



ADDENDUM TO PURCHASE & SALE AGREEMENT

The following is part of the Purchase and Sale Agreement ("PSA") dated _____ between HANGMAN CORPORATION ("Seller") and

_____ ("Buyer")

concerning: The Ridge at Hangman Lot _____ Block _____

Property Address: _____ Lane, Spokane, WA 99224 (the "Property").

In the event any provision of this Addendum conflicts in whole or in part with the terms of the PSA, the provisions of this Addendum shall apply.

- 1. Receipt and Review of Documents. Buyer hereby acknowledges receipt and full opportunity to examine copies of the following documents pertaining to The Ridge at Hangman, which documents are collectively referred to as the "Project Documents":

Initial Opposite Documents Received

Description

- _____ a. First Amended and Restated Declaration Establishing Covenants, Conditions, and Restrictions for The Ridge at Hangman, recorded February 4, 2004, as Spokane County, Washington Auditor's File No. 5030732; as subsequently amended by Amendment No. 1, Recording No. 5228545 on June 9, 2005; Amendment No. 2, Recording No. 5407434 on July 17, 2006; Amendment No. 3, Recording No. 5509064 on March 14, 2007; Amendment No. 4, Recording No. 5596918 on October 5, 2007; Amendment No. 5, Recording No. 5664348 on April 16, 2008; Amendment No. 6, Recording No. 5746929 on January 2, 2009; and Amendment No. 7, Recording No. 5823905 on August 12, 2009 as superseded by Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for the Ridge at Hangman recorded September 14, 2017 as Spokane County, Washington Auditor's File No. 6639761.
- _____ b. Seller's Public Offering Statement, pursuant to Washington State Law dated May 2, 2019.

Buyer's Initials (_____) (_____)

Seller's Initials (_____) Revised as of 5/2/19

- _____ c. Articles of Incorporation and Fourth Amended and Restated Bylaws of the Ridge at Hangman Homeowners Association.
- _____ d. The Architectural Committee's Design Guidelines, as of February 1, 2010 updated April 4, 2017 and amendments.
- _____ e. The plats for the 8 phases of Ridge at Hangman, recorded on August 10, 1994, July 24, 1996, October 28, 1998, May 27, 1999, April 9, 2002, June 3, 2005, July 12, 2006 and October 5, 2007.

Regarding Form 22D, Paragraph 8, it shall be the responsibility of the Buyer to obtain the Association documents by contacting Association's manager, Association Services, Inc., 1110 W Park Place, Suite 101, Coeur d'Alene, ID 83814, Attn: Ben Weaver, (208) 676-8626, ben@asi-hoa.com if deemed important to their purchase decision.

Seller will provide Seller Disclosure Statement, Form 17C within 14 days of mutual acceptance.

2. Buyer's Representations, Covenants and Agreements. Buyer acknowledges, agrees, covenants and warrants to Seller that:

a. Improvements; Subsequent Purchaser. All improvements to be constructed upon the Property shall be in strict compliance with the Project Documents, listed in paragraph 1 above. Buyer shall provide any purchaser who acquires the Property from Buyer with copies of all Project Documents.

b. Property and Site Conditions. Buyer understands that certain excavation, fill and/or grading has been done or may be done by Seller during development of the Property. Buyer is not relying on any representations from Seller regarding soils condition, grade and elevation, building suitability of the site or related information. Buyer may obtain soils, grade and elevation, and related information from any engineer or other source of Buyer's choice (including Taylor Engineering, of Spokane, Washington, the project engineer), prior to the start of construction by Buyer. Topographic information, designated building envelope, and lot line information on each lot is available to Buyer from the project engineer at no additional cost; however, Buyer acknowledges that such topographic information may not accurately reflect changes which may have occurred during construction of the infrastructure improvements. Any earthwork or fill required by Buyer for grading, construction or landscaping shall be provided by Buyer at the Buyer's sole expense. Buyer acknowledges and agrees that if any special building techniques are required as a result of soil conditions in or around the premises, or as a result of applicable local building codes and zoning ordinances, then Buyer shall be solely responsible for determining and implementing said special building techniques, and any expense associated therewith shall be borne exclusively by Buyer.

Buyer further acknowledges and agrees that Seller has no obligation to create, fill, clear, or in any other way alter the existing grade elevation of the premises, or to determine the suitability of the soils or site for construction of improvements thereon, including sewage disposal systems, or for suitability for Buyer's intended use. It shall be Buyer's sole obligation

to independently verify zoning of the Property and surrounding and nearby properties; the provisions of covenants affecting the Property; utility districts; anticipated or proposed utility or sewer assessments; proposed or future widening or improvement of nearby roads and state highways; school districts and their respective financial needs and locations of schools within the district; public or private nature of roadways and services and the terms and conditions regarding maintenance thereof. Buyer further agrees to indemnify, defend and hold harmless Seller and its agents and representatives from and against any and all loss, damage, liability and expense, including reasonable attorneys' fees, that (i) Buyer may incur in connection with the transaction contemplated by this Agreement, the premises, the condition thereof, or otherwise, or (ii) that may be asserted against Seller or arise out of or be connected with the events set forth in (i) hereof.

c. Fees and Repairs. Buyer shall be solely responsible for payment of: all fees and charges for permits; water, electrical and other hookups; impact fees (if any) and any similar items related to the construction and/or occupancy of the Property and improvements to be made at the Property. Buyer agrees to repair, at Buyer's sole cost and expense, any damage caused by Buyer or Buyer's contractor, subcontractor, employees or agents from any cause whatsoever whether occurring prior to or after Closing, including, without limitation, any damage to streets, curbs, irrigation lines, and utility facilities or other subdivision improvements.

d. No Interest in Adjoining Property. Buyer acknowledges that in purchasing the Property, Buyer will acquire no interest in the Hangman Valley Golf Course or any recreational facility other than those facilities provided through The Ridge at Hangman Homeowners Association.

e. Compliance with Laws and Regulations. Buyer agrees that Buyer's contemplated use and improvement of the premises will comply with all zoning, building, health, environment, fire, and any other federal, state, county, municipal or other governmental, or quasi-governmental law, ordinance, order, code, regulation or requirement with respect to the premises, in addition to Buyer's obligation to comply fully with the Project Documents, including the Design Guidelines.

f. Builder Selection. Buyer further acknowledges that as an express condition of this Agreement and the willingness of Seller to sell said Lot to Buyer, and in order to promote a quality of construction, consistency and adherence to the Design Guidelines, Buyer agrees and covenants to utilize only a builder that has been approved in writing by Seller as one of the "Approved Builders" authorized to construct homes at The Ridge at Hangman.

All of the terms, agreements, covenants and warranties of Buyer set forth herein, including those provided in this Section, shall survive Closing and delivery of the deed, and the Agreement shall not be merged therein, but shall remain binding upon Buyer for the benefit of Seller until fully observed, kept or performed.

3. Commencement of Construction. Buyer acknowledges and agrees that construction of the residential home on the Property will not commence (i) until after Closing and (ii) until after Buyer's plans and specifications for all improvements, including without limitation, all structures and landscaping, have been finally approved in writing by the Architectural Committee for The Ridge at Hangman, as provided in the Project Documents.

Buyer covenants and agrees that Buyer shall not create, suffer, or permit any liens or other encumbrances to be filed against the Property for material, labor or any other matters prior to Closing.

4. As-Is Condition; Disclaimer of Warranties. Buyer acknowledges and agrees that Buyer is purchasing the Property solely in reliance on Buyer's own investigation, and any inspection that Buyer deems necessary, and that no representations or warranties of any kind whatsoever, express or implied, have been made by Seller or its agents or representatives, except as may be specifically set forth in this Agreement.

Buyer acknowledges that Seller has not made any representations whatsoever to Buyer concerning the possible economic benefits, if any, to be derived from ownership of the Property. Buyer further acknowledges responsibility for assessments made from time to time by the Ridge at Hangman Homeowners Association, and that Seller has furnished Buyer with the available current information regarding existing assessments for the Ridge at Hangman Homeowners Association, and that no assurance is given that the future assessments will not vary significantly.

Except as may otherwise be specifically provided in this Agreement, no representations, warranties, covenants, or other obligation of Seller set forth herein shall survive Closing, and no action based thereon shall be commenced after Closing. Delivery of the deed by Seller and acceptance thereof by Buyer shall be deemed the full performance and discharge of every obligation on the part of Seller to be performed hereunder except those obligations of Seller, if any, which are expressly stated herein to survive Closing.

5. The Purchase and Sale Agreement is subject to Seller obtaining satisfactory releases from secured mortgage liens on the Property prior to the Feasibility Contingency Expiration Date.

BUYER:

Signature DATE: _____

Print Name

Signature DATE: _____

Print Name

SELLER:
HANGMAN CORPORATION

Signature DATE: _____

Title

Buyer's Initials (_____) (_____)