

## Working with Your Lawyer

Consumers Union, the nonprofit branch of CONSUMER REPORTS, advises that you engage an attorney to review your purchase before signing and to stipulate in writing that you will be holding back a portion of funds (enough to provide incentive) until a qualified independent professional chosen by you inspects and certifies that your home is properly installed.

We've found that many purchase contracts for manufactured homes have a fairly standard form (about two pages long, and about 20 clauses) and that the contracts are often written to enhance the legal protection of the dealer/installer, not the buyer.

Your attorney will need to review this contract and may decide to include an addendum for the dealer to sign – one that protects your interests. Remember that an addendum does not exempt you from conditions on the purchase agreement, so your attorney must also strike any clauses on the purchase contract that conflict with your addendum; for instance, you may not be able to insist on the right to sue if you agree to a binding arbitration clause on the purchase contract.

Here are some items to watch for (the following assumes you are engaging a dealer/installer to do the full installation and that you own your property).

- 1. Site preparation** Manufactured housing contracts often say the buyer (you) is responsible for site preparation even though the dealer is being hired to do this job. If your dealer is preparing the site it should be in writing that the dealer is responsible.
- 2. Fees and permits** Again, the contract may say that the payment of fees is the responsibility of the buyer even though these fees are itemized on the contract and paid to the dealer or escrow agent who then pays the proper authority. Make sure that the dealer is responsible for both payment of fees and connection of services.
- 3. Time is of the essence** The contract may include penalties (per day) that the buyer must pay to the seller if installation or inspection is delayed due to the buyer's fault. You might wish to include a similar penalty that the dealer must pay to buyer if installation is delayed due to dealer/installer's fault.
- 4. Payment upon delivery or installation** The contract may call for payment in full upon "delivery of the installed home" to the property, or employ wording like "suitable for occupancy" to allow release of your funds. It is important that the buyer stipulate a stricter definition; the local government body may only inspect for minimal ("red tag") building and safety code and not whether your home is installed to manufacturer's specifications.
- 5. The right to sue** If you maintain the right to sue, you may want to stipulate that attorney's fees be paid to the prevailing party by the losers.

## MANUFACTURED HOME PURCHASE ORDER ADDENDUM

1. Purchaser (Buyer) assumes all responsibility for the proper preparation of their property to both receive and locate the said Manufactured Home except where the contractor for the installation of the Manufactured Home has been contracted by the authorized dealer of the Manufactured Home. Said contractor will be responsible for proper site preparation. In the event the contractor fails to properly prepare the site, Seller shall be held responsible.
2. Fees and permits that are part of the itemized fees and permit costs on the contract and paid by the Buyer to the Seller are the responsibility of the Seller to confirm they are paid to the required entity and that proper permits are issued and that itemized utilities or services are subsequently connected.
3. Time is of the essence. A penalty of \$\_\_\_\_\_ per day will be paid by Seller to Buyer if the Seller or any contractor/subcontractor hired by the Seller fails to complete any duty that prohibits Buyer from legally occupying said residence. Buyer will pay to Seller a penalty of \$\_\_\_\_\_ per day for failing to comply with responsibilities that keep the Seller or their agent from completing their requirements.
4. Parties understand that the Seller shall retain title to the manufactured home until payment in full of the entire purchase price whether or not possession of the manufactured home has been transferred to the purchaser. The amount of \$\_\_\_\_\_ shall remain in escrow until an independent qualified 3rd party issues a Suitability of Occupancy report verifying that the home is “installed accordingly to manufacturer’s specifications” and not merely that the home meet minimum state Health & Safety Code requirements for occupancy. Failure to secure a Suitability of Occupancy report verifying that the home meet manufacturer’s specifications shall be grounds for voiding the contract between Buyer and Seller. Seller assumes all costs of removing manufactured home from the real property of the Buyer if said report is not issuable.
5. The parties retain the right to litigation. Prevailing party shall be awarded attorneys fees and costs.