HARBOR HOMES, INC.
ADDENDUM S (The Villas at Olde Highlander)

This Addendum is made part of the Residential Offer to Purchase dated _____, 20___ (the "Offer") between Harbor Homes, Inc. (the "Seller") and_____(the "Buyer" whether one or more) for the property known as _____ , Wisconsin (the "Property"). If any term or provision of this Addendum S conflicts or is inconsistent with any term or provision of the Offer, this Addendum S shall control.

1. **PROPERTY CONDITION REPORT:** The residential home on the Property ("Home") is new construction and as such Buyer waives pursuant to Wisconsin Statute Section 709.08, the right to receive a Seller's Real Estate Condition Report.

2. **SALE OF BUYER'S PROPERTY:** If this Offer has a Sale of Home contingency, Buyer shall submit to Seller a signed Listing Agreement (with a licensed Real Estate Brokerage firm) and a Comparable Market Analysis (CMA) for the Buyer's listed property within three (3) days of acceptance of this Offer. If the Offer is contingent on a successful closing of the Buyer's property, Buyer shall submit to Seller an accepted Offer to Purchase and a Finance Commitment for the Buyer's listed property within three (3) days of acceptance of this Offer otherwise Seller may terminate this Offer at any time by giving Buyer three (3) days prior written notice and the opportunity to cure such failure prior to the expiration of such three (3) day period.

3. **CHANGE ORDERS:** No change in the plans and specification or the scope of work for construction of the Home under this Offer are to be made except upon written order prior to changes being made and signed by Buyer and Seller (the "Change Order"). The Seller's decision to execute a Change Order shall be made in Seller's sole discretion and shall include Seller's profit and overhead. The Change Order shall set forth a detailed description of the change, addition or deletion and state the cost or credit of the change. Change Orders shall be paid as additional nonrefundable down payment at the time the change order is signed. In addition to the additional cost of any Change Order, Buyer shall pay Seller a Change Order fee of $500.00 (which is not applicable toward and is in addition to the Purchase Price) to reimburse Seller for the costs of preparing and implementing the Change Order. Only Seller's President and the Seller's Director of Sales shall have the right to execute a Change Order on Seller's behalf and no other employee or agent has the authority to execute a Change Order. In no event shall changes to the structural components of the Home be allowed.

4. **COMMUNITY RESTRICTIONS AND FEES:** The Buyer acknowledges the receipt of a copy of the Declarations, bylaws and any rules and regulations and an index of the contents as applicable for the Subdivision in which the Property is located (the "Declarations"). The Declarations set out requirements established by the subdivision developer which must be followed by the property owners within the subdivisions. The Buyer agrees Buyer has reviewed and understands the Declarations and agrees to comply with Declarations. The Declarations also provide for a Homeowners Association (HOA) which charges fees of approximately $_____**800.00**_____ per year/~~month~~ [STRIKE NOT APPLICABLE] plus an initial HOA one-time fee of $_____**250.00**_____ (HOA fees are determined by the developer and/or the HOA). Buyer shall reimburse Seller at Closing for the following fees paid by Seller related to the Property:

   Street Tree Fees: $_____**N/A**_____; Other $ _____**N/A**____;

   Landscaping Bond Fees: $___**N/A**_____ ; Mailbox Fee $___**450.00**___.

5. **DRIVEWAY:** A gravel drive is standard for the home on the Property and the purchase of the Property does NOT include a completed driveway unless otherwise specifically provided in this Offer. Buyer acknowledges that community and municipal requirements provide the driveway must be installed as soon as possible after Closing, weather permitting. If Buyer does contract with Seller for the installation of a driveway the Seller does not warranty that the driveway will be free from discoloration, scaling, heaving, popping or cracking because even properly installed concrete is subject to these conditions.

   Any warranty of the driveway is subject to the warranty set out in the Seller's Homeowners Warranty Manual. Sealing the concrete surface of the driveway each fall will help to protect the concrete from salt and winter conditions. The avoidance of salt and de-icer on the driveway will help prevent deterioration of the driveway. Sand is the only safe substance to use on snow and ice to prevent deterioration of the driveway. The avoidance of heavy vehicles, RV's, moving vans and dumpsters on the driveway will also help prevent cracking. The cracking from heavy loads may not be evident until much later as the cracks may form at the base of the concrete and work upward over time.

