

ZETTERBERG QUALITY HOMES, INC.
REAL ESTATE STANDING INVENTORY CONTRACT ADDENDUM

Date: _____

Purchaser: _____

Home Telephone: _____

Work Telephone: _____

Co-Purchaser: _____

Home Telephone: _____

Work Telephone: _____

Mailing Address: _____

Builder: Zetterberg Quality Homes, Inc.
202 Rose Place
Puyallup, Washington 98371
253-845-9203

Selling Broker: _____

MLS Office: _____

Address: _____

Selling Agent: _____

Work Telephone: _____

Other Telephone: _____

Property Address: _____

Subdivision Name: _____

Lot #: _____

According to Plat recorded in the records of: _____ County, Washington.

AGREEMENT ADDENDUM

In consideration of the mutual covenants contained herein and other good, valuable and sufficient consideration, receipt of which is hereby acknowledged, the Purchaser, whose name(s) and address appear above, hereby agrees to purchase from Zetterberg Quality Homes, Inc., herein referred to as the Builder, and the Builder to construct and sell to the Purchaser, a home to be located on the Purchaser's real property as described above.

Builder and Purchasers each agree that the terms of the sale will include all of the conditions contained in this Agreement and all of the conditions contained in the Addenda (supplementary agreements), if any, attached to this Agreement and signed by both Purchasers and Builder's division president, controller or other authorized manager. Each also agrees that there are no terms, conditions or promises relied on, either written or oral, that are not contained in this Agreement or the Addenda.

1. **PREPAID EXPENSES:** Purchasers agree to pay in cash at closing the actual amounts required as Prepaid Expenses including taxes, assessments, mortgage lender escrows, homeowner's insurance and Homeowner's Association maintenance assessments, if any. All real property taxes and assessments, and maintenance assessments for the year of closing shall be prorated through the date of closing based upon the previous year's assessments, or, if available, the current year's assessments.
2. **FINANCING:** Section 8 Line 1 of the Financing Addendum Form 22A states Seller agrees to pay the full escrow fee plus. Buyer acknowledges that all on allowable VA costs to come out of the Seller credit including escrow fee.
3. **COMMISSIONS:** Commissions are calculated at 2.5% of original contract price. All upgrades, change work orders and closing costs agreed upon after mutual acceptance will no increase the amount of commission due to selling agent.
4. **LOAN APPLICATION AND APPROVAL:** If this is not a cash sale, Purchasers and Builder agree that this sale is subject to the Purchasers obtaining a loan in the necessary amount from such mortgage lender as shall be selected by the Purchasers and is reasonably acceptable to the Builder. Should the Purchaser select a lender that is not located within the immediate market, i.e. Pierce County, the Builder may elect to have Purchaser place in escrow an additional deposit equal to one percent of the purchase price to be forfeited to Builder, should the purchase not close and fund as originally agreed in the

Purchaser's Initials _____ Date _____ Builder's Initials _____ Date _____

purchase and sale agreement or custom contract. This is intended to offset additional costs and financial expense incurred by Builder due to delays in funding. Purchaser's failure to apply to a lender for a loan, including payment of all application fees and signing of all forms required by the lender within five (5) business days after signing this Agreement, at Builder's sole discretion, shall be an event of default.

5. **TITLE AND ESCROW:** Purchaser and Seller mutually agree that title and escrow will be closed through The Talon Group 2913 5th Ave. NE, Ste. 102 Puyallup, WA 98372. Purchaser understands that seller will be receiving a discounted rate at closing for title and escrow, Purchaser will pay a normal escrow fee. Seller agrees to provide Purchaser with an Owners Standard Policy of title insurance at closing.
6. **LIMITED HOME WARRANTY:** Builder shall provide its standard Builder Limited Warranty covering defects in materials and workmanship in the Property for a period of one year from the date of the certificate of occupancy as described in the Builder Limited Warranty documents. Copies of the Builder Limited Warranty are available for Purchasers' review in the Sales Office and a copy will be provided to the Purchasers at closing or earlier upon request. This warranty is non transferable.

