



**HULTQUIST HOMES, INC. STANDARD ADDENDUM / COUNTEROFFER TO EARNEST MONEY RECEIPT AND AGREEMENT TO PURCHASE FOR PRESALE OR HOME UNDER CONSTRUCTION**

It is our goal to provide the very best value in newly constructed homes in Anchorage and Eagle River. Your assistance, understanding, and cooperation are vital in helping us build your dream home. A superior product is produced when all of us work together. Please help us build a superior home for you!

Only bare lots are not under construction. If a foundation exists, it means the house is already under construction. All proposed changes and options will be subject to builder approval and some may not be available. Houses that are purchased while under construction cannot be changed structurally. Depending on the stage of construction, only certain option selections can be made without incurring additional charges. If any change, option, or upgrade allowed by the builder when the home is under construction, the price of that change, option, or upgrade may include a daily delay fee.

The following is to increase your knowledge of the construction process and help us build your home as expediently as possible. Once again, thank you for purchasing a Hultquist Home!

This document becomes attached to, and made a part of, Earnest Money Receipt and

Agreement to Purchase between \_\_\_\_\_,

the Buyer(s), and Hultquist Homes, Inc., the Seller, dated \_\_\_\_\_

covering the real property known as \_\_\_\_\_.

\_\_\_\_\_  
**BUYER(S) PHONE NUMBER (required)**

\_\_\_\_\_  
**BUYER(S) EMAIL ADDRESS (required)**

Any reference, in this agreement, to Purchaser, Homeowner, or Buyer shall be one in the same and refer to the Buyer as listed above.

With the Earnest Money Receipt and Agreement to Purchase, several items must be attached including, but not limited to: HHI Warranty documents, Exterior Paint Worksheet, Earnest Money Release form, Option Sheet, Buyers Appointment Contact Sheet, and this document. Upon signing, delivery, and receipt by Seller of all documents, our Listing Licensee know as Firebird Realty, LLC will schedule a



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Construction/Builder’s Meeting. There is more flexibility in choosing options if this is a bare lot, however, we will make every attempt to help you personalize your new home.

This document is designed to make the home buying process for your new home a simple and enjoyable experience. Included are procedures to help keep the process organized and maintain good communication between all parties.

**The undersigned Buyer(s) and Seller, hereby, agree to the following:**

Buyer(s) personal items will not be delivered to, placed in, on, or around the property until after the sale records.

(Buyer(s) in violation of this are subject to a \$500 fee and must remove items within 12 hours)

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

Buyer(s) Licensee Initials \_\_\_\_\_ Seller Licensee Initials \_\_\_\_\_

**Sales Price** to be \$ \_\_\_\_\_

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**Location and Model**

Subdivision \_\_\_\_\_ Lot/Bldg \_\_\_\_\_ Block/Unit \_\_\_\_\_

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

House Plan \_\_\_\_\_ Elevation \_\_\_\_\_

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**MORTGAGE PRE-APPROVAL LETTER**

Buyer(s) will provide Seller with a copy of their mortgage pre-approval letter issued by their Lender within ten (10) days of receipt of the Purchase and Sale Agreement. THE SELLER RESERVES THE RIGHT TO REFUSE BUYER’S LENDER. This needs to be provided **before** the construction process can begin or **before** any selections with the vendors or selected options will be added to the house (if the house is already under construction).

This agreement may be terminated without notice at the Seller’s discretion for reasons that include:

- If the Buyer(s) has not provided Seller with the mortgage pre-approval letter from their Lender within the ten (10) day period,
- or acknowledge receipt of the Public Offering Statement,
- or acknowledge a preliminary version of the Public Offering Statement that reasonably reflects the contents and substances of the actual Public Offering Statement (only applies to specific subdivisions)

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_



**RAVEN MORTGAGE, LLC NMLS 1783683**

Regardless of whether Buyer(s) needs financing or has elected to use a lender other than Seller’s preferred lender, within three (3) business days of mutual acceptance ( \_\_\_\_\_ ) of Purchase and Sale Agreement, Buyer(s) will contact Seller’s preferred lender, Raven Mortgage, LLC, Erich Heinrich NMLS 1024760 (907) 632-4288 [erich@ravenmortgage.net](mailto:erich@ravenmortgage.net) for pre-qualification. Buyer(s) shall not be required to incur any out-of-pocket fees in submitting for pre-qualification. To be pre-qualified, Seller’s preferred lender will have a 10-15 minute conversation with the Buyer(s). No documentation or credit reports will be required to be submitted during a pre-qualification. Preferred lender may reach out to Buyer(s) if Buyer(s) does not contact preferred lender. Seller may terminate the Agreement by delivering written notice to Buyer(s) if Buyer(s) fails to timely contact and provide information to Seller’s preferred lender as required, or if Seller’s preferred lender determines that the Buyer(s) is not pre-qualified to purchase. If Seller terminates the Agreement, then Seller shall instruct the closing agent to return Earnest Money to Buyer(s) and Seller shall be relieved of all obligations under the Agreement. By initialing this section of the document, it does not require Buyer(s) to use Seller’s preferred lender.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**EARNEST MONEY DEPOSIT RELEASE – PUBLIC OFFERING STATEMENT**

The Public Offering Statement is not required on all subdivisions, but when it is and within five (5) days of Seller’s receipt of the 90% pre-qualification letter and within fifteen (15) days of receipt of the Public Offering Statement or a preliminary version of the Public Offering Statement that reasonably reflects the contents and substance of the actual Public Offering Statement for this lot and subdivision, or when the Public Offering Statement is not required, the Earnest Money Deposit shall become **non-refundable and be released directly to the Seller**. This shall be released directly to Hultquist Homes, Inc. **If the Earnest Money Deposit has not been released as stated above, this contract shall become null and void and the Seller may solicit new offers.**

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**ESTIMATED DATE OF COMPLETION**

Buyer(s) understand that the estimated date of completion can be determined **only** after the Seller receives all Buyer(s) selections, options, and upgrade decisions, and any other decisions that will affect the completion date of the structure. Furthermore, due to current market conditions, estimates for completion will not be quoted until **after** the sheetrock has been hung, taped, and textured. The estimated date of completion is **only** an estimate and shall not be held as concrete. While we strive to maintain our production schedule, delays may occur. When these delays happen, Hultquist Homes, Inc. will do their best to communicate through the licensees. Hultquist Homes, Inc. will not be responsible when Buyer(s) sell their existing homes or terminate a lease or rental agreement and need to obtain temporary housing due to construction delays. All licensees are updates weekly on the progress of the new home you are purchasing. Please feel free to contact your licensee directly with any questions or concerns you may have, and we will be available to assist and respond to them.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**FINANCING AND “LOCKING” INTEREST RATES**

Due to extensive variables encountered in the early stages of construction, estimates for completion of a house that is under construction can only be given after the sheetrock has been hung,



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taped, and textured. Even then, any date given is strictly and **estimate**. Buyer(s) are cautioned to not “lock” interest rates based on estimates for completion. Make sure that if you do lock your rate, the length of the lock is more than adequate to cover delays typically encountered in new construction – particularly in Alaska. The Seller’s preferred lender works directly with Hultquist Homes, Inc. and has expert knowledge in the process, but Buyer(s) should work directly with their chosen lender to determine that correct time to lock. The Seller does not accept any responsibility or liability for a Buyer(s) locking in an interest rate at any time during the transaction.

