled "The Law of Real Estate Agency."

**22. COMMISSIONS:** Both selling and listing brokers hereby agree, evidenced by their signatures below, that the commission to be paid in conjunction with this Agreement shall be based on the original Total Purchase Price less Seller concessions and shall not include any additional charges arising from subsequent Changes, rent or any other applicable monies paid by Buyer over and above the original Total Purchase Price.

\_\_\_\_\_  
Selling Broker/Date

\_\_\_\_\_  
Listing Broker/Date

**23. HOME INSPECTIONS:** Purchaser may, at Purchasers' expense, conduct inspections they deem necessary but this offer is not subject to or contingent upon NWMLS Form 35. Seller will make all repairs required as a result of applicable City and/or County inspections.

**24. NEW HOME ORIENTATION:** Prior to the Closing Date, Seller agrees to schedule a new home orientation with the Purchaser to explain; (i) the new home warranty program; (ii) the recommended Purchaser maintenance; and (iii) the operating procedures of the Single Family Residence appliances, heating and plumbing systems and other miscellaneous features. All new home orientations will be limited exclusively to the attendance of Purchaser and their real estate broker and Builders designated representatives.

**25. CLOSING:** This transaction shall close according to this Agreement as described On Form 21, Line 11 or for homes not completed at the time of Mutual Acceptance, closing shall occur within five (5) business days of delivery to the Escrow Agent of the final inspection and Certificate of Occupancy evidencing approval to occupy from the governing authority. The Closing Date shall not be delayed due to items requiring minor repair, adjustment or replacement. If by no fault of Seller an extension of closing is requested by Purchaser, Purchaser shall be charged a per diem of \$100.00 dollars per day for any extensions of the closing period requested by the Purchaser in writing and approved by the Seller. Seller reserves the right to approve or disapprove at its sole discretion any extension of the closing date. If Seller agrees to an extension of the closing date, the Purchaser shall pay the per diem charge to Seller through escrow.

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Initial/Date

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Initial/Date

/

Seller /Date

**26. PURCHASERS EXCLUSIVE REMEDY: IN THE EVENT OF ANY IRRECONCILABLE DISPUTE OF ANY KIND REGARDING ANY MATTER ARISING OUT OF THIS AGREEMENT, THE PURCHASERS SOLE AND EXCLUSIVE LEGAL AND EQUITABLE REMEDY SHALL BE THE RESCISSION OF THIS AGREEMENT AND THE RELEASE BY SELLER OF ANY CLAIM OR INTEREST IN THE PURCHASER'S DEPOSIT(S) WITH THE EXCEPTION OF ALL NON-REFUNDABLE ITEMS MENTIONED IN THIS ADDENDUM.**

**27. SELLER'S NON-REPRESENTATIONS:** The Seller, Listing broker and Selling broker make no representations whatsoever regarding; (i) the geographic size of the Property; (ii) the square footage of any improvements situated on or in the Property including the Single Family Residence; (iii) whether there are any encroachments (fences, rockeries, structures, buildings, etc.) situated on or in the Property, or the Property on adjacent properties. Purchaser is advised to verify lot size, square footage and existence or non-existence of any encroachments to Purchaser's own satisfaction. Purchaser hereby acknowledges and agrees that Seller shall not be responsible for any utility connections from home to street with respect to cable and/or telephone services.

**28. NEW HOME WARRANTY:** The Seller will provide a one year limited home warranty to the Purchaser at closing. Purchaser or Purchasers Broker will be provided a copy of the New Home Warranty upon request.

**“Purchaser”**

**By:** \_\_\_\_\_

**By** \_\_\_\_\_

**Date:** \_\_\_\_\_

**“Seller”**

**Nelson Home Group**

**By:** \_\_\_\_\_

**Date:** \_\_\_\_\_