DISCLAIMER: THERE ARE NO OTHER WARRANTIES, EITHER EXPRESSED OR IMPLIED, OTHER THAN THE BUILDER LIMITED WARRANTY REFERENCED IN THE ABOVE SECTION OF THIS REAL ESTATE SALE CONTRACT. THIS BUILDER LIMITED WARRANTY IS PROVIDED IN LIEU OF ANY STATE OR FEDERAL WARRANTY, INCLUDING THE WARRANTY OF HABITABILITY, FITNESS, OR MERCHANT ABILITY.

7. **WAIVER OF IMPLIED WARRANTIES:** PURCHASERS AGREE THAT THIS WARRANTY EXCLUDES ALL OTHER WARRANTIES EITHER EXPRESSED OR IMPLIED UNDER WASHINGTON OR FEDERAL LAWS AND HEREBY WAIVE AND RELINQUISH ANY AND ALL IMPLIED WARRANTIES INCLUDING ANY EXPRESS OR IMPLIED WARRANTIES OF FITNESS, MERCHANTABILITY OR HABITABILITY AND AGREE TO RELY SOLELY ON SELLER'S BUILDER LIMITED WARRANTY. PURCHASERS ACKNOWLEDGE AND AGREE THAT BUILDER IS RELYING ON THIS WAIVER AND WOULD NOT SELL THE PROPERTY TO PURCHASERS WITHOUT THIS WAIVER.
8. **WARRANTY SERVICE:** Purchasers' and Builder agree that any repairs or service performed by Builder under the Builder Limited Warranty will be done using generally accepted industry practices, techniques and materials. Completion of the work will be done during normal business hours to the standards and tolerances set forth in the Builder Limited Warranty provided that if the Builder Limited Warranty establishes no such criteria, work will be completed to generally accepted industry standards and tolerances. Purchasers shall not direct the manner in which the work is done or the standards or tolerances of completion. Purchasers and Builder agree that if a dispute should occur over the need for service or repair, the technique or method of the work, the Builder's duties under the Builder Limited Warranty or the interpretation or meaning of the Builder's Limited Warranty, such disagreements will be settled according to the terms of the Builder's Limited Warranty.
9. **MANUFACTURERS' LIMITED WARRANTIES:** Manufacturers of the consumer products and appliances included in the house (water heater, dishwasher, etc.) may provide Limited Warranties for their products. No changes or additions will be made to the Manufacturers' Limited Warranties. Builder shall have no responsibility for the Manufacturers' service or repairs to their consumer products.
10. **DEED:** Title to the property will be transferred from Builder to Purchasers by a Warranty Deed. There shall be no liens on the property when it is transferred except a vendor's lien, securing Builders' receipt of the Purchase Price, and the mortgage lien of the Lender and the lien of current taxes and assessments not yet due and payable. However, the title to the property will be subject to all other recorded matters such as (I) reservations, covenants, conditions and restrictions easements, rights-of-way, rights reserved in federal patents or state deeds; (II) zoning laws (if any), regulations or ordinances (if any) of governmental authorities relating to the property; (III) mineral reservations and interests of record (if any) and a reservation of ingress and egress for the benefit of the Builder, its employees, subcontractors, successors and assigns, over and upon the front, side and rear yards of the Property as may be expedient or necessary for the construction, servicing and completion of dwellings and grading upon lots adjacent to or in the vicinity of the Property, provided that the easement shall automatically terminate upon the first to occur of (a) sixty days after the final completion of all dwellings and grading upon all lots adjacent to or in the vicinity of the Property, or (b) twenty-four months after the closing date; and the deed shall contain a recitation of the matters set forth herein. Purchasers agree to accept the title to the property subject to these conditions.