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**SAFETY**

Our insurance company requires that we inform Buyer(s) that construction sites and unfinished homes can be **dangerous**. We strongly encourage Buyer(s) to wait until their home is completely framed and all handrails are installed before visiting. At this time, it is important to mention that Buyer(s) are **not allowed** on the job site between the hours of 8am and 5pm, or if subcontractors, suppliers, or municipal inspectors are on site. Buyer(s) must only enter the premises when accompanied by their licensee. Buyer(s), their licensee, or entity hired by the aforementioned, are not permitted to do any type of work on the home without express written permission from Hultquist Homes, Inc. Hultquist Homes, Inc. reserves the right to charge a fee for the removal of such work.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**PLANS AND SPECIFICATIONS**

Seller shall construct the subject house according to Seller’s basic plans and specifications. With the exception of the Buyer(s)’s changes, selections, and upgrades. Seller reserves the right to modify the basic plan and material specifications or change subcontractors.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**BUYER(S) PLAN AND SPECIFICATION CHANGES**

In many cases, our plans are already pre-approved by the Municipality of Anchorage and cannot be changed without additional engineering and architectural review. Consequently, if we agree to make the requested changes, the price we quote you may include the cost for redesign and engineering, as well as, any costs that may be associated with municipal change orders and that might delay closing as a result. From time to time, minor sensible and practical changes may be requested to a home or floor plan. These changes would be in the best interest of the home because of design necessity. Due to the nature of construction and the scheduling of subcontractors and suppliers, there is not always time to notify Buyer(s) prior to these changes. The Seller will do their best to notify the Buyer(s) of any minor changes or modifications that have to be made in a timely manner.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**POSITIONING OF THE HOUSE ON THE LOT**

All houses will be set back from the front lot line to a minimum of 20 feet (the minimum front setbacks in most neighborhoods). In most cases when possible, the builder will site the home a minimum of 21 feet unless Municipal Zoning Requirements stipulate otherwise. If the Buyer(s) requests that a house be set back more than 21 feet, the Buyer(s) will be charged the additional costs for paving, excavation, and utilities – a total price which will be provided upon request. Please note that on lots that



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have not been completely cleared by a developer, Hultquist Homes, Inc. will only clear natural vegetation and trees within the "Building Envelope" (a small area immediately bordering the outline of the floor plan on the lot). In most instances, a utility company may require the removal of some trees to install utility lines, however, every effort will be made to keep as much native vegetation on the lot as possible. Occasionally, we will build on developed lots that have restrictions imposed by the Corps of Engineers, the Department of Environmental Conservation, or some other government agency affecting the clearing of lots and detailing what we can and cannot do to a particular lot. Every effort will be made to inform the Buyer(s) of these restrictions, many of which will not become apparent until the construction permit has been granted. Should the Buyer(s) elect to make any changes from basic plans and specifications, said changes will be made at the Seller's sole discretion. In all cases, the Buyer(s) licensee shall request any proposed change on a Hultquist Homes, Inc. Option Worksheet. The Seller, in most cases, will quote a fixed price including all mark up for profit and overhead.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**BUILDER MEETING**

Within ten (10) days of mutual acceptance of a Purchase and Sale Agreement, a Builder Meeting is to be scheduled with Buyer(s), Seller's representative, and Builder representative between the hours of 8am and 4pm, Monday through Friday. After this meeting the Earnest Money Deposit is to be released to the Builder and Notice to Proceed funds are to be collected to equal 2%, 3%, or \_\_\_% of the sales price\*. At the Builder Meeting the Seller's licensee will provide the Buyer(s) with a plot plan, layouts, and interior features. The results of the Builder Meeting will be reviewed by Hultquist Homes, Inc. to ensure that all concerns and questions were covered. If needed, quotes, option sheets, and/or explanation of information will be returned for Buyer(s) approval. Depending on how complex the questions, this formal response could take a few business days. If the Buyer(s) have any questions or there is a need for further clarification on the responses to the Builder Meeting, **please call your licensee. Do not call Hultquist Homes, Inc.** This ensures that the licensees are kept informed on every aspect of the transaction. All options/upgrades **must be written** on a final Option Sheet and signed by the Buyer(s).

*\*Earnest Money to be increased to equal \_\_\_\_% and be non-refundable after Buyer(s) has reviewed the Public Offering Statement, or a preliminary version of the Public Offering Statement that reasonably reflects the contents and substance of the actual Public Offering Statement for this lot and subdivision in accordance with Alaska statutes.*

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**BUYER(S) SELECTIONS AND UPGRADES**

Allowances are provided for interior finishes including appliances, cabinets, countertops, tile, flooring, and lighting. Specific allowance amounts will be provided during the Builder Meeting according to the specific floor plan. Please note that allowances are NOT transferable from vendor to vendor. Any changes and/or upgrades to the interior finishes are subject to review for additional costs associated with the Buyer(s) specific selections, including but not limited to cabinets and installation as well as tile and tile installation. Upon receipt of the Buyer(s) approved vendor selections, the Seller will review each selection for any additional costs associated with a specific selection and forward any additional costs to Buyer(s) on a Hultquist Homes, Inc. Option Sheet. Unused allowances may not always result in a credit.

Time is of the essence when making selections. Depending on what stage of construction your home is currently at will determine when selections need to be made. **If Buyer(s) elects to upgrade, the cost of the selected upgrades shall be paid in full at the time of a signed Option Sheet.** All upgrade



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money shall be nonrefundable. Should Buyer(s) selections cause delay of construction, Buyer(s) shall, either reselect so as to cause no construction delay or incur penalty fee. Please note that subcontractors, vendors, and suppliers are chosen by the Seller.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**GUIDELINES FOR CHANGES, OPTIONS, AND UPGRADES**

If a home is purchased while it is under construction, depending on the stage of construction, certain selections may have already been made that **cannot** be changed without additional expense.

