

Rising Sun Homes, LLC

New Construction Addendum

The following is a part of the Purchase and Sales Agreement dated _____ between Rising Sun Homes, LLC, (hereinafter referred to as seller), and _____, (hereinafter referred to as purchaser). This addendum covers the purchase and sale of the property described as _____ Lot ___ of _____.

1. The Purchaser and seller mutually agree that **title insurance** shall be ordered through Ticor Title Company, 437 29th Street NE Suite B, Puyallup, WA 98372. Phone (253)840-2560 Fax (253)840-1767. Seller is to provide to Buyer a 1992 Alta owner's Standard Title Policy.

2. The Purchaser and seller mutually agree that the **closing agent** for this transaction shall be Ticor Title Company, 437 29th Street NE Suite B, Puyallup, WA 98372 Phone (253) 840-2560, Fax (253) 840-1767.

3. Selection and Payment for **Upgrades or Changes** – All changes must be made by a mutually accepted Addendum to the Purchase and Sales Agreement. Any conversations Between Purchaser and subcontractors or workers on site that are not presented via said Addendum have no bearing on the Purchase and Sale Agreement, and are therefore not binding. Upgrades and changes must be selected within fourteen (14) days of the execution of this agreement. For each upgrade or change requested after the fourteen (14) day upgrade and selection period, Rising Sun Homes, LLC reserves the right to charge a \$300.00 administration fee. Such administration fee is not refundable. All selected Purchaser upgrades are subject to availability and Seller approval. Any upgrades or changes shall not delay construction scheduling or completion. Any upgrades or changes made to a home shall be payable up front and shall convert the Earnest Money to a nonrefundable status. Any and all upgrades added to the purchase price shall include a 10% administration fee. All lighting and floor covering upgrades are to be paid directly to the supplier at the time of selection, unless otherwise noted in writing to Seller and mutually agreed upon by both Seller and Purchaser. If these items are not paid directly to supplier at time of selection, Rising Sun Homes, LLC cannot guarantee their installation. Flooring and lighting upgrades are subject to Builder Approval. Flooring and lighting upgrades can not be made a part of the Purchase and Sales Price.

Rising Sun Homes, LLC reserves to substitute items of comparable quality and function without notice. All items are subject to reasonable availability. This includes the right to substitute concrete for wood decking and vice-versa.

Initials: Purchaser _____ Date: _____

Seller: _____ Date: _____

Purchaser _____ Date: _____

New Construction Addendum Page 1 of 6

4. The **completion date** is an estimate only. Any completion date contained in this agreement or communicated to the Purchaser by Seller's Agent, is a best estimate of when the new home will be completed. Should the construction be delayed due to circumstances beyond the Seller's control, the closing date will be extended up to 30 days at Seller's sole option. Rising Sun Homes, LLC is not responsible for the expiration of Purchaser's Loan commitment, penalties, loan fees, or any other fee or loss due to the estimated completion date not being met.

5. Rising Sun Homes, LLC shall not pay any fee on behalf of the Purchaser, except those agreed to in this Purchase and Sales Agreement. All mandatory seller paid VA or FHA closing costs, including escrow fee, shall come out of Seller's contribution. Seller will not pay any fee of any nature to Purchaser's lender unless expressly agreed to in this agreement. Purchaser understands that a negotiation has been made with a closing date in mind. If this transaction does not close on or before said closing date due to no fault of the Seller, Purchaser shall pay \$150.00 per day for any extensions granted. Purchaser is advised to insure that his lender and any other interested party are made aware of this agreement.

6. **Completion** is defined as when construction is substantially complete and a Certificate of Occupancy is issued.

7. Purchaser acknowledges that the **property belongs to Rising Sun Homes, LLC** until closing and that only Rising Sun Homes, LLC and its authorized subcontractors and/or agents are authorized to enter the premises for any reason. By signing below, the Purchaser hereby releases and waives any claims for bodily injury liability against Rising Sun Homes, LLC, all Rising Sun Homes, LLC employees and subcontractors, and all Real Estate licensees associated with the construction and sale of the subject property.

8. All **questions** regarding the new home shall be submitted in writing, to the Seller through the listing agent.

9. Rising Sun Homes, LLC has sole discretion as to the **location** of the home on the lot. Many factors and considerations dictate that the builder have the responsibility and authority to make this decision.