11. **HOMEOWNER'S INSURANCE:** Purchasers are responsible for obtaining property insurance in the amount and coverage required by the Lender from an insurance company acceptable to the Lender.
12. **POSSESSION:** Purchasers may take possession of the property after closing and after receipt of funds. Builder and Purchaser understand that any and all incomplete items on the home prior to possession will be addressed by the lender's appraiser during the final appraisal (442). Once the home has closed, further minor incomplete items shall be addressed in accordance with Paragraph 04. Prior to the closing, Purchasers shall not enter upon the Property to make any changes, additions or alterations in the construction of the house or lot including but not limited to the installation or addition of any equipment, wiring, appliances, fencing, decks or patios, landscaping, wall coverings or paint without prior written approval from Builder. From and after the date of closing, Builder shall have the right to enter upon the Property for purposes incidental to the construction by Builder of improvements upon adjacent property provided that Builder shall repair any damage to Purchaser's real property resulting from such activity by Builder.
13. **USE RESTRICTIONS:** Purchasers acknowledge that the property may be subject to a Declaration of Covenants and Restrictions of the subdivision (the "Declaration"). A Declaration imposes certain restrictions on the use of the Property (house, appurtenances and lot) on the Purchasers. Purchasers acknowledge that they have received a copy of the Declaration affecting their property (if any) for their review and retention.
14. **HOMEOWNERS' ASSOCIATION:** If the subdivision is within the jurisdiction of a Homeowner's Association, Purchasers acknowledge that they will be members of the Homeowner's Association after the closing. The activities, privileges, rights and responsibilities of the Homeowner's Association are fully described in the Declaration and Homeowner's Association Documents.
15. **ADJACENT LAND USE:** land adjacent to or surrounding the subdivision which is not owned by the Builder is not within the Builder's control. Builder shall not be liable to the Purchasers for any use or condition of adjacent or surrounding land for residential, commercial, industrial, institutional, multi-family, non-residential or other purposes.
16. **BUILDER'S FAILURE:** If the Builder fails to comply without legal excuse before closing, or fails to close without legal excuse, and the Purchasers are in compliance with this Agreement, then the Purchasers may either enforce specific performance of this Agreement, provided that suit is instituted within six (6) months from the date of the Builder's failure, or cancel this Agreement and receive damages described in Paragraph 17. If after closing, the Purchasers wish to pursue a complaint or claim against the Builder, they must do pursuant to Paragraph 17. No claim waived by the Purchasers in Paragraphs 7 or 20 may be brought either before or after closing. Claims covered by the Builder Limited Warranty or the Manufacturers' Limited Warranties must be brought under those documents respectively.
17. **PURCHASERS' FAILURE:** If the Purchasers fail to comply with this Agreement without legal excuse, the Builder at its sole discretion, may allow a refund of the Earnest Money deposit and other deposits to the Purchasers or may retain all or a portion of the Earnest Money and other deposits not to exceed five percent (5%) of the final purchase price as liquidated damages as its sole and exclusive remedy and this Agreement shall be canceled. Such damages are