6. **YARDS/LANDSCAPING:** The Property will be graded and will drain in substantial compliance with governmental requirements and approved engineering plans as of Closing, weather permitting. If weather does not permit completion prior to Closing then such engineering work will be completed by Seller after Closing shortly after the weather permits such work. The lot corners will be graded to within 4" +/- of the approved grade. The Buyer must retain the original grading of the Property and may not make any alteration to the grading plan including alterations of swales, erosion controls or patterns of water drainage. Silt fences must also be maintained until the lawn is established; the Seller will be responsible for this until closing after which it is the responsibility of the Buyer.

Seller will only clear trees, shrubbery, fences, rocks and other natural undergrowth on the Property to within 10'-15' around the foundation of the home on the Property. Buyer is responsible to remove or clear any additional area of the Property the Buyer chooses after Closing. Buyer is responsible for any damage to sidewalks, driveways, aprons, curbs and fences after Closing as allowed by the municipality.

A rough graded yard is included with the Property at Closing unless Buyer and Seller have contracted for a finished yard as otherwise specifically provided in this Offer. A rough graded yard means the final grade will be rough with clumps of dirt and rocks throughout the lot and will not be seeded or sodded for grass and that Buyer accepts the final condition and quality of the soil in "as is" condition. A rough graded lot also means there will be no topsoil on the lot and that Buyer is responsible for any retaining walls, terracing or other landscaping features desired by Buyer or required on the Property. **If Buyer does contract with Seller for a finish grade and seeded yard, the New Lawn Maintenance Addendum shall be attached and made part of this Offer.**

Some communities require seed or sod to be installed, while others also require a certain number of trees and shrubs of specific sizes and locations. The lawn not only affects the Property but neighbor's property as well. If the lawn has no grass to retain the soils, these materials will wash into neighboring yards, and may cost Buyer money to replace the soils on the Property. Municipalities require specific erosion control standards, so the yard must be installed as soon as possible after completion of construction.

7. **SUPERVISION:** Buyer acknowledges and agrees that the direction and supervision of construction of the Home, including all workers and subcontractors, is exclusively with the Seller. Buyer agrees not to issue any instructions to or otherwise interfere with any worker or subcontractor on the Property. The Buyer further agrees not to negotiate for additional work with any worker or subcontractor and not engage any other person or entity to perform work on the Property.

8. **HOME VISITS AND INSPECTIONS:** Due to insurance and safety requirements, Buyer may not visit the Property while it is under construction unless accompanied by a representative from Seller. It should be understood that violations of this clause may cause Seller's liability insurance to increase significantly. Therefore, violations will result in an add-on charge to the Purchase Price in the amount of $500.00 per violation. Seller shall not be responsible for any injury to Buyer or any guests of the Buyer during such inspections. CAUTION: A BUILDING SITE IS A DANGEROUS PLACE.

9. **HOMEOWNER ORIENTATION:** The Seller shall conduct a Homeowner Orientation of the Home and Property with the Buyer ("Homeowner Orientation") prior to the Closing. The Homeowner Orientation shall be conducted at a minimum 7 days prior to Closing on a weekday (Monday-Friday) starting at either 9:00 a.m. or 1:00 p.m. Buyer should anticipate a 2-4 hour Homeowner Orientation and will be required to watch multiple short videos prior to arriving at the Homeowner Orientation. The Seller will explain at the beginning of the Homeowner Orientation the functions of this process. The Buyer will be required to perform this self-guided Homeowner Orientation using the Seller's electronic My Home App, in which the Buyer will make a list of items that require correction and remain to be corrected by the Seller (the "Punch List") as determined in the good faith judgment of the Seller. Then prior to Closing, Buyer and Seller will meet at Property to sign-off on completed Punch List items. Buyer may request a copy of the Punch List items from Seller. The Seller is only obligated to correct those items that are not in substantial conformity with Seller's final construction documents and any Change Order and only those items on the Punch List. Slight deviations from Seller's final construction documents which do not materially affect the appearance or usefulness of the Home shall be construed as substantial compliance with this Offer. Seller will complete the agreed upon Punch List items within a reasonable time. Neither Buyer nor its lender shall have the right to require an escrow or holdback of any portion of the Purchase Price for Punch List items, to use the Punch List as grounds for postponing or delaying the Closing, or for imposing any conditions upon the Closing. **Only the Buyer listed on this Offer may be present at the Homeowner Orientation.**

   During inclement weather, Buyer should bring a raincoat and boots to the Homeowner Orientation to enable Buyer to inspect the exterior of the Home. If the exterior is not inspected at the Homeowner Orientation then Seller shall not be responsible for any exterior defects. Buyer acknowledges that some weather related or spring exterior work may not be completed by the Homeowner Orientation or Closing. These items may include, but are not limited to, driveway finish, grading, exterior painting and/or exterior concrete sidewalks, stoops and similar work. Those unfinished work items shall become part of the Punch List.

