

THE FOLLOWING IS PART OF THE PURCHASE & SALE AGREEMENT DATED _____
BETWEEN SELLER: Landsverk Quality Homes Inc.
AND BUYER: _____ FOR THE PROPERTY LOCATED AT _____

DO AGREE TO THE FOLLOWING REGARDING SUBJECT PROPERTY

1) EARNEST MONEY

DEPOSIT THE EARNEST MONEY INTO CLOSING AGENTS TRUST ACCOUNT. BUYERS ARE TO BE APPROVED FOR FINANCING ON SAID PROPERTY ON OR BEFORE 21 DAYS FROM MUTUAL ACCEPTANCE OF THIS CONTRACT, AT WHICH TIME, THE EARNEST MONEY DEPOSIT BECOMES NON-REFUNDABLE AND SHALL BE RELEASED TO THE SELLER. BUYER WILL ALSO RELEASE TO SELLER LOAN APPROVAL IN WRITING FROM MORTGAGE COMPANY WITH ALL CONDITIONS STIPULATED.

2) LOAN APPLICATION

HAVE APPLIED FOR LOAN APPLICATION WITH (2) TWO WORKING DAYS FROM ACCEPTANCE OF THIS PURCHASE AND SALE AGREEMENT.

3) PRE-QUALIFICATION

HAVE THEIR LENDER PROVIDE LANDSVERK QUALITY HOMES INC. WITHIN (3) THREE WORKING DAYS FROM MUTUAL ACCEPTANCE OF THIS OFFER, A PRELIMINARY COMMITMENT OR PREQUALIFICATION LETTER FROM THEIR LENDER.

4) CREDIT REPORT

HAVE THEIR LENDER OBTAIN A CREDIT REPORT WITHIN (14) FOURTEEN DAYS FROM MUTUAL ACCEPTANCE OF THIS OFFER AND SUPPLY THE SELLER OR LISTING AGENT WITH A LETTER STATING THE BUYERS ABILITY TO PURCHASE THE SUBJECT PROPERTY. IF A LETTER STATING SUCH QUALIFICATIONS ISN'T PROVIDED WITH THE (14) FOURTEEN DAY PERIOD, THIS OFFER SHALL BECOME NULL AND VOID AT THE SELLER'S OPTION.

5) HOMEOWNERS ASSOCIATION

BUYER ACKNOWLEDGES THAT THEY WILL RECEIVE A COPY OF THE DECLARATION AND RESTRICTIONS FOR TILLMAN CREEK BY _____, 2006. BUYER TO PAY \$150.00 AT CLOSING FOR TILLMAN CREEK HOMEOWNERS ASSOCIATION FEE.

6) TITLE COMPANY

YOU WILL RECEIVE A COPY OF YOUR TITLE REPORT FROM:

CHICAGO TITLE
4100 194TH St SW SUITE 100
LYNNWOOD, WA 98036
(425) 422-2417

7) ESCROW

YOUR ESCROW COMPANY WILL BE PROCESSING YOUR FINAL PAPERWORK AND WILL CLOSE YOUR TRANSACTION. THEIR ADDRESS IS:

GOLF ESCROW
6100 219TH St S.W. SUITE 440
MOUNTAKE TERRACE, WA 98043
(425) 673-8500

DUE TO ANNUAL VOLUME DISCOUNTS, BUILDERS PAYS BUILDER RATE PLUS TAX FOR THEIR ESCROW AND TITLE FEES. BUYERS WILL PAY THEIR NORMAL PORTION.

8) INTERIOR SURFACES

THE BUYERS HAVE REVIEWED AND ACCEPTED SELLERS INTERIOR SURFACE SELECTION

9) EXTERIOR SURFACES

THE BUYERS HAVE REVIEWED AND ACCEPTED SELLERS EXTERIOR SURFACE SELECTION

10) COLOR VARIATIONS

THE BUYER ACKNOWLEDGES THAT THE SELLERS SURFACES ARE SUBJECT TO AVAILABILITY AS WELL AS COLOR VARIATION AND/OR DYE LOT CHANGES THAT OCCUR EITHER IN NATURE OR THROUGH MANUFACTURING.

11) SPECIFICATION SHEET

THE BUYER ALSO ACKNOWLEDGES THAT THE HOMES SPECIFICATION SHEET IS A GUIDELINE ONLY.

12) PREFERRED LENDERS

THE PREFERRED LENDER FOR TILLMAN CREEK IS RYAN WHEELWRIGHT WITH COUNTRYWIDE HOME LOANS 206-909-1758 SHOULD THE BUYER ELECT TO OBTAIN FINANCING FOR THIS TRANSACTION THROUGH THE PREFERRED LENDER THEIR PURCHASE SHALL RECEIVE A \$1500.00 CREDIT AT CLOSING FROM THE PREFERRED LENDER.