**-Options and Changes-**

Some of the options will not be available for houses currently under construction. Option choices are subject to Seller approval. If materials that are currently installed in a house need to be removed, changed, and/or replaced due to the selections and/or upgrades selected by the Buyer(s), the additional cost will be quoted and passed on to the Buyer(s). All prices are subject to change. Please note that any change(s) or option(s) can and may delay either the start or completion of your home. Buyer(s) acknowledges the Seller’s right to make a reasonable profit on changes and options.

Options **MUST** be written on a Hultquist Homes, Inc. Option Sheet and approved by the Seller. If options are selected, Buyer(s) need to pay for those options within 7 days after approval. If options are to be added to the final sales price, advance payment is still required, and the total amount will be credited to the Buyer(s) at closing. Options will only be issued once the Buyer(s) and Seller have signed and agreed to the cost and feasibility and when the options have been paid in full. **If full payment is not attached, the change will not be generated.** If the change affects the appraisal or requires a new appraisal, the Buyer(s) will pay any related costs. If a change order results in or causes a delay in construction, Buyer(s) may be assessed a daily penalty for each day construction is delayed. Hultquist Homes, Inc. retains the right to refuse any requests for Change Orders.

Any questions or concerns regarding options, current construction, or pricing must be directed to the Selling licensee. In the rare event that you see something that does not look right or is different than what you ordered, please call your licensee immediately. Your licensee will contact the Seller’s licensee who will in turn contact the Seller. This ensures good documentation of your concern and enables the Seller to confirm if there is a problem. **Buyer(s) and their licensees have no authority to stop work in the field; if this happens, the Buyer(s) will be charged a penalty for delays.**

Deletions of any kind may, or may not, generate a credit.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**-Rolling in Options and Upgrades-**

If buyer(s) would like to roll in options and/or upgrades to the purchase price an additional 8% will be charged to the total option cost.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**-Upgrades-**

It is the Buyer(s) responsibility to call the phone numbers on the Buyer(s) Appointment Contact Sheet. If the Buyer(s) make no selections or fails to pay for upgraded materials by order deadline, the Seller reserves the right to make any selections as needed to facilitate construction and maintain the



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strict schedule for completion. Any delay caused by the Buyer(s) or Buyer(s)'s selections may result in a penalty fee.

Buyer(s) failure to make selections in a timely manner may, or may not, result in additional costs associated with changes made to the builder package including, but not limited to, venting for range hoods post rough in, moving plumbing drains, vents and/or water lines post rough in due to cabinet layout modifications, etc. Seller will make every reasonable effort to notify Buyer(s) when this occurs. Any additional costs associated with Buyer(s) selections will be placed on Hultquist Homes, Inc. Option Sheet and forwarded for signature approval.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**CONSTRUCTION DELAYS**

Buyer(s) acknowledge that with the construction of a new home, many different things can delay the schedule and that completion dates are only an estimate. Seller is not responsible for interest rate lock expiration or compensation for renewing a buyer's interest rate lock due to any construction delay. BuilderTrend schedule does not determine your move in or closing date.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**APPRAISALS**

In the event the appraisal comes in lower than the agreed price, the Seller has the option of lowering the agreed price to meet the appraised value or canceling the Earnest Money Receipt and Agreement to Purchase and refunding the Buyer(s) deposit. The Buyer(s) shall have the right to pay the Seller the difference in cash. If the Buyer(s) changes loan programs or lenders during the transaction, requiring a new appraisal, **the Buyer(s) is responsible for paying for the new appraisal or the costs for an updated appraisal, and a daily rate of \$75.00 for each day that a closing is delayed resulting from the change in lenders or loan programs.** If the final sales price does not meet the appraisal value due to the addition of closing costs and/or options added to the price of the house, the Buyer(s) agrees to pay cash for any difference or shortage. Seller does not warrant that appraisals will meet sales prices, which include changes, upgrades, options and/or closing costs. **Please note that in most cases, appraisers will NOT give equal "dollar for dollar" values for options and upgrades.** If Hultquist Homes, Inc. has already applied for, or obtained, a pre-construction appraisal verifying value at or above the listed sales price, and if the Buyer(s) decides to add options and/or upgrades to the price for financing purposes, then ANY update or even a new appraisal, shall be a cost to the Buyer(s). The cost shall vary depending upon that charged by the appropriate appraisal company.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**CONTINGENCIES**

Buyer(s) represents that Buyer(s) 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.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_



**POLICY FOR CONTINGENT OFFERS**

1. Seller reserves the right to accept back-up offers until any, or all, contingencies are removed. If Seller receives a back-up offer during the contingency period, the buyer has \_\_\_\_\_ days from the date of written notice to remove the contingency.
2. Contingency must be removed by one of the following circumstances: **A)** Within 10 days of completion of the new home, as evidenced by receipt of the **Certificate of Occupancy (C.O.)** or **Conditional Certificate of Occupancy (C.C.O.)** OR **B)** Contingency to be removed by the following date \_\_\_\_\_. If date is filled in **B** supersedes **A**.
3. If the Buyer(s) does not remove the contingency as stated in 2 above, the Seller retains the right to cancel this contract and sell this house to a qualified buyer OR at Seller’s option, grant the Buyer(s) an extension of the contingency by executing an Amendment. If extension amendment is not executed by the deadline stated in 2 above, this contract is null and void.
4. Buyer(s) to release 2% of the sales price (or \$ \_\_\_\_\_) Earnest Money to Seller. Earnest Money shall be increased to a total of 2% of the sales price and shall become non-refundable upon removal of contingency or as otherwise agreed herein or by amendment.
5. Seller reserves the right to delay the start of construction on contingent pre-sales. Buyer(s) acknowledges Seller’s priority on non-contingent sales.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**NEW HOME ORIENTATION AND EARLY OCCUPANCY**

Upon completion of the house, Hultquist Homes, Inc. will schedule a New Home Orientation walk-through with the Buyer(s). This will be scheduled between the hours of 9:00am and 3:00pm, Monday through Friday. At this time, the Buyer(s) will sign a Buyer(s) Possession Agreement accepting the house as being built as agreed. Walk-through, or punch list, items not completed at this time **are not** cause for delay of closing.