10. **TAX PRORATION:** Notwithstanding any provision in the Offer to the contrary, the real estate tax proration shall be based upon the net general real estate taxes for the preceding year, or the current year if available. The Property is new construction so the tax assessment has or will increase and real estate taxes for the year of closing and subsequent years is likely to be higher than the prior year for which the real estate tax proration is based.

11. **CLOSING FEES / PLACE:** The Closing shall occur at the offices of the Seller or Seller's title company as determined by the Seller. If Buyer's lender requires the Closing at a location other than as selected by Seller then Buyer shall be responsible for the title company's additional charge to close at such other location which location must be within 20 miles of Seller's office. In addition, if Buyer's lender utilizes the title company for the closing of Buyer's loan then Buyer shall be responsible for any title charges related to the loan closing.

12. **SUBSTANTIAL COMPLETION:** The Home shall be deemed to have reached "Substantial Completion" the date the occupancy permit or other approval, if any, is issued by the appropriate government authority. **BUYER ACKNOWLEDGES AND AGREES THAT SELLER DOES NOT GUARANTY A SUBSTANTIAL COMPLETION DATE.**

13. **CLOSING:** Buyer agrees to close the purchase of the Property on the later of the date set for Closing in the Offer or within 35 days of Substantial Completion if the Home on the Property is not completed by the date set for Closing in the Offer (the "Closing"), notwithstanding any date set in the Offer for Closing. Buyer acknowledges and agrees that there is no guarantee of the completion date of the Home. Seller will endeavor to complete construction of the Home so that the Home is Substantially Complete as soon as reasonably possible subject to any causes beyond Seller's control which may delay completion, including but not limited to, Buyer delays, strikes, labor disputes, terrorism, civil unrest, unavailability of labor, material or specialty items selected by Buyer, government actions, decisions and regulations, weather conditions, power failures, acts of God, issuance of building permits and approvals, compliance with all applicable building, zoning or planning laws, ordinances, regulations and orders, litigation and threatened litigation pertaining to the Property or Home. The Home shall be deemed to have reached "Substantial Completion" the date the occupancy permit or other approval, if any, is issued by the appropriate government authority. BUYER ACKNOWLEDGES AND AGREES THAT SELLER DOES NOT GUARANTY A SUBSTANTIAL COMPLETION DATE. Seller will contact Buyer approximately 1-2 weeks prior to Substantial Completion to schedule a Closing date and time. If Buyer fails to close the purchase of the Property as scheduled the Seller may either terminate this Offer or elect to extend the Closing date. If Seller elects to extend the Closing date then Buyer shall pay to Seller at Closing a delay fee of $150 per day from the date of the original scheduled Closing to the actual Closing.

14. **ESCROW FUNDS:** Buyer acknowledges and agrees that Seller may need to Escrow Funds including, but not limited to, exterior concrete flatwork (i.e. concrete driveway, approach, city sidewalk or patio) and/or landscaping (if applicable) due to weather conditions or high work volume. Neither Buyer nor its lender shall have the right to use Escrow Funds as grounds for postponing or delaying the Closing, or for imposing any conditions upon the Closing outside of an agreeable escrow agreement. Seller will work in good faith to complete the escrowed items within a reasonable time but cannot guaranty a substantial completion date.

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15. **OCCUPANCY**: The Buyer may not occupy all or any part of the Property or Home until the full Purchase Price (including all amendments, allowances and Change Orders) has been paid to Seller and an occupancy permit has been issued for the Home. Seller shall retain exclusive possession and control of the Property until Closing.

