

“Addendum B”

**R.H. HOOVER, INC**

also known as HOOVER PREMIER HOMES

**ADDENDUM TO PURCHASE AND SALE AGREEMENT**

This ADDENDUM TO PURCHASE AND SALE AGREEMENT (THIS “Hoover Addendum”) is dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ and is by and between R.H. Hoover, Inc. (“Seller”) and \_\_\_\_\_ (“Buyer”). The terms and conditions of this Hoover Addendum are incorporated in and amend the Purchase and Sale Agreement by and between Seller and Buyer dated \_\_\_\_\_, including any and all amendments and addenda thereto (collectively referred to herein as the “Purchase Agreement”).

It is agreed between the Seller and Buyer as follows:

1. ASSIGNMENT

Neither the Purchase Agreement or this Hoover Addendum, or any rights therein, may be assigned by Buyer without Seller’s written consent.

2. CLOSING AGENTS:

Stewart Title Escrow  
Bellevue Office  
40 Lake Bellevue, Ste. 200  
Bellevue, WA 98005  
Phone: 206-770-1307  
Fax: 425-454-3736

Buyer acknowledges that Seller is receiving a Builder’s Rate on the escrow fee.

3. COVENANTS, CONDITIONS AND RESTRICTIONS

Buyer acknowledges receipt of a copy of the draft or recorded Covenants, Conditions and Restrictions (“CCR’s”) for the plat. The CCR’s, in part, set forth certain terms and conditions relating to the rights of the Seller to construct other homes in the plat as well as the rights of other homeowners and Buyers relating to uses, maintenance and construction of changes/additions to homes in the plat. The CCR’s are recorded and become a restriction on the title to the Property. Buyer shall be bound by all terms and conditions in the CCR’S and is advised to review them thoroughly.

Buyer \_\_\_\_\_

4. HOMEOWNERS LIMITED WARRANTY

Buyer acknowledges receipt of a copy of the R.H. Hoover, Inc. Limited Warranty (the “Hoover Warranty”). The Hoover Warranty supersedes and supplants all other warranties, expressed or implied, and all warranties her than those set forth in the

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Hoover Warranty are disclaimed by Seller. Buyer acknowledges and agrees that the terms and conditions of the Hoover Warranty apply to the Property and the home thereon and Buyer agrees to be bound thereby. Buyer is advised to review the Hoover Warranty thoroughly.

Buyer \_\_\_\_\_

### 5. PRE-OCCUPANCY/CLOSING WALK THRU INSPECTION

Buyer acknowledges receipt of the Hoover Warranty. Seller shall correct only those items that comply with the terms of the Hoover Warranty. Seller shall use its best reasonable efforts to complete all appropriate corrections within sixty (60) days after completion of the checklist. Prior to occupancy/closing, Seller’s representative will inspect the home with Buyer and conduct a “pre-occupancy/closing walk-thru inspection”. At that time, Buyer must identify and specify in writing on Seller’s Walk-thru Inspection checklist, all items, including any aspect of the landscaping, which are believed by Buyer to be imperfections in the home. **ITEMS NOT IDENTIFIED ON THIS CHECKLIST SHALL BE DEEMED FOR ALL PURPOSES, FULLY ACCEPTED BY BUYER**, Seller shall correct only those items that comply with the terms of Seller’s Limited Warranty, industry standards, state and local building codes, and the standards of Hoover Homes.

Buyer \_\_\_\_\_

### 6. CLOSING AND/OR EXTENSION AGREEMENT

In the event that the closing of this transaction is delayed for causes beyond Seller’s control, including but not limited to delays in obtaining required permits, inclement weather, unavailability of material or labor, Seller, upon notice to Buyer, shall extend the closing date to such required by the delay. In the event closing is delayed by the Buyer or the Buyer’s agent (i.e., lender, escrow, Realtor, etc), the Buyer shall pay a per diem extension fee based on Seller’s estimated carrying costs and expenses (including finance charges, loan interest, administration and marketing expenses). The per diem extension fee is not applicable to the purchase price and must be paid to Seller prior to closing as a condition of the sale transaction.

Seller’s representative shall release permanent keys to the Buyer, upon notification from escrow, that the necessary documents have been recorded and Seller’s funds are available. It shall be the Buyer’s responsibility to notify the utility companies and transfer all accounts into the Buyer’s name upon closing. Upon recording and final payment of purchase price, the Seller shall convey warranty deed to the Buyer.