Buyer(s) may request Early Occupancy. It is at Seller’s sole discretion whether or not to grant this request. In most cases Early Occupancy will not be granted until a C.C.O. or C.O. has been received. If granted, the Buyer(s) will sign an Early Occupancy Agreement, provide insurance certificate to Seller, and in most cases, may have to meet with Seller to gain a clear understanding of Early Occupancy and the responsibilities of both the Buyer(s) and rights of the Seller.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**PERSONAL STORAGE**

During construction of the new home Buyer(s) will not be allowed to store personal items inside the home, the garage, or on site prior to the blue tape walk-through. If Buyer(s) request, and are permitted, to store items prior to closing they will have to pay 75% of the daily early occupancy rate. The daily early occupancy rate is based on the purchase price of the home.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_



**INTERIOR ITEMS**

**A. Paint**

All interior walls and ceilings are painted the same color as chosen by the Buyer(s). Accent walls and white ceilings are available as an upgrade option.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**B. Cabinets**

Even though a “color” of cabinet may be chosen for an entire kitchen or bath layout, it is highly likely that all the cabinet doors and drawers will NOT match. Cabinets are manufactured from sheets of special plywood in a plant where thousands of cabinets are being manufactured at the same time. Since the cabinet manufacturers are working from a natural product (wood) it is virtually impossible to match colors on cabinets. Seller will not replace or reorder cabinets, doors, drawers, or any related cabinet parts like face skins or back splashes that do not match color or grain.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**C. Sheetrock**

Sheetrock cracks are always a source of frustration for Buyer(s) of a newly constructed home. It takes a while before your new home with its huge weight and hundreds of dissimilar parts joined by thousands of mechanical fasteners have completely settled with the earth underneath it. Combine this with a continual drying out of the lumber that was used to frame this structure, and it’s easy to understand why a fixed, rigid board such as sheetrock can so easily crack along its seams and joints. Then, place this unique structure in an environment like Alaska’s where we experience such a remarkable swing in temperatures and humidity, translated to expansion and contraction. Understanding the causes of cracking and understanding that most homes will continue to crack in some areas for a lifetime is important for your peace of mind as a homeowner. Aside from the unpleasant look of these cracks, there is nothing wrong with the structural integrity of your home. Filling these minor cracks should be a part of your regular home maintenance. Seller will fix or repairs these sheetrock cracks and nail pops to a minimum standard as set forth by the National Home Builders Association manual on acceptable construction standards and in accordance with the Hultquist Homes, Inc. warranty.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**D. Floor Squeaks**

Hultquist Homes, Inc. takes pride in the fact that we screw down ALL subflooring. We wish we could guarantee that you’ll never hear a ‘floor squeak’ of ‘pop’ when you climb the stairs or cross the floor, but we cannot. We make every effort to produce the most stable floors possible, but the very nature of wood makes a squeak-free floor virtually impossible. Different sizes, types, and dimensions of lumber, all connected with metal fasteners and braces contribute to the wood flexing and rubbing when pressure is applied with weight. This ‘flexing’ and ‘rubbing’ results in what we commonly refer to as a floor squeak. We will fix or repair these squeaks or pops to a minimum standard as set forth by the National Home Builders Association manual on acceptable construction standards.



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**E. Crawlspace**

The primary purpose of a crawlspace is to provide a means of separating the living area of a house from contact with the ground. This area under your new home is used for placement of heating ducts, plumbing pipes, and electrical wiring. The grade, contour of land, and drainage all affect whether or not a house is built on a crawlspace. In new construction, it is common for crawlspaces to acquire water from melting snow or heavy rainfall during construction or occasionally from a high-water table in the area. In the spring, some run-off always manages to find its way into the crawlspace until the finished grade of the lot is completed. It is not uncommon for the soil in the bottom of the crawlspace to remain damp year-round.

It is important here to mention that crawlspaces are not to be used as areas for storage. In fact, the Municipality of Anchorage requires that this space is to be free of any other items and left accessible for maintenance. This area is NOT defined as habitable space or storage space. We strongly recommend that you do not use your crawlspace for storage. Hultquist Homes, Inc. is not liable for any damages resulting from homeowners using their crawlspace for storage. Water that does end up in the crawlspace is not a construction defect. Hultquist Homes, Inc. makes no claim that your crawlspace will be completely dry nor that it will not be susceptible to water entering the crawlspace. In the event where there is an occurrence of water in the crawlspace, either during construction or within one year of occupancy or sale, Hultquist Homes, Inc. maintains a practice of installing a sump pit during excavation, permanent sump pumps (when water is present during construction), and a GFCI outlet adequate to remove standing water. The sump pump will be installed, and water will be directed away from the foundation per municipal code. Sump pumps, like all mechanical equipment, have a useful lifespan and must be maintained and eventually replaced. Hultquist Homes, Inc. will replace sump pumps only during the one-year warranty period. Replacing a worn out, broken, or malfunctioning sump pump after the warranty period is a homeowner responsibility. Landscaping, which must be done after the Seller receives the full Certificate of Occupancy, will greatly enhance drainage and assist in directing water away from the foundation and the crawlspace.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**F. Storage Areas under Garages**

Concrete garage slabs are not built to be 100% waterproof. Your garage floor does have a plastic vapor barrier underneath the concrete however movement and cracks in the concrete and drains can allow a small amount of water to come through. It is the homeowner's responsibility to address any leaking coming through the garage slab as Hultquist Homes cannot guarantee any storage area underneath a framed garage will remain waterproof. If the buyer has upgraded to add a waterproofing shield underneath the garage slab, then HHI will address any leaks during the warranty period. This includes but is not limited to any dripping around drains or water running down edges.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_



**G. Fireplaces**

Floor plans that show fireplaces on them will have a gas direct vent fireplace. This is not a wood burning fireplace. Wood burning fireplaces can be priced and installed at the request of the Buyer(s).