Purchaser's Initials _____ Date _____ Builder's Initials _____ Date _____

not a penalty, but represent actual damages which the Builder will incur upon any default by the Purchasers; and those damages will be substantial, but cannot be precisely determined as of the date of this Agreement.

18. **LENDER'S FAILURE:** If the Lender should fail or refuse to make the loan to the Purchasers (for any reason except for the Purchasers' failure to cooperate with the Lender or refusal to close) the Purchasers shall be entitled to a refund of the Earnest Money and this Agreement shall be canceled.
19. **LIMITATION OF LIABILITY:** Except as provided in the next sentence, the Builder shall not be responsible for any expenses or inconvenience experienced by the Purchasers. If this Agreement is canceled before closing, the Builder's only responsibility shall be to allow a refund to the Purchasers of their Earnest Money deposit and other deposits, unless retained pursuant to the other terms hereof, together with the additional sum of \$750.00 as liquidated damages if cancellation is due to the Builder's failure, since any actual damages cannot be precisely determined as of the date of this Agreement. In connection with the payment of Earnest Money and other deposits hereunder to either the Purchasers or Builder, each party hereby directs the Selling Broker to pay whatever sums it hold under this Agreement to the party entitled to such money under this Agreement.
20. **WAIVER OF FUTURE CLAIMS:** PURCHASERS HEREBY WAIVE AND RELINQUISH ALL CLAIMS AGAINST THE BUILDER FOR DAMAGES TO PROPERTY OR PERSONAL INJURY ARISING AFTER THE DATE OF THIS AGREEMENT AND RELATING TO ANY OF THE FOLLOWING:
- a. ENVIRONMENTAL OR ECOLOGICAL CONDITIONS OR EVENTS SUCH AS WEATHER CONDITIONS, ATMOSPHERIC CONDITIONS, TERRESTRIAL CONDITIONS, ACTS OF GOD OR OTHER NATURAL OR MAN-MADE CONDITIONS OR OCCURANCES BEYOND THE REASONABLE CONTROL OF THE BUILDER;
 - b. THE PRESENCE OR EXISTENCE OF CANCER-CAUSING OR RADIOACTIVE SUBSTANCES OR MATERIALS, OR MATERIALS OR SUBSTANCES CAUSING OR SUSPECTED OF CAUSING ILLNESS UNLESS THE BUILDER (I) HAS ACTUAL KNOWLEDGE OF THE PRESENCE OF SUCH SUBSTANCE OR MATERIAL AND THE ILLNESS-CAUSING POTENTIAL OF SUCH SUBSTANCE AND (II) BUILDER FAILS TO ADVISE PURCHASERS OF THE PRESENCE OF THE SUBSTANCE PRIOR TO CLOSING;
 - c. CONSEQUENTIAL DAMAGES OR EXPENSES RESULTING FROM THE TERMINATION OF THIS CONTRACT OR DELAYS IN CLOSING, SUCH AS LODGING, COMMISSIONS, INTEREST RATE FLUCTUATIONS, STORAGE, MOVING, MEAL OR TRAVEL EXPENSES;
 - d. ANY CLAIMS FOR REPAIRS OR MODIFICATIONS TO THE PROPERTY EXCEPT AS SPECIFICALLY COVERED BY THE BUILDER'S BUILDER LIMITED WARRANTY;
 - e. ALL CLAIMS FOR PERSONAL INJURY OR DAMAGE TO PROPERTY UNLESS DIRECTLY RESULTING FROM ACTS OR OMISSIONS OF THE BUILDER FOR WHICH ACTS OR OMISSIONS THE BUILDER BEARS DIRECT LEGAL RESPONSIBILITY.
- THIS WAIVER SHALL BE BINDING UPON PURCHASERS AND THEIR HEIRS, SUCCESSORS, ASSIGNS, GUESTS AND INVITEES. THE PURCHASERS ACKNOWLEDGE THAT THE BUILDER SHALL BE ENTITLED TO RELY UPON THIS WAIVER AS A COMPLETE BAR AND DEFENSE AGAINST ANY CLAIM ASSERTED BY THE PURCHASERS OR ANYONE CLAIMING THROUGH THE PURCHASERS.
21. **ARBITRATION OF DISPUTES FOLLOWING CLOSING:** The Builder prides itself on having many satisfied customers. In the unlikely event that a dispute relating to the marketing, sale, design, construction or conveyance of the house arises between them after closing of the house purchase, including a claim for personal injury or misrepresentation, the Purchaser and Builder agree to resolve the dispute exclusively through binding arbitration regardless of the amount in dispute. The arbitration will be conducted by the American Arbitration Association in accordance with its Commercial Arbitration rules. Judgment on the award made by the arbitrator may be entered in any court having jurisdiction over the dispute. If a party uses litigation to enforce this provision or the arbitration award, the court will award such party its court costs and reasonable attorneys' fees regardless of whether the dispute is resolved through settlement or arbitration. The parties waive their right to file any appeal for a trial de novo in superior court and agree to accept the arbitrator's award as final and binding. If there are preliminary steps that would have to be followed under state law before a lawsuit could be commenced, such as mediation, those steps must be followed before the arbitration can begin. Compliance with these state law provisions, and any negotiations or settlement attempts made before arbitration, do not constitute waiver or arbitration. This provision will survive the closing of the purchase of the home and the default of either party. It is binding on the Builder and Purchasers and on their respective successors and assigns. If the Builder chooses, it can have its supplier(s) and contractor(s) whose work or supplies are involved in the dispute included as parties to the arbitration. If all or a portion of the dispute is covered by a written warranty agreement issued to the Purchasers by a party other than the Builder, then the dispute or applicable portion will be resolved through the warranty agreement. Any portion of the dispute not covered by the warranty agreement will be resolved as provided in this provision. The parties acknowledge that this agreement evidences a transaction involving interstate commerce. The United States Arbitration Act will govern the interpretation and enforcement of this provision.
22. **COMPLETION OF AGREEMENT:** Acceptance of the deed by the Purchasers shall signify and confirm full and satisfactory performance of this Agreement by the Builder. After the closing the Purchasers will not be entitled to bring any claim against the Builder arising from this Agreement, and all of the Purchaser's rights and obligations will be embodied in the Note, Deed, Builder Limited Warranty and Manufacturers' Warranties as explained in those instruments.
23. **JOB SITE ACCESS:** Purchasers should not enter the Property unless they are prepared to take safety precautions and be very careful and alert. It is very difficult to keep children safe on a job site, and they should not be taken there. PURCHASERS REALIZE THAT ENTRY UPON THE DEVELOPMENT OR PROPERTY DURING CONSTRUCTION CAN BE DANGEROUS AND THAT HAZARDS MAY EXIST WHICH ARE NOT OBSERVABLE. PURCHASERS'S ENTRY SHALL BE SOLELY AT THEIR OWN RISK. If the Purchasers or Purchasers' dependents, guests, companions or invitees sustain any personal injury or property damage while on the Property, with or without the Builder's or Builder's Agent's consent, the Purchasers shall indemnify and hold harmless the Builder and the Builder's Agent from any claims, loss, damage or expense arising from such personal injury or property damage, including but not limited to attorney's fees and expenses, and the Purchasers, for themselves and their heirs, hereby waive and relinquish any and all claims of causes of action against the Builder or its employees or agents arising from personal injury or property damage sustained up on the Property.
24. **WAIVER OF REAL PROPERTY DISCLOSURE STATEMENT (NWMLS FORM 17):** Buyer understands that they will not be receiving a Property Disclosure Statement, and hereby waives the right to do so.
25. **NOTICE TO CUSTOMER:** This Contractor, Zetterberg Quality Homes, Inc. is registered with the State of Washington, Registration No. ZETTEQH038NM, as a general/specialty contractor and has posted with the State a bond or cash deposit of \$6,000/\$4,000 for the purpose of satisfying claims against the Contractor for negligent or improper work or breach of contract in the conduct of the Contractor's business. The expiration date of this Contractor's registration is July 10, 2011. This bond or cash deposit may not be sufficient to cover a claim, which might arise from the work done under your contract. If any supplier or materials used in your construction project or any employee of the Contractor or subcontractor is not paid by the Contractor or subcontractor on your job, your property may be liened to force payment. If you wish additional protection, you may request the Contractor to provide you with original "lien release" documents from each supplier or subcontractor on your project. The Contractor is required to provide you with further information about lien release documents if you request it. General information is also available from the Department of Labor & Industries.

Purchaser's Initials _____ Date _____ Builder's Initials _____ Date _____

PURCHASERS REPRESENT AND ACKNOWLEDGE THAT A COPY OF THIS AGREEMENT WITH ALL PERTINENT ENTRIES FILLED IN WAS DELIVERED TO THEM BY THE SELLING BROKER/AGENT AT THE TIME IT WAS SIGNED BY THE PURCHASERS, AND THAT THE PURCHASERS HAVE READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT. PURCHASERS MUST RETURN THE SIGNED, ACKNOWLEDGED, RECEIPTED ORIGINALS OF THIS AGREEMENT TO THE BUILDER WITHIN THREE (3) DAYS OF THE BUILDER'S ACCEPTANCE. THE BUILDER MAY, AT HIS OPTION, CANCEL THIS AGREEMENT IF THE ACKNOWLEDGED ORIGINAL CONTRACT IS NOT RECEIVED WITHIN THREE (3) DAYS.

Purchaser

Date

Purchaser

Date

It's:

Date

Zetterberg Quality Homes, Inc.

Purchaser's Initials _____ Date _____ Builder's Initials _____ Date _____