

HIGH COUNTRY HOMES, INC.

**ADDENDUM A TO
RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT**

THIS ADDENDUM A is to be made a part of and further supplements and revises that certain Earnest Money Agreement and/or Residential Purchase and Sale Agreement, hereinafter (“the Agreement”) dated _____, 2010, between HIGH COUNTRY HOMES, INC., a Washington corporation, as “Seller” and _____, collectively known as “Buyer” and/or “Buyer” with regard to that certain real property commonly known as:

PROPERTY LEGAL DESCRIPTION

1. **HOME STYLE SELECTION/ELEVATION:** Seller (“Seller”) agrees to build Plan Style _____ on the Property.

2. **COMPLETION OF NEW HOME:** The closing date for the new home to be constructed for Buyer as described in the Agreement (the “Home”) is an estimation only. If this Agreement provides for the purchase and construction of a presale home, Seller estimates that construction will take approximately 150 days from the date that the main lumber package is delivered to the building site. At time of lumber delivery, an addendum will be provided to Buyer with an estimated completion date noted (the “Completion Date Estimate”). Such Completion Date Estimate shall be incorporated into and become a part of the Agreement. However, in order to maintain the strict quality standards of each new home constructed by Seller, ANY COMPLETION DATE ESTIMATE IS AN ESTIMATE ONLY AND THERE IS NOT A REPRESENTATION OR GUARANTEE AS TO THE EXACT DATE WHEN YOUR NEW HOME WILL BE COMPLETED. There may be conditions which extend the completion date of the home, including but not limited to: back orders, late selections by Buyer, discovery of defective materials that will require replacement and delays due to weather conditions. In such an event, Seller may elect **an automatic sixty (60) day extension** of the Agreement. Buyer shall be entitled to possession upon the later to occur of Closing, or completion. Completion shall mean the last to occur of: (i) issuance of an occupancy permit issued by the local governmental jurisdiction, (ii) the completion of Buyer/Seller walk through and new home orientation, and (iii) Buyer’s confirmation that the walk through and orientation items have been completed and fully approved by Buyer. “Closing” is defined as the date on which all closing documents are recorded and the sale proceeds are available to Seller. If the new home described in the Agreement is not completed on or before the Closing date stated in the Agreement, the exclusive remedy available to Buyer shall be to either terminate the Agreement OR for Buyer and Seller to mutually extend the Closing date of the Agreement. Any concerns with regards to the Home to be constructed or as to its materials and labor or as to the construction schedule are to be directed to the listing agent in writing via email only at donl@johnlscott.com **for all periods prior to the Closing date only.** The listing agent shall forward any such concerns to Seller for a response to Buyer and/or its agent at Buyer’s and/or its agent’s designated email address. **SELLER IS NOT**

Seller	Buyer
Initial: _____	Initial: _____

RESPONSIBLE for the expiration of Buyer’s loan commitment, penalties, loan or other fees or losses due to any delay in the Closing. BUYER IS ADVISED TO INSURE THAT THEIR LENDER AND ANY OTHER INTERESTED PARTY IS PROVIDED WITH A COPY OF THE AGREEMENT AND ANY ADDENDA. Buyer and Buyer’s lender agree that if weather and/or ground conditions delay completion of landscaping, final grading and/or flatwork, such delay will not be a reason to delay Closing or require a holdback of sale proceeds. Seller agrees that as soon as weather and/or ground conditions permit landscaping, final grading and/or flatwork, such work will move forward to completion.

3. **LOT AVAILABILITY:** If this offer is a presale on a lot **not** currently owned by the Seller, or a lot in which the Seller is **not** engaged in purchasing, then this offer is subject to Seller acquiring the lot within Sellers lot allowance. If, at Sellers sole discretion, Seller is unable to acquire the lot within Sellers lot allowance the earnest money will be refunded to Buyer and this agreement will be null and void.