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**EXTERIOR ITEMS**

**A. Driveways**

Depending on weather, there is a very limited window of time (typically the beginning of June to the end of September) to complete the final grade on your new home. This dictates a high demand upon a business with limited capacity. This means that in spite of our ability to contract with our paving subcontractors early in the year, we are still vulnerable to their scheduling, as well as the additional demands placed on that business by the rest of the marketplace. Here's what this means to you: Once the ground thaws and road restrictions are removed (this varies from area to area) we schedule the excavator to bring the driveway to proper sub grade, compact the sub grade, and prepare it for the pavers. Please be aware that rainy weather can cause paving delays. For efficiency, we pace one subdivision at a time. It is not uncommon for the ground to still be frozen at the end of June. **Please be patient.** It is our intent and desire to pave all driveways for houses that were built during the winter, as quickly as possible, however, the municipality will not allow us to escrow funds for paving for houses completed during the summer. **This means that even though your house was completed first, you may see other houses in your subdivision getting paved before yours.** Every effort is made to prevent this, but it is common with a limited number of paving companies and backlog of houses all needing to be paved at the same time. Please be patient as the driveway thaws and dries out. **HULTQUIST HOMES, INC. DOES NOT WARRANTY DRIVEWAYS OR ASPHALT DUE TO THE EXTREME VARIATION IN SOILS AND WEATHER CONDITIONS IN ALASKA.** Just drive down any of our Municipal, State, or Federally funded and maintained streets or highways in Alaska and you begin to understand why we cannot warrant driveways in Alaska. They are continually expanding and contracting in response to the weather and Alaska's seismic activity. Your brand new driveway will react the same way. It will heave and settle, sometimes in the first few months after paving.

It is the Buyer(s) responsibility to seal and maintain their driveway after installation. The driveway is also subject to Municipality of Anchorage approval. Buyer(s) **will not** alter their driveway or add to their paved areas until a full Certificate of Occupancy is received. A new code recently enacted by the Municipality of Anchorage, limits driveway width to not more than 40% of the total front (bordering the street) lot width where it meets the Municipal Right-Of-Way. This means, for example, that if your lot has a width of 40 feet where it meets the street, the maximum driveway width **where it meets the Municipal Right-Of-Way**, will be no greater than 16 feet. In this example, it means that a driveway that might be 20 feet wide at the garage must be narrowed to 16 feet at that point where it meets the Right-Of-Way. Right-Of-Way maximum allowable driveway width is 28 feet, no matter the lot size.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**B. Final Grade and Landscaping and Miscellaneous**



HULTQUIST HOMES, INC. STANDARD ADDENDUM

The 'Final Grade' provided by Hultquist Homes, Inc. is a construction final grade. This means that the lot will be graded in such a way that the land slopes away from the house a total of 6 inches within the first 10 feet (or to the lot line, whichever is shorter). This is done per FHA/VA and UBC/CABO (governing Municipality of Anchorage) code requirements. On larger lots, the only portions of the lot that will be graded are those affected by construction. Trees and other vegetation not required to be removed will be left for the owners to landscape around. Please note after heavy rain, your lot may accumulate an amount of standing water. Our goal is to make sure water drains away from the building only. We will also try to create drainage that does not direct water to other lots unless the natural drainage in the area drains in that way. In some subdivisions a very specific site plan as approved by the Municipality **must** be followed. The construction final grade should not be confused with a 'landscape grade' in which the land is prepared for planting a lawn. Hultquist Homes, Inc. will not remove rocks, smooth out the lot, or bring in topsoil. We will be happy to provide the names of some reputable landscapers at the Buyer(s) request.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**C. Landscaping**

No matter what time of the year this transaction closes, it is absolutely critical that you refrain from doing any exterior work (fencing, lawns, sheds, planters, deck additions, importing topsoil, etc.) until the final grade has been completed **and the Municipality of Anchorage has inspected and approved the final inspections on your house**. The Municipality of Anchorage, as well as mortgage lenders use the term 'landscaping' to refer to work performed on the lot according to Municipal code after construction, for visual enhancement. The Municipal requirements for what they call 'landscaping' or 'visual enhancement' varies from subdivision to subdivision, but follows a strict code established by the Municipality. The requirements of these codes often confuse many Buyer(s) and their licensees because of their perception of what 'landscaping' should be. The code requirements may stipulate that we are to plant a predetermined number and variety of trees and shrubs, in specific locations on the lot. Another code may require us to spread some topsoil and hand-seed after final grading. In some cases, the requirement is for us to spread some topsoil and then hydroseed. When topsoil is required, it is not compacted, but merely spread evenly on the ground. This is an effort by the Municipality to get grass started as soon as possible to prevent erosion and the 'visually enhance' the remainder of the lot after the construction of the house has been complete. Once the final inspections are complete and a full Certificate of Occupancy has been issued, homeowners are free to compact topsoil or in those areas where hand-seed has been spread on the top of final grade, to bring in topsoil and either re-seed or hydroseed to create a lawn. Any additional landscaping enhancements completed by the homeowner after the Certificate of Occupancy has been issued may be subject to the Home Owners Association approval. Please refer to your Public Offering Statement for specific details relating to your subdivision and the specific requirements for your lot.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**D. Temporary Above Ground Lines**

Like paving, final grading is done in the spring when the ground thaws. Utility companies such as Chugiak, Enstar, GCI have temporary lines that lie directly on the ground from winter construction. Each company must bury these before any final grade work can be done. The ground must be thawed before this can happen. In addition to following strict rules from utility



companies, we are also subject to Municipality of Anchorage codes and neighborhood covenants.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**E. Vegetation of Lot (Natural or Otherwise)**

These regulations mandate the following: If a Buyer(s) is occupying a home under a **CONDITIONAL** Certificate of Occupancy, Buyer(s) **will not** remove any vegetation until a full Certificate of Occupancy is obtained. This vegetation would include any natural vegetation left on the lot after construction or any vegetation placed on the lot by Hultquist Homes, Inc. or an authorized subcontractor prior to final inspection. Should the Buyer(s) or persons hired or authorized by the Buyer(s) remove any of this vegetation, Buyer(s) may be liable for any cost incurred to replace this vegetation. This is not a permission clause to allow Buyer(s) to remove vegetation once a C.O. has been obtained. The Buyer(s) should check with the respective entities concerning their property including, but not limited to the Municipality of Anchorage, homeowners association, neighborhood covenants, Corps of Engineers, etc.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**F. Subdivision/Zoning Rules and Regulations**

Each subdivision will vary with respect to what you can and cannot disturb. It is the Buyer(s) responsibility to seek out this information and imperative that the rules and restrictions be followed.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**Until a full Certificate of Occupancy is issued, a Buyer(s) may NOT** alter the exterior properties, yards (including existing vegetation), or exterior of the house in **ANY** way. Below is a list of just **some** of the items that would be classified as altering the exterior of the house or yard:

- Landscape the yard including, but not limited to
  - Add topsoil or new vegetation or remove any existing vegetation on lot
  - Plant trees, shrubs, grass, or hand-seed grass
- Touch any temporary utilities that border, cross over, or are adjacent to the lot
- Fencing of yard or installation of planters or retaining walls
- Pave or add driveway(s) or gravel/rock to the property
- Alter the grade of the yard or lot
- Add to the existing deck(s), add a new deck or landing, or remove any portion of a deck
- Reinforce an existing deck
- Add a garage man door
- Add ANY framing or construction to the exterior of the house
- Complete any unfinished work
- Paint any portion of the exterior of the house
- Place a shed or any other temporary structure on the property
- Park any trailer or RV in a portion of the yard requiring final grade