10. All Plans, drawings, specifications and design materials shall remain the sole property of Rising Sun Homes, LLC and will not be available to the purchaser. Plans may vary. No two homes are built exactly alike. It is not uncommon to have minor differences in the dimensions, style, concrete, landscaping, cabinets, framing, etc. All of the homes are built with the same quality of materials, but the above mentioned items can and may vary. These are not to be considered as defects, and they will not be changed.

Initials: Purchaser: _____ Date: _____

Seller: _____ Date: _____

Purchaser: _____ Date: _____

New Construction Addendum Page 2 of 6

11. Rising Sun Homes, LLC shall be responsible for all construction means, methods and sequences. The Seller will install materials which are new and conform to industry standards. The Builder is not responsible for property damage, or the consequences thereof, or personal injury, or consequences thereof, caused by chemical, biological or toxic agents or elements that may be part of any building utilized in construction. The Builder will not utilize any building material know to the Builder to be directly toxic or harmful to persons or the environment.

12. Rising Sun Homes, LLC **warrants** that all labor, materials and taxes will be paid, and there will be no potential lien claimants upon the completion of the work and final payment by the Purchaser. All work will be performed in a commercially reasonable manner and will meet or exceed industry standards. Rising Sun Homes, LLC will promptly return to the project and repair or replace, as necessary, any defects in workmanship at their sole expense. The Builder's Warranty is for a period of twelve (12) months from the date of closing or first occupancy and thereafter expires. Any warranty claim of the Buyer shall accrue only during this one year period.

Rising Sun Homes, LLC is hereby providing homebuyer with the warranty Contained in the most recent edition of the Home Buyers Warranty Booklet, as of the Date of the execution of this Agreement. That Booklet has been made available to Homebuyer, and is incorporated by reference, and made a part of this Purchase Agreement. The warranty contained in the 2-10 Home Buyers Warranty Booklet is the sole Warranty provided to the homebuyer. **THIS WARRANTY IS GIVEN IN LIEU OF ANY EXPRESS OR IMPLIED WARRANTY OTHERWISE PROVIDED UNDER THE LAWS OF WASHINGTON, INCLUDING THE WARRANTIES OF FITNESS, MERCHANTABILITY OR HABITABILITY.**

It is hereby agreed that all claims, disputes and controversies between the homebuyer and Rising Sun Homes, LLC arising from or related to the subject home, identified herein or to any defect in or to the subject home or the real property on which the subject home is situated, or the sale of the subject home by seller, including but not limited to, any claim for breach of contract, negligent or intentional misrepresentation, nondisclosure in the inducement, execution or performance of any contract, including this arbitration agreement, and breach of any alleged duty of good faith and fair dealing, shall be submitted to binding Arbitration by and pursuant to the arbitration provision contained in the most recent edition of the Warranty Booklet, as of the date of the execution of this Agreement. That Booklet has been made available to homebuyer, and is incorporated herein by reference, and made a part of this Agreement. As set forth in the Warranty Booklet, binding arbitration of disputes which arise after the close of escrow will be accomplished pursuant to the rules of Construction Arbitration Services ("CAS"), in effect at the time of the request for arbitration. This arbitration agreement shall be governed by the Federal Arbitration Act, to the exclusion of any inconsistent state law.

Initials: Purchaser: _____ Date: _____

Seller: _____ Date: _____

Purchaser: _____ Date: _____

New Construction Addendum Page 3 of 6

13. Any **warranty work** to be performed by Rising Sun Homes, LLC will be completed during normal working hours, which are 9:00 a.m. to 5:00 p.m. Monday through Friday. Purchaser understands and agrees to make scheduling arrangements to provide Rising Sun Homes, LLC access to the home to perform work within the hours noted.

14. Separate Warranty. Manufacturers of consumer products such as roofing materials, appliances, hardware, windows, heating and mechanical systems, fixtures, etc., are not separately warranted by Rising Sun Homes, LLC. If the Purchaser encounters a defect in a manufactured or supplied product, Rising Sun Homes, LLC shall assist the Buyer in securing the repair or replacement of these products pursuant to the particular manufacturer's or distributor's warranty.

15. Chapter RCW64 of Washington Law contains important requirements you must follow before you may file a lawsuit for defective construction against the Builder. Forty-five (45) days before you file a lawsuit, you must deliver to the Builder the opportunity to make an offer to repair or pay for the defects. You are not obligated to accept any offer made by the builder. There are strict deadlines that may affect your ability to file a lawsuit.

16. In the event of a dispute of any kind regarding this transaction, Purchaser agrees to rescind this Purchase and Sales Agreement and accept returned Earnest Money as the sole and exclusive remedy.

17. Builder makes no representation of cable and phone companies. Builder pre-wires house only.

18. Purchaser has received a blank Property Disclosure Statement for informational purposes only. Purchaser understands that due to the fact that this home is a presale and/or new construction, this form is not completed.

19. Purchaser waives the right to receive a completed Real Property Disclosure Statement. The Purchaser has been advised of Purchaser's right to receive a completed Real Property Disclosure Statement. Purchaser waives that right and the right to revoke the offer based on not receiving that Statement.

20. The Purchaser shall have the option to conduct a Home Inspection with a licensed and bonded Home Inspector of their choice and at the Purchaser's expense. The Purchaser acknowledges that the Purchase and Sales Agreement and Earnest Money are not contingent on the results and/or remedies proposed of the Inspection Report. All other provisions of the Inspection Addendum to Purchase and Sale Agreement shall apply. Seller acknowledges that the home shall be finished according to industry standards and code.

Initial: Buyer:_____ Date:_____

Seller:_____

Buyer:_____ Date:_____

New Construction Addendum Page 4 of 6

21. Rising Sun Homes, LLC has an interest in maintaining the attractiveness and marketability of Seller's property, and establishing a residential community that

maintains a high quality of livability consistent with Seller's established good reputation. The representations made by Buyer and the remedies afforded Seller in this Paragraph shall survive the Closing of this sale. The Seller's interest in other property owned by Seller located in the vicinity of the Property could be damaged by sales to persons who participate in programs that require governmental oversight and monitoring of daily activities. Therefore, Buyer further represents that (a) Buyer (or, if there is more than one Buyer, either Buyer) has not become or is not required to be a participant in any program described in RCW 9A.44.130 (registration of sex and kidnapping offenders); (b) Buyer (or, if there is more than one Buyer, either Buyer), does not provide a residence or employment at the Buyer's home to any person who has become or is required to be a participant in any program described in RCW 9A.44.130; and (c) Buyer has no knowledge of any complaint, information, indictment, or pending proceeding that could require Buyer (if there is more than Buyer, either Buyer), or any person for whom Buyer provides or intends to provide a residence or employment at the Buyer's home to become a participant in any program described in RCW 9A.44.130 at a future date. Rising Sun Homes, LLC shall be entitled to rescind the transaction and seek incidental damages, or seek actual damages, in the event of a breach of this representation and warranty by Buyer.

22. It is understood that all lot owners of _____ will become members of the _____ Homeowner's Association, a non profit corporation, organized and existing under the laws of the State of Washington. This Association may provide for the assessment and collection of a one time initiation fee from each purchaser, at closing, which will be paid directly to the Seller as partial reimbursement for expenses associated with certain improvements installed by the Seller on behalf of the Association. The Association will also assess annual dues. Each member is responsible for maintaining and improving the common areas of _____. The annual dues of the Association are to be determined.

23. Application for **financing** shall be made by Buyer within five (5) days of mutual acceptance of this Purchase and Sales Agreement.

24. Commission shall be paid on the original price of the home, before any upgrades, buyer bonuses, or other increases to the price of the home are added.

25. Utilities will be paid outside of escrow at time of closing. Seller and Purchaser hereby waive their right under RCW60.80 to have the Closing Agent administer the payment of such installments, or any other charges that may be due at closing.

Initial: Buyer: _____ Date: _____

Seller: _____

Buyer: _____ Date: _____

New Construction Addendum Page 5 of 6

26. Purchaser acknowledges that Purchaser has not relied on any representations, opinions or statements, oral or implied made by the Seller's Agent, or its subagents and employees, or agents and employees of the Seller, concerning the property condition, noise; views, grounds, future improvements; ownership; status ;zoning and/or pending development of surrounding properties; issues of personal and environmental concerns; encroachments; school districts boundaries; square footage of lots or buildings; road improvements; county records; or any other matter not contained in this Agreement. Purchaser agrees to rely solely upon Purchaser's own independent analysis and inspections of the property, and written agreements between the Seller and Purchaser.

27. Closing Occurs when all documents have been recorded with the county in which the home was built and Funds have been made available to the Seller.

28. This Addendum shall supersede and prevail in any conflict between the standard Purchase and Sales Agreement form to which this is attached and made a part of. Hand written or typed changes to the standard form of this Addendum shall prevail, provided they are initialed by both parties.

_____	_____
Purchaser	Date
_____	_____
Purchaser	Date
_____	_____
Seller	Date