4. **FINANCING:** If Seller is unable to obtain financing to undertake and complete construction, then Seller shall refund all earnest money and any other funds deposited with seller or escrow. Buyer’s damages shall be limited to the foregoing and Buyer agrees to waive any and all other claim for damages that buyer may have, including but not limited to any claims for consequential damage. Buyer and seller agree that the foregoing shall constitute a valid, liquidated damage clause. In the event that the sale does not close, this Agreement shall be of no further effect, it being the intention of the parties that Buyer will forfeit the earnest money and be free of any further obligations under this Agreement. If Seller or Buyer otherwise fails to consummate the transaction, the earnest money will be refunded to Buyer, this Agreement shall be null and void, and the parties shall have no further liability to the other arising out of this transaction.

In the event of any suit or action to enforce the terms and provisions of this agreement, the losing party agrees to pay the prevailing party’s costs, expenses, and reasonable attorney fees both at trial and on appeal there from.

5. **BUYER DÉCOR SELECTIONS:** Buyer is aware that the home being purchased will be constructed with certain limited opportunities for color and finish selection by Buyer. Any model home in the plat or development is presented as a general illustration only. The decorations, furnishings, options, and color selections included in a model home shall not create an agreement or commitment by Seller as to the Home being purchased by Buyer. None of the decorations, furnishings, options, or color selections in or to any model home is included in the Agreement unless Seller, as a part of the Agreement, agrees to deliver the same as part of the purchase price. If Seller has not already obtained a building permit prior to acceptance of the Agreement and Addenda and Buyer has removed in writing all contingencies to the Closing of the Agreement, Buyer may submit to Seller Buyer’s requested colors of carpet, vinyl floor coverings, countertop laminates and exterior color of home from Seller’s designated suppliers and within Seller’s standard designated specifications and cost allowances, as further described in this Addendum. Buyer may submit to Seller Buyer’s requested exterior colors from the color schemes provided by Seller. (Exterior color policy dictates that duplicate color schemes are not allowed next door or directly across the street.) Any colors, selections, upgrades, or chosen items that are different from Seller’s standard designated specifications and/or cost allowances must be approved by Seller and paid for at the time of selections/preconstruction meeting. A prepayment of 50% is required for options totaling up to \$10,000.00 and any amounts that total more than \$10,000.00

Seller	Buyer
Initial: _____	Initial: _____

will be paid in full. Any remaining amounts due will be payable in full upon the completion of the home. All selections, upgrades, or chosen items will remain the property of Seller until transfer of title to the Property at Closing. If this transaction does not close for any reason other than default by Seller, all funds paid for any such items are a **non-refundable** payment from Buyer to Seller and shall be retained by Seller in the event Buyer is unable to and/or elects, for any reason whatsoever, not to complete the transaction contemplated by the Agreement. In the event Seller has already obtained a building permit and has ordered colors of carpet, vinyl floor coverings, countertop laminates, color of appliances, and exterior color of home prior to mutual acceptance of the Agreement and related Addenda, Buyer may request Seller in writing for a change in any of said items and, to the extent Seller consents to a change, Buyer understands they may incur additional charges for increased costs due to any such change, including but not limited to additional charges for cost increases of selected items in comparison to previously selected items, for restocking charges or for replacement of previously selected items. Sellers upgrade price list only applies to changes requested prior to commencement of construction. Special buyer selected items or changes will not be allowed if they would delay construction scheduling or completion. Should the appraised price be less than the agreed sales price due to changes/upgrades the buyer has selected that are not normally offered as standard by the builder, buyer must pay the difference between the sales and appraised price in cash directly to seller upon closing. All commissions will be based on the original base price of the home and will not include any upgrade amounts that may be rolled into the loan amount.