It is further understood that Buyer(s) must provide unrestricted access to the exterior of the property until the full Certificate of Occupancy is granted from the Municipality of Anchorage. If Hultquist Homes, Inc. incurs any additional costs as a result of Buyer(s) violating the terms of



this agreement, these costs will be passed on to the Buyer(s). Hultquist Homes, Inc. will notify all Buyer(s), via postcard, upon receipt of the full Certificate of Occupancy. Buyer(s) who prematurely install any of these enhancements out of impatience, will have to have fences, new lawns, and landscaping removed. The homeowner will incur any and all costs related to correcting grade or landscaping if this is done prior to receipt of the full Certificate of Occupancy. Grading for this final inspection is critical to the drainage of your lot. Once the Buyer(s) has received notification that a full Certificate of Occupancy has been granted, please refer to the proper authorities that affect your property. Some organizations that might apply to your property include; CC&R's for the subdivision, homeowners association, Corps of Engineers, Department of Environmental Conservation, Municipality of Anchorage, or any other government agency or association administering rules and regulations regarding your lot.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**G. "Sinkholes" and Settling**

If your house was built during the winter, your lot may appear to have "sinkholes" resulting from the ground settling. When excavation occurs during the winter months, the ground is frozen. This results in large chunks of frozen dirt and material coming out of the excavation hole. When your lot is final graded, the Municipality of Anchorage will send out an inspector who is trained to inspect houses that were built in the winter. This inspector is keenly aware of traditional settling that invariably occurs and makes sure that our final grade includes grading close to the house with this anticipated settling occurs. As a result of this factor, it is recommended that you delay final installation of lawn and fences as long as possible.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**H. Painting**

Exterior painting is done during the Spring, Summer, and Fall and is totally dependent on wind and weather. Our painting subcontractors are carefully selected for their skill, and more importantly, judgement. Their decisions on whether painting can or cannot be done are based upon our desire to provide the very best paint job possible. The lending institutions will not allow us to escrow funds for painting on houses completed in the summer. This means that you may see houses that were completed after yours, get painted before yours. Please be patient. Every effort will be made to have the exterior painting completed on your home as quickly as possible. Unfortunately, you cannot put in a lawn until your house has been painted – painters require access to all parts of the house for their ladders. A newly hydroseeded lawn will be trampled and ruined unintentionally by our painters as they move their ladders around the house. Hultquist Homes, Inc. will not be responsible for lawns that are planted before exterior paint has been completed and accepted by the Municipality of Anchorage. Please wait for the house to be painted and inspected before doing any landscaping. Please refer to your Paint Worksheet for details about how your home will be painted. Once the home has been painted, Hultquist Homes, Inc. will schedule the installation of any gutters that have been included in the sales agreement. Our gutter subcontractor will do their best to select material color that best matches the exterior paint color.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_



**I. Exterior Decks**

Seller will install decks and exterior railing (if applicable) of weather resistant wood that will not be stained. In our effort to allow more flexibility to enable the Buyer(s) to match the deck with the exterior colors of their home, we have begun using outdoor wood products for the decks, railings, and steps. The homeowner should plan on maintaining the deck and stairs, which can be painted, stained, or sealed in the color they choose. The decks, railings, and steps will not be stained or painted by Hultquist Homes, Inc. This will be the sole responsibility of the Buyer(s) after closing.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**J. Mailboxes**

The Seller does not provide a mailbox. In most cases, "cluster units" are provided by the Post Office and installed by the developer. To find out about where you get your mail, please contact your local Post Office.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**CLOSING**

Closing will take place within five (5) days of completion of the home. Completion is defined as the date the Municipality of Anchorage issues the Certificate of Occupancy (C.O.) or the Conditional Certificate of Occupancy (C.C.O.) or PUR 102 Certification. In the event that closing is delayed by Buyer(s) or Buyer(s) lenders actions, the Buyer(s) will be charged .03% of the total home price (includes options and upgrades) per day or at a rate determined by the Seller. Remember that walk-through, or punch list items are NOT a valid cause for delay of closing by the Buyer(s). This agreement will be considered written notice to the Buyer(s) that a penalty fee will be charged for any delays and subsequent penalties that may occur. If the Buyer(s) fail to close within ten (10) days of C.C.O fee will be increased to a rate determined by the Seller. All penalties incurred will be paid at closing or possession, whichever occurs first. Seller reserves the right to use home as a model until Buyer(s) closes.

If this transaction fails to close by the written date, this agreement may be terminated without notice. An extension amendment to the closing date may be executed by the Buyer(s) and Seller at the Seller's option and as mentioned in the previous paragraph, a delay fee structure may begin.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**COVENANTS AND POSSESSION DOCUMENTS**

Buyer(s) has reviewed, understands, and accepts the following attachments:

- A. Hultquist Homes, Inc. Builder's Limited Warranty    Buyer(s) Initial \_\_\_\_\_
- B. Subdivision Covenants (If Any)    Buyer(s) Initial \_\_\_\_\_
- C. New Home Orientation Documents (If Completed)    Buyer(s) Initial \_\_\_\_\_

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_



**HOMEOWNERS ASSOCIATIONS**

If the home being purchased is located in a subdivision that is part of an active Homeowners Association, Seller will provide Buyer(s) with a Public Offering Statement, in accordance with Alaska statutes. Please refer to the Public Offering Statement for rules and regulations as set forth by the Homeowners Association. Should the transaction fail to close and record, Buyer(s) agrees to return the Public Offering Statement.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**TITLE**

Title is to be through Alyeska Title, Stewart Title, or any other title company selected at the sole discretion of the Seller.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**INSPECTIONS**

The Buyer(s) understands that all Hultquist Homes, Inc. homes meet or exceed all local building codes and FHA/VA standards that are in effect at the time of construction on the subject home. The Buyer(s) may choose to have an independent inspector perform an inspection at the Buyer(s) expense. However, Buyer(s) understands and agrees that the Seller will make only those changes or repairs as required by the Municipality of Anchorage, Building Safety Department, or FHA/VA Inspectors. Buyer(s) agrees that any addendums executed and made part of this agreement will be modified if needed to conform to this agreement. Further, if any attachments do not conform to this agreement for any reason, this agreement will supersede all others regarding inspections.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**REPRESENTATIONS**