THE PREFERRED LENDER FOR TAMARACK MEADOW IS JILL SCAVOTTO WITH GOLF SAVINGS 425- 712-4248 SHOULD THE BUYER ELECT TO OBTAIN FINANCING FOR THIS TRANSACTION THROUGH THE PREFERRED LENDER THEIR PURCHASE SHALL RECEIVE A \$1000.00 CREDIT AT CLOSING FROM THE PREFERRED LENDER.

13) WALKTHROUGHS

WALKTHROUGHS ARE DURING NORMAL WORKING HOURS (MONDAY-FRIDAY 8:00 AM TO 4:00 PM) BUYERS AND SELLER MUST DO A WALKTHROUGH PRIOR TO CLOSING AND AGREE TO ANY DEFICIENCIES PRIOR TO OCCUPANCY. SINCE MANY OF OUR HOMES ARE BEING COMPLETED ON THE DAY YOUR HOME CLOSES, IT IS NOT ALWAYS POSSIBLE TO CORRECT ALL ITEMS BEFORE YOU MOVE IN. THIS IS THE REASON WE DO A WALKTHROUGH PRIOR TO YOU MOVING IN. ALL MUTUALLY AGREED UPON ITEMS WILL BE CORRECTED AS SOON AS POSSIBLE. SOME ITEMS WE CAN FIX RIGHT AWAY WHILE OTHER INVOLVE A SUBCONTRACTOR THAT WE HAVE TO NOTIFY AND SCHEDULE FOR REPAIRS.

ON YOUR FINAL WALKTHROUGH AND ALSO IN YOUR WARRANTY YOU WILL NOTICE THAT CERTAIN ITEMS ARE MAINTENANCE ITEMS, NOT WARRANTY ITEMS. THE MOST COMMON IS CAULKING. WE CAULK WINDOWS, SIDING AND VARIOUS ITEMS WITHIN YOUR HOME. CAULKING SHRINKS AS IT AGES AND SHOULD BE CHECKED YEARLY. THIS IS A MAINTENANCE ITEM. SETTLING CRACKS ARE ALSO A MAINTENANCE ITEM.

(PLEASE REFER TO WARRANTY MANUAL FOR TOLERANCES ON SETTLING CRACKS)
THE EARTH WAS DISTURBED TO DIG A FOUNDATION FOR YOUR NEW HOME AND AS SUCH WILL SETTLE SLIGHTLY DURING THE LIFE OF YOUR HOME. SMALL CRACKS WILL APPEAR AT CORNERS AND AROUND DOOR FRAMES AND ARE NOT A MAJOR CONCERN, THEY CAN BE EASILY BE REPAIRED BY THE HOMEOWNERS. WHEN WE TOUCH UP PAINT ON THE OUTSIDE OR INSIDE OF YOUR HOME, THE PAINT WILL NOT BE A PERFECT MATCH. THE MINUTE THE PAINT DRIES, IT IS SUBJECT TO POLLUTION, LIGHT, ETC. ALL OF WHICH AFFECT THE COLOR OF THE PAINT.

BEFORE YOUR WALKTHROUGH, TAKE THE TIME TO WRITE DOWN YOUR QUESTIONS SO YOU CAN DISCUSS THEM WITH THE PERSON WHO IS DOING THE WALKTHROUGH WITH YOU. WE WILL BE GLAD TO ADDRESS YOUR CONCERNS OR QUESTIONS.

14) WARRANTY

SELLER TO PROVIDE BUYER A ONE YEAR STANDARD BUILDERS WARRANTY AT CLOSING.

15) FLOORPLAN

WHILE FLOOR PLAN MAY BE THE SAME IN SOME HOUSES, ELEVATIONS CAN CHANGE AND A PLAN MAY VARY SLIGHTLY DUE TO THE TYPE OF LOT UPON WHICH THE HOUSE IS PLACED. BUILDER RESERVES THE RIGHT TO MAKE CHANGES AS NECESSARY. BE SURE YOU UNDERSTAND WHAT YOU ARE GETTING BEFORE YOU SIGN. BUILDER MAY SUBSTITUTE PRODUCTS FOR LIKE PRODUCTS SHOULD A PARTICULAR ITEM NOT BE AVAILABLE OR BECOME TOO EXPENSIVE.

16) CONSTRUCTION DELAYS

CONSTRUCTION CHANGES AND CONDITIONS CAN DELAY THE ORIGINAL CLOSING DATE AS PRESENTED ON YOUR PURCHASE AND SALE AGREEMENT.