6. **PRECONSTRUCTION MEETING/UPGRADES:** A preconstruction meeting (the "Preconstruction Meeting") between Buyer and Seller's representative will be held if determined by Seller to be necessary, after (a) the date Buyer receives written loan approval and delivers same to Seller and, (b) if applicable, after the waiver by Buyer of any contingencies, including but not limited to the contingency for the sale of Buyer's present home. Seller shall determine the date and time of such Preconstruction Meeting which shall take place on a date and time and at a location determined by Seller exclusively. Preconstruction Meetings are scheduled ONLY on Mondays-Thursdays from 10 am – 3 pm and last approximately one hour. Buyer should come prepared to the Preconstruction Meeting with a clear understanding of any desired upgrades/revisions/additions. It is the responsibility of Buyer to make arrangements to be available at the designated place, date and time for the Preconstruction Meeting determined by Seller. In order to complete the Preconstruction Meeting within a reasonable period, it is highly recommended that only Buyer and/or its agent attend this meeting and that Buyer make alternative arrangements for any necessary childcare during this period. In the event there are no significant upgrades or changes to the Home, then Buyer and/or its agent may submit, in the form of a written addendum signed by Buyer and submitted to the listing agent, a list of upgrades/changes Buyer requests in which event Seller, at Seller's discretion, will review and provide Buyer and/or their agent with the costs to complete the same. Buyer shall provide Seller and/or its designated suppliers with their choice of all interior surface selections, TV and phone jack locations and any additional upgrade/option selections either in writing to Seller's designated listing agent and/or in writing at the Preconstruction Meeting to the extent such selections and locations have not been determined prior to mutual execution of the Agreement. Exterior elevations will be reviewed at the Preconstruction Meeting and/or through Buyer's agent. (Exterior elevation policy dictates that duplicate plan elevations are not allowed next door or directly across the street.) All elevation, color and materials requests that are agreed upon will be written on a floor plan and initialed by both Buyer and Seller's representative at the Preconstruction Meeting. At the Preconstruction Meeting, Buyer will pay to seller the required

Seller	Buyer
Initial: _____	Initial: _____

prepayment of 50% for options totaling up to \$10,000.00 and any amounts than total more than \$10,000.00 will be paid in full. Any remaining amounts due will be payable in full upon the completion of the home. It is mutually understood and agreed that Seller will not delay construction of the Home to wait for Buyer's requested selections. If the Home is under construction, any changes to the colors and hard surfaces, carpet, paint, etc., are at the exclusive discretion of Seller and only as evidenced by a mutually signed addendum allowing such changes.

7. **NO ORAL REPRESENTATIONS:** It is natural during the course of the transaction for Buyer to have questions regarding their new home. In order for Buyer to receive responsible and authoritative answers to their questions during the construction process and prior to the Closing date of the Agreement, Buyer's questions shall be forwarded by Buyer's real estate agent to Seller's listing agent in written form and emailed to Seller's listing agent at _____ who will then forward them directly to Seller. Any response by Seller shall be in writing, and may be made by email response either to Buyer and/or their designated real estate agent. Buyer understands and agrees that any statements, interpretations or representations regarding the Agreement or the Property made by sales agents, Seller's employees, Seller's agents, contractors or subcontractors are to be disregarded, are not binding on Seller and that the terms and full understanding of the Agreement shall be limited to the Agreement as written together with any clarifications to the Agreement made by Seller in writing and directed specifically to Buyer. Buyer acknowledges that neither Seller (nor any agent or any other person) has made any representation regarding views, or the future use of any developed or undeveloped properties in the vicinity of the Property.

8. **BUYER'S ACCESS DURING CONSTRUCTION:** Buyer acknowledges that the Property being purchased pursuant to the Agreement is and shall continue to belong to Seller until the closing date of the Property purchase under the Agreement. Buyer agrees that neither they, or their agents or representatives, shall enter onto the Property during construction unless accompanied by Seller's representative or agent and then only at the sole risk of Buyer. Buyer further acknowledges notice that only Seller and Seller's employees and authorized subcontractors are authorized to enter and do work on the Property, and Buyer is expressly denied permission to do any work on the Property prior to closing for any reason whatsoever without the prior written consent of Seller.

ESCROW/CLOSING OFFICE: Buyer and Seller further agree that the designated closing/escrow agent for the Agreement shall be Nelson Escrow which is located at 420 N. Meridian St., Suite B, Puyallup, WA 98371; telephone number (253) 845-8895, facsimile number (253) 848-4891 or such other closing/escrow agent as Seller may approve. Seller is allowed a special builder's rate on escrow fees if such company is used and these costs savings are reflected in the sales price of your new home.

6. **NEW HOME ORIENTATION:** Prior to the Closing date of the Agreement, Seller will schedule a new home orientation with Buyer to explain the required Buyer maintenance and the operational procedures of the home's appliances, heating and plumbing systems. Due to the number of new

Seller	Buyer
Initial: _____	Initial: _____

homes constructed by Seller and the importance of this limited time availability, the only parties that shall be permitted to attend the new home orientation shall be Buyer's and Seller's authorized representatives. No other family members, representatives or real estate agents are permitted to attend this orientation session. In the event Buyer requests to have a home inspection of the Property conducted prior to Closing, Buyer shall provide the listing agent with the time and date requested for said inspection (limited only to Mondays – Fridays between 10 am – 12 pm and 1 pm – 4 pm) which shall be forwarded to Seller's construction department for approval and confirmation. Such inspection will waive the typical orientation offered by Seller and, in such event, Buyer and Seller's representative will conduct, prior to Closing, a limited orientation.

7. **LOCATION OF HOME AND FENCING; LANDSCAPING:** SELLER HAS SOLE DISCRETION TO DETERMINE THE EXACT LOCATION OF THE HOME AND ANY FENCING OR LANDSCAPING ON THE PROPERTY BEING PURCHASED. Many factors and considerations dictate that Seller have the exclusive responsibility and authority to make such decisions. Seller agrees to landscape the property in a manner consistent with the appearance of the neighborhood and the new Home. Buyer acknowledges that Seller will also landscape in order to meet engineering requirements such as grading and water drainage. Buyer thus acknowledges that matters of landscaping have been delegated to Seller's sole and absolute discretion.

8. **HOMEOWNER'S ASSOCIATION AND DUES:** It is understood that all owners of lots within the Plat/development will become members of _____ The homeowner's association is a non-profit corporation organized and existing under the laws of the State of Washington. The Association will also assess annual dues of the Association for 2009 are in the amount of _____ and will be pro-rated at closing. In addition, Buyer will pay a one-time fee at closing of _____ which shall be payable, in its entirety to the Seller at closing to partially reimburse the Seller for entry monumentation and fencing for this community which will be owned and maintained on and after the closing date for the benefit of all homeowners.

9. **SUBSTITUTION/CHANGES:** Seller reserves the right to substitute items of comparable quality or to make changes or modifications, as needed, to meet County, City, FHA, VA or Lender guidelines or codes, without prior notice to Buyer. During construction it may be necessary to make changes to the plans and specifications. The modifications may include changes to the floor plans, interior and exterior design, and materials, as Seller deems necessary and/or required by Building Codes. Seller may make minor modifications to the design and/or siting of the home during construction if topographical conditions of the property so dictate, or as a result of requirements of the Building Code. Seller reserves the rights to modify materials and specifications provided the modifications are equal to or better than the original, in Seller's sole and absolute discretion. Electrical, mechanical and plumbing placement may vary at the sole and absolute discretion of Seller.

10. **PLAN VARIATIONS:** No two homes are built exactly alike. It is not uncommon to have minor differences in the dimensions or style of concrete, landscaping, framing, cabinets, etc. All homes are built with materials of comparable quality, but the above-mentioned items can and do vary from home to home. These variations are not considered defects and will not be changed.