Buyer(s) has not relied on representations by Real Estate Licensees, the Seller, their representatives, or any person whomsoever, either verbal or written, as to the placement of other buildings, models, or color selections in the selection and purchase of their lot and model. Seller retains the right to change model and building location on other lots without notice. On excavation of the lot or adjacent lots, for installation of foundation and lot drainage, the existing grade elevations may be changed. Buyer(s) has not relied on existing grades or slopes or any representations by Real Estate Licensees, the Seller, their representatives or any person whomsoever, either verbal or written, relating to the finished grade and slope of their lot or any adjacent lot.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**ESCROW**

In the event that funds need to be escrowed for the completion of work that cannot be performed or completed due to weather (i.e. paving, exterior paint, decking, landings, supports, exterior stone, etc.) or any other cause of delay or condition requiring postponement of work on the house, **such funds will be held by the lender or title company where the transaction is to be close.** Release of such funds will be based strictly on the completion of such items as specified in an Escrow Indemnity Agreement or Agreement to Complete Escrow Items, signed by the Seller at closing, and evidenced by receipt of the Certificate of Occupancy. This Certificate of Occupancy will be delivered to the lender or title company with a formal request for release of all funds escrowed for completion.



HULTQUIST HOMES, INC. STANDARD ADDENDUM

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**BUILDING PERMITS AND LOT ACQUISITION**

All offers to purchase are contingent upon Seller acquiring the lot (purchasing from a developer or another owner) and obtaining a Building Permit from the Municipality of Anchorage to build the plan agreed to in the Offer to Purchase, on the lot specified in the Offer to Purchase. Receipt of a Building Permit is subject to engineering, structural and zoning approval by the Municipality of Anchorage and may be affected by the Architectural Control Committee in the neighborhood selected.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**ACCEPTANCE**

This counteroffer shall remain open until 5:00pm Alaska Time, on \_\_\_\_\_. If Buyer(s) or their licensee has not delivered a copy to Hultquist Homes, Inc. listing licensee, Firebird Realty, LLC. By such time, the counteroffer shall terminate.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**TERMINATION**

Hultquist Homes reserves the right to terminate this contract at any time for any reason. Hultquist Homes will provide written notice and will return all monies paid by Buyer(s) within 24 hours.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**MAINTAINING YOUR NEW HOME**

Once you move into your new home, it’s important to realize and understand that **ALL** homes, new and used, require maintenance. It is your responsibility to care for your new driveway, the exterior decks, appliances, plumbing fixtures, furnace filters, crawlspace vents, siding, and a host of other components that comprise the entire house. New homes require immediate and regular maintenance. Don’t make the mistake of neglecting maintenance. Maintenance of your new home is an important responsibility of new home ownership – you can significantly impact the appearance, longevity, and value of your new home with proper maintenance. Exterior Hose Bibs are an excellent example of a key part of your new home that will require thoughtful maintenance. Every Spring, our plumbing subcontractors respond to calls from homeowners to repair exterior hose bibs that the homeowner failed to remove the hoses from in the previous late Summer or Fall. Hoses should be removed from bibs and stored for the Winter to prevent freezing; even the smallest amount of water left in the hose bib will freeze and expand causing the pipe to burst and potentially causing a serious leak. These bibs are designed to drain as soon as the hose is removed and the water spigot is turned off. The repair for a frozen hose bib is **NOT** a warranty item and the homeowner is responsible for those repair costs. Crawlspace fans are another item that requires regular maintenance. These fans are installed to provide airflow through the crawlspace in the Spring, Summer, and Fall. These fans should be turned down in the Winter to protect the crawlspace from extreme cold. It is, however, imperative that these fans be turned on in the Spring to provide necessary ventilation of the crawlspace. These are just two examples of simple, regular maintenance that a homeowner becomes responsible for when purchasing a new home. We strongly suggest that you seek professional advice that is provided freely in seminars and handouts from the leading home repair and maintenance stores in town. These sources provide excellent information and resources for the care and maintenance of your new home.



Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**SNOW, ICE DAMMING, AND ICICLES ON YOUR ROOF**

Something that you must keep in mind during the Wintertime is the proper maintenance of your roof. Weather conditions in this part of Alaska tend to be extreme during the Winter season and involve snow, rain, and wind. Our homes are constructed in accordance with code requirements using industry accepted best practices and techniques and vented to allow proper airflow through attics. However, when snow builds up and causes the vents to not operate properly, it causes warming of the attic space due to normal heat loss from your home. Plumbing vents and heating exhaust vents on your roof will be a likely place for the warm air to escape causing the snow that is on the roof to melt. Typically, the melted snow travels to the eave and freezes. This will cause an ice dam to form on the roof. Roofs may also develop ice dams at the eaves as a result of thawing and freezing. All such ice dams may create leaks when water from melting snow wicks its way under shingles and eventually into the attic. From there the water usually travels down the truss to the exterior wall where it finds its way into your home. This will cause damage to your home. This is not a structural defect and may be cured by physical removal of the snow and ice dams. It is your responsibility as a homeowner to determine whether the property management company for the association or you as a homeowner is responsible for the removal of snow and ice dams, and to ensure that the snow build up and ice dams are removed. To lessen the risk of water leakage and the resulting damage to your home or unit, snow and ice should be removed from your roof routinely and periodic inspections of the roof should be performed to ensure that the roof is in good working order and that the vents are operating properly.

Removal of snow from the roof, removal of ice dams, and any damage to your home or unit as a result of ice dams are not the responsibility of the Declarant or Hultquist Homes, Inc.

**Snow and ice removal are the homeowner’s responsibility.** You as a homeowner are responsible to keep all roof vents functioning as they are designed in order to minimize ice damming and remove any ice damming accumulation. You, as a homeowner, hereby agree to defend, hold harmless, and indemnify Hultquist Homes, Inc. from any loss or damages, of any kind whatsoever due to ice damming.

Buyer(s) acknowledges, Hultquist Homes, Inc. will not be responsible for damage due to ice dams.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**MOLD DISCLAIMER AND WAIVER**

Whether or not you as the homeowner experience mold growth depends largely on how you manage and maintain your home. Our responsibility as the homebuilder must be limited to things that we can control. As explained by our written warranty, provided by separate instrument, we will repair or replace defects in our construction (defects defined as failure to comply with reasonable standards of residential construction) for a period of two years. We, the builder, will not be responsible for any damages caused by mold, or mildew agents, that may be present as a result of the occupant’s standard of living, occupant’s negligence in correctly maintaining the home or caused by the occupant’s negligence in timely reporting or repairing failed fixtures or equipment to include but not limited to property damage, personal injury, loss of income, emotional distress, death, loss of use, loss of value, and adverse health effects, or any other conditions. Any implied warranties, including an implied warranty of workmanlike construction, an implied warranty of habitability, or implied warranty of fitness for a particular use, are hereby waived and disclaimed.



HULTQUIST HOMES, INC. STANDARD ADDENDUM

This notice, disclosure and disclaimer agreement is hereby appended to and made a part of the contract sale, as well as all references to mold in the Hultquist Homes, Inc. warranty agreement. The consideration for this agreement shall be the same consideration as stated in the contract sale. Should a court of competent jurisdiction rule any term or provision of this agreement invalid or unenforceable, the remainder of this agreement shall nonetheless stand in full force and effect.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**PARTY WALLS**

The Seller will build all party walls (common walls between units of duplexes and/or condominiums) to meet Municipal Code requirements for Multi-family housing. Buyer(s) are advised that some sound transfer between units cannot be eliminated. The Builder/Seller is not responsible for, nor can Builder/Seller guarantee absence of sound and noise transmission, from one unit to another or the volume of sound emitted by a neighbor. Buyer’s signatures below acknowledge this understanding and acceptance.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**RADIO / TELEVISION / TELEPHONE INTERFERENCE AND NOISE**

Every home we build is built with the same high-quality wiring. Depending on where your home is located, there may be frequency transmission towers that interact with your homes’ electronics. Hultquist Homes Inc. cannot be held responsible for any noise transmission.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**HULTQUIST HOMES, INC WARRANTIES**

Your new Hultquist Home comes with a standard one-year limited warranty as well as a 10-year structural warranty. **THE HULTQUIST HOMES INC. LIMITED WARRANTY AGREEMENT CONTAINS THE PROVISIONS OF OUR WARRANTY AND IS HEREBY ATTACHED AND MADE PART OF THIS AGREEMENT. FAILURE TO ACCEPT AND SIGN THE PROVISIONS OF THE WARRANTY AGREEMENT WILL ALLOW HULTQUIST HOMES INC. TO CANCEL, INVALIDATE, AND/OR VOID THIS AND ANY OTHER AGREEMENT FOR THE SALE OF SPECIFIED HOME TO BUYER.** Any and all warranties contained herein are specifically void if the home is used as rental property for ANY length of time, or if anyone other than the purchaser, resides, without the purchaser, in the home for more than 30 days.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

When submitting a warranty request it is the owner’s responsibility to do there best due diligence to ensure that the requested item meets warranty guidelines. If HHI, contractors, or vendors are dispatched to repair and it is determined to be a maintenance item or neglect the owner will be responsible for the expense for the home visit. Example items not meeting warranty guidelines: clogged drains, clogged toilets, loose door handles, loose toilet paper holders, dirty furnace filters, replacing smoke detector batteries, snow covering roof vents, etc.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_



**SPECIFIC PERFORMANCE**

In the event that Seller should fail to consummate this Agreement for any reason except for title defects, permitted termination by seller, or Purchaser’s default, Purchaser may as Purchaser’s sole remedy, terminate this Agreement and receive a full refund of all money previously deposited with Seller, including funds designated as “non-refundable”. In no event shall Purchaser be entitled to institute or maintain any action for specific performance, and Buyer hereby waives any right to specific performance. In the event that a dispute arises between Seller and Purchaser before closing relating in any way to construction or alleged defects in the construction, Seller may terminate this Agreement upon five (5) days’ notice and will return all deposits paid by Purchaser, including funds designated as “non-refundable”, plus payment of an additional (\$100.00) one hundred dollars. Notwithstanding the foregoing, if Seller elects to terminate this Agreement, it is agreed that Purchaser shall not be entitled to any refund of money paid pursuant to change orders or options. Further, should Purchaser dispute Seller’s termination of the Agreement, Purchaser is NOT entitled to seek specific performance and is not entitled to cloud the title to or file a lis pendens against the Property, and the parties agree that Seller is entitled to injunctive relief to remove such a cloud, regardless of any allegation that Seller breached this Agreement.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**DISPUTE RESOLUTION**

Should the Homeowner and the Builder be unable to agree to Builder’s responsibility under this Agreement, for any alleged defect or deficiency, or disagree as to the meaning, interpretation, and/or enforcement of this Agreement, the parties may, by mutual agreement, submit the dispute to mediation before an agreed person or group. If the Homeowner and Builder cannot agree to such informal resolution of any warranty claim dispute, then the same shall be decided in a court of law. In any event, both parties in a dispute agree to pay their own legal fees and costs and that such fees and costs may not be awarded to the opposing party.

Hultquist Homes, Inc. has the right, at its option and in its sole discretion, in order to settle any dispute with Buyer(s), the right to purchase the home back from the Buyer(s) for the original sales price. In the event that Hultquist Homes, Inc. makes a written offer for such a purchase, and if the Buyer(s) rejects such an offer, either by failing to accept the offer, by rejecting the offer, or by placing restrictions or conditions on the offer, then Hultquist Homes, Inc. shall have no liability of any type or kind to the Buyer(s) thereafter, and Hultquist Homes Inc.’s obligations concerning dispute shall conclusively be presumed to be satisfied in full.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**DEFAMATION CLAUSE**

The parties covenant and agree that in no event, and at no time during the term or at any time thereafter shall either party disparage, denigrate, slander, libel or otherwise defame the other or the other’s businesses, services, properties or assets, employees, personnel, agents, or representatives.

Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_



**ADDITIONAL COMMENTS**

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Buyer(s) Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**THIS DOCUMENT SUPERSEDES ALL PRIOR AGREEMENTS OR NEGOTIATIONS AND PREVAILS OVER ANY CONTRARY PROVISIONS CONTAINED IN ANY ATTACHED DOCUMENTS, INCLUDING THE EARNEST MONEY RECEIPT AND AGREEMENT TO PURCHASE.**

This agreement, upon its execution by both parties, is made an integral part of the Earnest Money Receipt and Agreement to Purchase. All Buyer(s) are required to sign and approve the terms and conditions stated in this document and acknowledge their understanding with their signatures.

I/We have reviewed and agree to the terms and conditions stated in this document.

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SELLER – HULTQUIST HOMES, INC. AUTHORIZED SIGNATURE

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DATED

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BUYER(S) SIGNATURE

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DATED

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BUYER(S) SIGNATURE

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DATED