16. **LIMITED WARRANTY:** Seller provides a one-year Limited Warranty ("Limited Warranty") from the date of Substantial Completion. The Limited Warranty is defined in Seller's "Homeowner's Warranty Manual" a copy of which Buyer acknowledges has been made available to Buyer for review. Seller makes no other warranty, express or implied. THE LIMITED WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES OF SELLER, EXPRESS OR IMPLIED (INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY OR FITNESS FOR A PARTICULAR PURPOSE), AND INURES ONLY TO THE BENEFIT OF BUYER.

    Buyer acknowledges and agrees that the Home shall be constructed in accordance with the *Residential Construction Performance Guidelines (Sixth Edition)* published by the National Association of Home Sellers and that compliance with the *Guidelines* and the local building codes constitutes "good and workmanlike construction". Buyer may request that a copy of the *Guidelines* be made available for Buyer's review.

    All Home appliances and other consumer products installed in the Home are sold by Seller "AS IS" without representation or warranty of any kind. If any such appliances or products are warranted by their manufacturer the Seller shall assign those warranties to Buyer at Closing.

    The Limited Warranty is made only to the Buyer and is not transferable. Buyer acknowledges a copy of the Limited Warranty has been made available for Buyer's review.

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17. **SERVICE WORK:** At the Homeowner Orientation, Seller will provide Buyer with a packet which includes instructions for requests for service and warranty work. All service and warranty requests shall be made through the "Builder Trend Warranty Portal" software system of Seller. Service work shall be scheduled with the Buyer for Monday through Friday, from 8:00 a.m. to 4:00 p.m. Seller will complete service and warranty work approximately 120 days and 1 year after Closing. Seller will not provide service or warranty work in between such dates except for emergency situations as described below. If Buyer is unavailable for scheduling during the specified dates and times this may result in a delay of up to several weeks to complete the service repairs. Refer to Seller's Limited Warranty and Homeowner's Warranty Manual for warrantable items. For emergency services during other than service schedule dates and times above, please use the numbers provided at the Homeowner Orientation.

Emergency situations are limited to total stoppage of the plumbing and sewer/septic system, water leaks which require service to be shut off to avoid serious damage to the Home or furnishings, complete loss of heat in cold weather and total loss of electrical service which is not a general utility company power outage.

18. **NOTICE OF CONSTRUCTON DEFECTS AND RIGHT TO REPAIR:** Wisconsin Statute 895.07 sets out certain requirements of Notice and the Right to Cure of Buyer to Seller before Buyer may commence a lawsuit for defects in construction. Notwithstanding anything to the contrary in the Offer, Seller shall not be obligated to replace or repair any Defect, as defined below, or pay for the replacement or repair of the same if such Defect is caused, in whole or in part by: (i) Buyer's improper or insufficient maintenance of the Home or improper or insufficient maintenance or operation of any of the Home's systems; (ii) natural occurrences beyond Seller's control; (iii) an act or omission of Buyer or any third parties not under Seller's control, including, but not limited to, work performed by the Buyer or by Buyer's subcontractors; or (iv) normal wear and tear.

    In the event of an alleged construction or design defect arising out of or relating to the Offer, including, but not limited to, breach of warranty, incomplete work or any other condition of the Home (the "Defect"), Buyer shall notify Seller through written notice of any such Defect, regardless of the cause or source, promptly upon Buyer's discovery of the Defect. Buyer shall thereafter provide Seller with reasonable access during normal working hours to the Home for the purpose of investigating, testing and examining the Defect. If the Defect is covered by the Seller's warranty then Seller shall be given reasonable access to the Home and a reasonable amount of time to, at Seller's sole option, replace or repair the Defect. The replacement or repair of the Defect shall be Buyer's sole and exclusive remedy for a Defect. Buyer waives any and all incidental and consequential damages arising out of or relating to a Defect. **Buyer acknowledges that a copy of the State of Wisconsin brochure of Notice and Right to Cure has been given to the Buyer at the date that this Offer is signed.**

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19. **AIR QUALITY WARNING:** Microorganisms, including, but not limited to, mold, mildew, spores or any other form of fungi or bacteria ("Microorganisms"), occur naturally in the environment and may be present, during or after construction, in the indoor air and/or on the interior surfaces of the Home including, without limitation to, wall cavities, attics, windows, basements and/or on the exterior surfaces of the Home, or any part thereof. Mold can occur even when the home is constructed following accepted construction practices. