

BUILDER'S ADDENDUM "A"
CAPSTONE HOMES, INC.
ADDENDUM / AMENDMENT TO PURCHASE AND SALE AGREEMENT

The following is an integral part of the Purchase and Sale Agreement dated _____, 20 ____
between CAPSTONE HOMES, INC. (Seller) and _____(Buyer).

1. CLOSING OF SALE . The closing agent shall be **Jolyne M. Baines, DEO/LPO, FOUNDATION ESCROW, INC., TACOMA, WASHINGTON - (253) 756-1760.**

2. DELAY OF CLOSING. In the event closing is delayed beyond the closing date set forth, closing may be extended by Seller by written notice to Buyer. If Seller fails to complete home by closing date, Buyer's sole remedy, other than waiving timely performance and accepting closing upon completion, is termination of the Agreement and return of earnest money deposit to Buyer.

3. PURCHASER IS AWARE THAT COMPLETION OF ITEMS NOTED AT THE HOME ORIENTATION (PRE-CLOSING WALK THROUGH) WILL NOT DELAY THE CLOSING.

4. CONSTRUCTION DELAYS. Due to construction delays, Seller at his option may extend the closing date by thirty days with written notice. Further, if construction is not completed by the adjusted closing date, the Buyer's sole option, rather than waiving of timely performance and closing on completion is cancellation of this agreement and return of the earnest money deposit.

5. LENDER FEES. Seller will not participate in any cost or fees involved with outside lending including document preparation fees or underwriting fees.

6. UTILITIES. Escrow will waive collection of utilities.

7. Buyer has been advised of buyers right to receive a completed real property transfer disclosure statement. Buyer waives that right.

8. ESCROW FEE AND PRORATION. Seller shall pay escrow fee per Sellers agreement with Escrow Company. Buyer shall pay escrow fee according to fee schedule unless this sale is FHA or VA financed, in which case it shall be paid according to FHA or VA regulations. Taxes for the current year, rent, interest, and lien able homeowners' association dues shall be prorated as of closing. Buyer agrees to pay Buyer's loan costs, including credit report, appraisal charge and mortgagee's title insurance, unless provided otherwise in this Agreement.

9. TITLE INSURANCE. Seller authorizes Selling Agent or closing agent, at Seller's expense, to apply for a standard form owner's policy of title insurance from **OLD REPUBLIC TITLE CO. in King and Pierce Counties, LAWYER'S TITLE INSURANCE CO. in Kitsap County or CHICAGO TITLE INSURANCE CO. in Thurston County**, containing no other provisions than those set forth in NMLS Residential Real Estate Purchase and Sale Agreement, General Terms, Section "d". The preliminary commitment therefore, and the title policy to be issued, shall contain no exception other than the General Exclusions and Exceptions in said standard form. If title cannot be made so insurable prior to closing date, the earnest money shall, unless Buyer elects to waive such defects or encumbrances, be refunded to the Buyer, less any costs described in Paragraph 5 hereof, and this agreement shall thereupon be terminated.

10. CLOSING COSTS. Seller agrees to pay a Buyer Bonus of up to \$_____ towards Buyer's closing costs.

11. ARBITRATION OF DISPUTES. It is hereby agreed that all claims, disputes and controversies between Buyer and Seller 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 the 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 the Buyer, 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. Prior to commencing arbitration, litigation or any other dispute resolution process, the Buyer shall comply with the provisions of RCW 64.

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RCW 64.50.005-.060 CONTAINS IMPORTANT REQUIREMENTS YOU MUST FOLLOW BEFORE YOU MAY FILE A LAWSUIT ALLEGING DEFECTIVE CONSTRUCTION AGAINST THE SELLER OR BUILDER OF YOUR HOME. FOURTY-FIVE (45) DAYS BEFORE YOU FILE YOUR LAWSUIT, YOU MUST DELIVER TO THE SELLER OR BUILDER A WRITTEN NOTICE LISTING IN REASONABLE DETAIL ANY CONDITIONS YOU ALLEGE ARE DEFECTIVE. THE NOTICE MUST BE DELIVERED TO THE SELLER OR BUILDER BY PERSON OR THROUGH CERTIFIED MAIL. THE NOTICE MUST ALSO PROVIDE THE SELLER OR BUILDER THE OPPORTUNITY TO INSPECT, OFFER TO REPAIR OR PAY FOR THE ALLEGED DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY THE BUILDER OR SELLER. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER STATE LAW AND RCW 64.50 et seq. FAILURE TO FOLLOW THEM MAY AFFECT YOUR ABILITY TO FILE A LAWSUIT.