Seller	Buyer
Initial: _____	Initial: _____

- 11. PLANS ARE PROPERTY OF SELLER:** Plans, drawings, specifications and design materials shall remain the sole property of Seller and will not be made available to Buyer.
- 12. COMMON AREAS; PLAT:** Buyer hereby acknowledges and agrees that the Seller's obligations with respect to the Common Areas and the plat/development as a whole are limited to performing such work, and completing such improvements, as are required to obtain approval of completion from the applicable City or County. Buyer agrees that Seller has made no other representations or warranties with respect to the Common Areas and the plat/development as a whole, and Buyer releases Seller from any and all obligations with respect to the Common Areas and the plat/development as a whole except as specifically set forth in this paragraph.
- 13. INSULATION:** As to homes permitted with applicable governmental authorities on or after July 1, 2002 and in accordance with Washington State Energy code requirements at the time of building permit and pursuant to Federal Trade Commission. Regulations require the following information shall be filled in by Seller: (if insulation is not yet selected, FTC regulations require Seller to furnish to Buyer the information below in writing as soon as available.)

Wall Insulation:	Type: Batt	Thickness: 5 ½"	R-Value: R-21
Ceiling Insulation:	Type: Batt (Vault Only)	Thickness: 10"	R-Value: R-30
Ceiling Insulation:	Type: Blown	Thickness: 12"	R-Value: R-38
Floor Insulation:	Type: Batt	Thickness: 10"	R-Value: R-30

Other Insulation Data: Insulation installation specifications meet Washington State requirements. Insulation requirements are subject to change to comply with current energy code. Per 2002 WSEC under 12% glazing. All glazing is U=35 or less.

- 14. UTILITIES PAID OUTSIDE OF ESCROW BY SELLER:** It is the responsibility of the Buyer to within 48 hours of closing, switch the utilities into their name as the date of closing. Seller will pay for usage fees up to the day of the home closing. Seller will not be held responsible for charges in connection with the utilities including any surcharges and/or assessments payable after the closing of the home.
- 15. WAIVER OF REAL PROPERTY TRANSFER DISCLOSURE STATEMENT:** Buyer waives its right to receive a Real Property Transfer Disclosure Statement as provided in RCW 64.06 et. seq.
- 16. POSSESSION:** Buyer shall be entitled to possession of their new home on the Closing date. In the event that Buyer desires to take possession of their new home prior to the actual Closing date, Seller may agree, at Seller's exclusive option in Seller's sole and absolute discretion, to allow Buyer to move into their new home prior to the actual Closing date only if 1) Buyer has obtained final loan approval and has deposited all funds required for Closing with the escrow/closing agent, 2) the home is fully completed and Seller has received a final certificate of occupancy from all applicable governmental agencies, 3) Buyer provides Seller with verification of insurance coverage in an amount not less than the purchase price naming Seller as an additional loss payee for the period prior to the actual Closing date, and 4) Buyer executes a pre-closing rental agreement in a form and according to terms approved by Seller in Seller's sole and absolute discretion and agrees to prepay rent to Seller in the amount of \$100.00 per day from and inclusive

Seller	Buyer
Initial: _____	Initial: _____

of each day Buyer is granted possession of their new home prior to the actual Closing date, said rental amount to be in addition to all other sums represented by the Agreement. All rents pre-paid by Buyer shall be pro-rated and any excess rent paid shall be refunded to Buyer within five (5) days after the Closing date.

17. **AGENCY:** Both Seller and Buyer acknowledge that Buyer’s selling real estate agent represents Buyer exclusively and not Seller, and that Seller’s listing agent, Don Leske and John L. Scott Puyallup Canyon Road represents Seller exclusively and not Buyer. If selling agent and listing agent are different licenses affiliated with the same real estate broker, then both Seller and Buyer consent to said broker acting as a dual agent. Both Seller and Buyer acknowledge receipt of a copy of the pamphlet entitled “The Law of Real Estate Agency.” Seller may have directed its listing agent to list the subject property in the Northwest Multiple Listing Service and Seller agrees to pay a commission as set forth in the terms of any such listing agreement. Commissions shall not be payable by Seller on any sums representing upgrades, selections, options, changes, Buyer incentives or bonuses that may be added to the sales price of the subject property.

18. **INTERPRETATION:** This Addendum shall supersede and prevail in any conflict between the Agreement and this Addendum. Only handwritten or typed changes to the Agreement or this addendum shall have effect, provided that both Buyer and Seller initial them.

19. **INTEGRATED AGREEMENT; BUYER’S CAPACITY:** There are no express or implied agreements, promises or representation except as set forth herein or in another written document executed by Seller and Buyer. Buyer enters into this Addendum and the Agreement on behalf of themselves personally, and on behalf of the Homeowner’s Association in Buyer’s capacity as a future Member of the HOA, and their heirs, successors, and assigns.

20. **INSPECTION ADDENDUM:** The terms and conditions of any Inspection Addendum (NWMLS 35 or otherwise) are amended as follows. If Buyer has not requested and notified Seller in writing of the date for the inspection, prior to Buyer’s new home orientation, any requirements of an Inspection Addendum shall be deemed waived and satisfied. Buyer’s delay in ordering and conducting an inspection shall not be an excuse to delay Buyer’s new home orientation and/or closing. The seller requires that no pre-sale homes or homes under construction be contingent upon having a home inspection. Buyer has the right to have a home inspection done upon completion of the home; however the purchase and sale agreement will not be contingent upon it. Buyer waives the right to an inspection contingency.

21. **ARBITRATION:** Any controversy or claim arising out of or relating to this Addendum, the Agreement, any matter related to the Property or the Home, or any claimed defect relating to the Property, including without limitation, any claim brought under the Washington State Consumer Protection Act, (but excepting any request by Seller to quiet title to the Property) shall be determined by binding arbitration in accordance with RCW 7.04. The decision and award rendered by the arbitrator(s) shall be final and binding upon the parties, and judgment upon the award may be entered in any court having jurisdiction. The prevailing party in any such arbitration shall be entitled to reasonable attorney’s fees and expenses.

22. **BUYER’S EXCLUSIVE REMEDY:** IN THE EVENT OF ANY DISPUTE OF ANY KIND REGARDING THE AGREEMENT, BUYER’S SOLE AND EXCLUSIVE LEGAL AND EQUITABLE REMEDY FOR ANY BREACH OF THE AGREEMENT BY SELLER SHALL BE THE

Seller	Buyer
Initial: _____	Initial: _____

RESCISSION OF THE AGREEMENT AND THE RELEASE BY SELLER OF ANY CLAIM OR INTEREST IN THE EARNEST MONEY DEPOSIT PAID BY BUYER.

Seller	Buyer
Initial: _____	Initial: _____

23. **NOTICE:** Buyer acknowledges that mold and mildew are normally occurring conditions in any climate. Seller makes no representation or warranty that the home is or shall remain free from mold, mildew or similar conditions ("Mold"). Seller specifically disclaims all express and implied warranties with respect to Mold, and with respect to any related damage to the home or problems with the air quality in or about the home. Buyer is solely responsible for maintaining the exterior of the home and the interior of the home ventilation systems, in such manner so as to prevent the growth of Mold, and Seller has no responsibility to take any action whatsoever in this regard.

Seller	Buyer
Initial: _____	Initial: _____

I/We have had the opportunity to read this Addendum and hereby agree to its terms and conditions. All other terms and conditions of said Agreement remain the same and unchanged.

DATED _____, 2010.

SELLER:

BUYER:

High Country Homes, Inc., a Washington corporation

By _____
 Name: _____
 Title: _____

Seller	Buyer
Initial: _____	Initial: _____