17) WEATHER

WEATHER IS A CONDITION THAT WE CANNOT CONTROL. DURING CERTAIN TIMES OF THE YEAR, WEATHER MAY BE A FACTOR THAT CAN DELAY THE CLOSING OF YOUR HOME.

18) UTILITIES

ALL UTILITY COMPANIES WILL BE NOTIFIED BY US OF YOUR CLOSING DATE. YOU MUST ALSO CALL TO HAVE THE UTILITIES PUT INTO YOUR NAME OR THE UTILITY COMPANY MIGHT TURN THE UTILITY OFF. LANDSVERK QUALITY HOMES INC. WILL PAY OUR FINAL BILL ON YOUR HOME UPON RECEIVING BILL FROM UTILITY COMPANY.

19) METRO FEES

WE ARE NOT ALWAYS AWARE OF ANY IMPENDING METRO FEES THAT MAY LATER BE IMPOSED ON SUBJECT PROPERTY. SHOULD CHARGES APPLY, IT WILL BE THE RESPONSIBILITY OF THE BUYER TO PAY.

20) MOVE IN

KEYS ARE AVAILABLE FROM CLOSING AGENT ONLY AFTER ALL THE BUYERS' MONIES ARE DEPOSITED AT ESCROW, THE TRANSACTION HAS CLOSED AND THE HOME IS RECORDED IN THE BUYER'S NAME.

21) EARNEST MONEY

SHOULD ALL OR ANY OF THE EARNEST MONEY BE RETAINED AS LIQUIDATED DAMAGES, THE FULL AMOUNT RETAINED SHALL BE PAID TO THE SELLER EXCLUSIVELY.

22) PER DEIM

SHOULD THE CLOSING BE DELAYED BY THE BUYER OR THE BUYER'S LENDER THROUGH NO FAULT OF THE SELLER, THEN THE CLOSING AGENT IS INSTRUCTED TO CHARGE THE BUYERS A \$100.00 A DAY PER DEIM FOR EVERY DAY DELAYED BEYOND THE ORIGINAL AGREED CLOSE DATE OF THE PURCHASE AND SALE AGREEMENT.

23) INSPECTIONS

LANDSVERK QUALITY HOMES INC. WILL ALLOW FOR PRIVATE INSPECTIONS AND WILL ACCOMMODATE THOSE INSPECTIONS AS MUCH AS POSSIBLE, IF YOU CHOOSE TO HAVE ONE PERFORMED.

WE WILL NOT, HOWEVER, ALLOW THE INSPECTION TO BE A CONDITION OF SALE.

THE FOLLOWING INSPECTIONS ARE PERFORMED BY SNOHOMISH COUNTY AND THE STATE OF WASHINGTON, DURING THE COURSE OF CONSTRUCTION, WHILE WORKING IN UNINCORPORATED SNOHOMISH COUNTY. THERE IS SOME VARIATION BETWEEN CITIES AND COUNTIES, BUT ALL ARE VERY SIMILAR. THE EXAMPLES LISTED ARE GENERAL, AND ARE NOT THE ONLY ITEMS INSPECTED.

FOOTINGS – inspector checks: 1) the soil bearing capacity 2) the rebar placed in the forms 3) to be sure all set back requirements have been met.

FOUNDATIONS –inspector checks steel placement and wall thickness.

SHEAR – inspector checks all concrete anchors, straps, and shear panels against the engineering plans to be sure all wind shear and earthquake provisions have been met.

UNDER FLOOR – inspector checks the crawl space area for joist, beam placement and placement of anchor bolts.

PLUMBING – inspector checks all waste and fresh water supply piping under pressure for leaks. Also checks numerous other code items and pipe vents prior to covering with drywall or concrete.

GAS PIPING – inspector checks piping sizes, fittings, codes and checks for leaks while pipe is under pressure.

ELECTRICAL – inspector from Washington State Department of Labor & Industries checks all wiring and power prior to cover.

ELECTRICAL – PUD inspector checks outside service and conduit on open ditch between house and PUD service at the street.

FRAMING – inspector checks as-built home against the plans assuring all materials have been correctly placed during construction, allowing us to insulate.

INSULATION – inspector checks the fit of the insulation, checks to be sure provisions were made for adequate ceiling and crawl space ventilation, checks the “R” value of the insulation.

DRYWALL – inspector checks for adequate nailing and where applicable checks for special required shear nailing.

DOWNSPOUT DRAINS – inspector verifies connection of down spout drains to the proper storm facilities.

WATER SERVICE – inspector verifies the water service connection depth at the meter and the house.

FINAL INSPECTION – inspectors check exterior grading, handrails, smoke detectors, exhaust fans, fire codes, crawl space, vapor barrier, and mechanical barriers in the garage.

MOST OF THE INSPECTIONS LISTED ARE INSPECTIONS THAT CANNOT BE PERFORMED ONCE THEY ARE COVERED. THEY ARE MADE FOR YOUR PROTECTION AS WELL AS OURS, AND HAVE ADDED SUBSTANTIAL COST TO YOUR COMPLETED HOUSE. THE COUNTY INSPECTORS ARE VERY WELL QUALIFIED AND TRAINED. WE HOPE YOU FEEL AS CONFIDENT WITH THEM AS WE DO.

24) REAL PROPERTY TRANSFER DISCLOSURE STATEMENT

THE FOLLOWING DISCLOSURES ARE MADE BY THE SELLER, CONCERNING THE CONDITION OF THE PROPERTY LEGALLY DESCRIBED IN THE PURCHASE AND SALE AGREEMENT EXECUTED BY SELLER AND BUYER.

DISCLOSURES CONTAINED IN THIS FORM ARE PROVIDED BY THE SELLER ON THE BASIS OF SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME THIS DISCLOSURE FORM IS COMPLETED BY THE SELLER.

THE FOLLOWING ARE DISCLOSURES MADE BY THE SELLER AND ARE NOT THE REPRESENTATIONS OF ANY REAL ESTATE LICENSEE OR OTHER PARTY. THIS INFORMATION IS FOR DISCLOSURE ONLY AND IS NOT INTENDED TO BE A PART OF ANY WRITTEN AGREEMENT BETWEEN THE BUYER AND THE SELLER OR A WARRANTY OF ANY KIND.

BUYER ACKNOWLEDGES AND ACCEPTS THAT SELLER IS PROVIDING THIS DISCLOSURE IN LIEU OF THE DISCLOSURE FORM PROVIDED UNDER RCW 64.06.020.

SELLER'S DISCLOSURES

Title. Seller is the legal owner of, and has authority to sell the property. Seller shall convey fee simple, marketable title to the property at closing. As more particularly set forth in the Agreement, title to the property shall be subject to all covenants, conditions, restrictions, encumbrances, rights of way, encroachments, easements, future or existing assessments and other matters of record which may be disclosed in the preliminary or final title policy.

Water. A public water utility provides the property with a water system, which is maintained according to the regulations governing and/or agreement with the utility and, to the best of Seller's actual knowledge, meets applicable legal requirements. Any irrigation system installed by Buyer will be the sole responsibility of Buyer.

Sewer/Septic. Unless otherwise provided in the Agreement, a public sewer utility provides the property with a sewer system, which is maintained according to the regulations governing and/or agreement with the utility and , to the best of Seller's actual knowledge, meets applicable legal requirements.

Structural Systems and Fixtures. The property is new constructions and, to the best of Seller's actual knowledge, meets applicable legal requirements. The condition of the property (and improvements thereto), will be warranted by manufacturers limited warranties and the Seller's Limited Home Warranty, copies of which are given by Seller and accepted by Buyer: (a) in lieu of and to the exclusion of all other express or implied warranty of habitability, merchantability, or fitness for a particular use and (b) in lieu of and to the exclusion of all other legal and equitable rights, remedies or causes of action.

Common Interest. As more particularly set forth in the Agreement and preliminary title report (and copies of any recorded documents referenced in the report; (a) the property is subject to protective covenants, conditions and restrictions: (b) there is commonly owned and/or used property.

General. To the best of Seller's actual knowledge, the property: (a) is not now subject to material settling, soil, standing water, or drainage problems; (b) is not in a designated flood hazard zone (although Buyer's lender may require flood hazard insurance at Buyer's expense); and (c) does not contain any environmentally hazardous substances, materials, or products (including without limitation, asbestos, formaldehyde, radon gas, lead based paint, fuel or chemical storage tanks) except for such heating fuel tank for as required for use in the heating system. To enhance the appearance and grade of the property, Seller may have incorporated on the property local fill material, which to the best of the Seller's actual knowledge meets applicable legal requirements.

CC&R's. Subject property is subject to CC&R's of public record recorded in Snohomish County, WA.

BUYER'S ACKNOWLEDGEMENT

1. Acknowledges the Buyer's duty to pay diligent attention to any material defects which are known, or can be know by utilizing diligent attention and observations, to Buyer.
2. Acknowledges and understands that the disclosures set forth in this statement and in any amendments to this statement are made by the Seller.

25) PRECEDENCE

SHOULD THERE BE ANY CONFLICT BETWEEN THIS ADDENDUM AND ANY TERMS OF THE LISTING AGREEMENT OR THE PURCHASE AND SALE AGREEMENT, THIS ADDENDUM SHALL PREVAIL.

DATE _____ DATE _____

BUYER _____ SELLER _____

BUYER _____ Landsverk Quality Homes Inc.