12. SITE LOCATION. Seller shall have sole responsibility to locate house on lot, observing curb appeal, driveway location, drainage considerations, existing trees and topography, subject to house fitting on lot.

13. ACCESS TO BUILDING SITE. Buyer agrees to accept Seller's requirement of pre-arranging visits to the site. No Buyer or perspective Buyer shall proceed onto a construction site unless accompanied by the site manager in order to avoid hazard and safety issues. All instructions to superintendent or sub-contractors shall be relayed through the site manager and not done directly. Failure to comply may result in production being halted which in turn may delay closing.

14. NOTICES. Seller and Buyer must keep listing agent advised of their whereabouts to receive prompt notification of receipt of a notice. Listing agent's responsibility to advise of receipt of a notice shall not extend beyond either phoning the party or causing a copy of the notice to be delivered to that party's address on this agreement.

15. HOME ORIENTATION. Prior to closing date, an authorized representative of the Seller, Blue Chip Properties, Inc., shall accompany the Buyer on a pre-closing walk through. Any warranty items noted during the pre-closing walk through which require adjustment or correction, shall be brought to industry standards as soon as possible by Seller, and to be not more than **45 days following closing**. Upon completion of pre-closing walk through adjustments, Buyer shall acknowledge the completion of the adjustments in writing by signature and date. Further, Buyer understands that failure to acknowledge completion of adjustments may constitute a waiver of Seller's obligation, if any, to make any further related adjustments.

16. SELECTIONS / OPTIONS. Buyer may make selection of materials, i.e., wallpaper, vinyl, carpet, ceramic tile (when applicable), exterior paint color, brick, and light fixtures. All selections must be made from Builders standard stock of materials and colors and within allowance specified by Seller. Seller reserves right to substitute material's, fixtures and appliances of comparable quality for those specified in the plans and specifications. Buyer is to pay floor covering and lighting upgrades direct to supplier.

17. AVAILABLE OPTIONS. Buyer may select **options** only from Seller's standard available **options list**. Options must be selected within ten **(10) days following acceptance of Agreement**. Location of additional electrical, telephone, or cable TV outlets must be noted on diagram of model. Once construction of house has begun, no changes other than those already agreed to will be granted. Any request for change after the ten (10) day acceptance period must be accompanied by a late fee check in the amount of \$100 per item requested.

18. SPECIFICATON CHANGES. Any changes in specifications are subject to Seller's approval. Any selection or change by Buyer which exceeds the allowance specified by Seller or otherwise increases the construction costs must be paid for by the Buyer in cash, in advance, refundable only at Seller's option.

19. MAINTENANCE. Buyer has an obligation to make reasonable and routine inspection of the property for purposes of upkeep and maintenance. Buyer further understands and acknowledges that Buyer has been put on notice, that certain construction assemblies including, but not limited to, windows, exterior doors, vents and siding require routine maintenance to ensure waterproofing performance. Buyer understands that to facilitate and/or ensure waterproofing performance of such assemblies requires routine annual inspection of such assemblies including inspecting caulking/sealants, trim and paint applied to and around the assemblies. Further, caulking/sealants and paint should be maintained, replaced or reapplied on average every three years or as recommended by the manufacturer.

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20. WARRANTIES. "Warranties – Seller is hereby providing Buyer 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 the Buyer, and is incorporated by reference, and made part of this Purchase & Sale Agreement. The warranty contained in the 2-10 Home Buyers Warranty Booklet is the sole warranty provided to the Buyer. Any other warranty or warranties, whether express or implied, are disclaimed by Seller and waived by Buyer, unless otherwise prohibited by particular state law. Buyer acknowledges that this Agreement (and any addendums attached hereto or warranties specifically included herein by reference) constitutes any and all express warranties made by Seller. Buyer further acknowledges that any warranty provided by Seller and accepted by Buyer forms in part the basis of the bargain for this Agreement.

21. REFER2US CONTRACT FEE. A referral fee of \$_____ will be paid upon closing to the referee,
_____,who resides at _____.

The referee has previously registered and has signed a "REFERRAL SOURCE AGREEMENT" on _____, which is hereby attached as Addendum "B".

22. CONFLICTS BETWEEN THIS ADDENDUM AND OTHER ASPECTS OF THE PURCHASE & SALE AGREEMENT. In the event of a conflict between this Addendum and any other contract documents including but not limited to the NWMLS Pre-Sale Addendum, this Addendum shall control, supersede and survive the terms and conditions and provisions found therein.

BUYER_____ DATE _____, 20____

BUYER_____ DATE _____, 20____

SELLER_____ DATE _____, 20____