### 7. PRE-QUALIFICATION OF BUYER

If the Purchase and Sale Agreement is subject to Buyer’s securing financing for the purchase of the home, Buyer shall, within five business days after mutual acceptance of the Purchase and Sale Agreement, contact Jolene Hoover at Countrywide Home Loans

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(“a Preferred Lender”) at 425-974-6122 or Kristen Reavell at Action Mortgage (a “Preferred Lender”) at 425-456-8000 to ascertain whether Buyer will likely qualify for financing. If Buyer uses either preferred Lender, Buyer shall receive a total credit of \$2000.00 at closing. Buyer remains free to finance with Lender of Buyer’s choice. If either Jolene Hoover of Countrywide Home Loans or Kristen Reavell of Action Mortgage determines that Buyer is unlikely to qualify for financing, either Buyer or Seller may elect to terminate the Purchase and Sale Agreement by written notice to the other party. Upon such termination, Buyer’s earnest money shall be returned and this Agreement shall be null and void.

8. FUNDS TO CLOSE

Buyer represents that buyer has available sufficient funds to close this sale in accordance with this agreement, and is not relying upon any contingent source of funds unless otherwise expressly set forth herein.

9. EARNEST MONEY/CONSTRUCTION DEPOSITS

Earnest money and/or construction deposits shall be release directly to Seller in accordance with the following deposit schedule:

- a) Upon mutual acceptance of Purchase and Sale Agreement \$
- b) Upon removal of financing or sale of house contingency \$
- c) Upon release of building permit/start of construction \$
- d) Other\_\_\_\_\_ \$

Upon release to Seller, the above noted deposit(s) shall be non-refundable, not withstanding any other provision in this agreement. The real estate broker or escrow company holding the earnest money deposit is hereby instructed to release said sum(s) directly to Seller. In the event that under any provision of this agreement the earnest money held by Seller becomes refundable to Buyer, it shall be refundable without interest. In the event changes to the home are included in the sales price, Buyer shall release Earnest Money deposit referenced in the Purchase and Sale Agreement, to Seller as a non-refundable deposit prior to the work being ordered or started.

10. PRORATIONS

Taxes for the current year, rent, interest, lienable Homeowner’s Association dues and utility rates and charges shall be pro-rated as of the date of closing

11. BUYER CHANGES

Changes may be requested by the Buyer with adjustments in price and closing date (if affected by changes) to be agreed to by Buyer and Seller. All such changes must be

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submitted to Cathy Patterson via fax (425) 745-1466 at Hoover Premier Homes Mill Creek office for pricing and for preparation of a written change order. All change orders must be signed and be paid for in full before the items(s) will be ordered or before the work will commence. **DELAYED AUTHORIZATION AND PAYMENT WILL RESULT IN AN INCREASE IN THE EXPENSE OF THE CHANGE.**

All Monies paid to Seller for change orders are non-refundable notwithstanding any other provision of the agreement between Buyer and Seller. Buyer is advised that progress on the house will not be delayed pending change order decisions. It will be Buyers sole responsibility to make certain change orders are signed and paid for within 48 hours of notification of price quote, unless otherwise specified, or the work will not be done and the house will progress according to the original schedule. If the requested changes delay the completion of the house, the original scheduled closing date may be affected.

In the event Buyer wishes to add change orders to the purchase price, Buyer shall (a) pay for changes in advance and (b) pay Seller’s additional closing costs on the total amount of changes to be added to the purchase price. Seller’s closing costs consist of 6% real estate commission and 3% miscellaneous closing costs i.e. excise tax, title insurance, escrow fee, etc. Monies paid to Seller for change orders added to purchase price will be applicable to Buyer’s down payment at closing.

Buyer is advised that not all upgrades and/or changes will increase the appraised value of the home. Any appraisal less than the amended sales price will not void this agreement, or cause any reduction in the amended sales price. Buyer agrees to pay any difference between the amended sales price and the appraised value in the event of an appraisal lower than the amended purchase price.

### 12. TIMING OF CHANGES

Since construction is not stopped upon signing the subject Purchase and Sale Agreement, and since work is scheduled and materials ordered in advance, changes should be requested within the following construction sequence: (a) Framing changes must be made prior to foundation, (b) window or exterior door changes must be made prior to the start of framing, (c) electrical, plumbing (including color), or heating changes must be made prior to the start of roofing, and (d) cabinet, interior door, millwork or paint changes must be made prior to the start of drywall. If changes are requested by the Buyer that are contrary to the above schedule, or in the event that the Purchase is contingent upon the sales of Buyer’s home, changes may be accomplished, at the Seller’s sole discretion, through a change order. Funds released for said change order shall be strictly non-refundable.

### 13. OTHER (APPLIES ONLY TO PRE-SALES)

The following documents, signed and dated by both parties, shall be attached hereto and incorporated into the Purchase and Sale Agreement between the parties: (a) Floor

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Plans, (b) Elevations, (c) Site Plan, and (d) Specifications.

### 14. ACCESS TO HOME

Buyer may have access to the home during normal business hours only. Buyer hereby agrees to obey all posted job site rules and warnings when visiting the job site.

### 15. REPRESENTATION

Buyer acknowledges and agrees that there are no representations or conditions to this sales transaction which are not specifically set forth in writing in this Hoover Addendum and the Purchase Agreement and that oral statements and/or representations by Seller/s employees, representatives and/or agents are not binding on the Seller and are not part of the Purchase Agreement terms and conditions. If Buyer believes that there have been any material oral statements and/or representations upon which Buyer has relied, Buyer must request in writing that the same be made in writing and incorporated into the terms of the Purchase Agreement before the full execution of the Hoover Addendum. Seller is not obligated to accept or incorporate into the Purchase Agreement as a part of this sales transaction oral statements and/or representations which are not agreed to in writing by Seller. Under no circumstances shall Seller be bound by any oral statements or representations made after full execution of the Purchase Agreement and this Hoover Addendum.

Notwithstanding the foregoing, Buyer agrees and acknowledges that Seller retains the exclusive right to (a) designate placement of any home on any lot within the plat so long as Seller has obtained a building permit for such home in the designated location, (b) change the models and colors of homes within the plat, (c) control the grading, terracing, excavation, foundation and drainage for each lot in the plat, and (d) alter and/or modify view and view corridors from the Buyer’s home and property may change, become restricted or blocked as additional homes are constructed in the plat. The terms and conditions of the listing agreement and any “camera cards” or written materials prepared to market the home do not become part of the Purchase Agreement and are fully superseded and supplanted by the Purchase Agreement and this Hoover Addendum.

Buyer \_\_\_\_\_

### 16. NATIVE GROWTH PROTECTION EASEMENTS

Dedication of a Native Growth Protection Easement (NGPE), conveys to the public a beneficial interest in the land within the easement. This interest includes the preservation of native vegetation for all purposes that benefit the public health, safety and welfare, including control of surface water and erosion, maintenance of slope stability, visual and aural buffering, and protection of plant and animal habitat. The

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NGPE imposes upon all present and future owners and occupiers of land subject to the easement, the obligation, enforceable on behalf of the public by the governing municipality, to leave undisturbed all trees and other vegetation within the easement. The vegetation within the easement may not be cut, pruned, covered by fill, removed or damaged without express written permission from the governing municipality. Planting of additional vegetation in a NGPE is allowed, provided existing vegetation is not disturbed. Structures, fill and obstructions (including but not limited to decks, patios, outbuildings, or overhangs beyond 18 inches) are prohibited beyond the building setback line and within the 25 year flood plains (if applicable), and within the Native Growth Protection Easements as shown. In the event Buyer’s lot includes a Native Growth Protection Easement, Buyer agrees to be bound by the conditions outlined above.

17. COUNTER-OFFER (IF APPLICABLE)

Acceptance of this counter-offer shall be effective only when a signed copy hereof (or facsimile copy) is received by Seller on or before \_\_\_\_\_, at 3:00P.M. or this transaction shall automatically expire and become null and void.

18. BINDING AGREEMENT

The terms and conditions of this Hoover Addendum amend and modify the Purchase Agreement. In the event of a conflict between the terms and conditions of the Purchase Agreement and the Hoover Addendum, the terms of the Hoover Addendum shall control. Buyer acknowledges and agrees that terms of the Hoover Addendum are material to the Seller and that Seller would not enter into the Purchase Agreement without also obtaining Buyer’s agreement to the terms of the Hoover Addendum.

ALL OTHER TERMS AND CONDITIONS OF THIS AGREEMENT SHALL REMAIN UNCHANGED.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 200\_\_.

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
R. H. Hoover, Inc.

\_\_\_\_\_  
Buyer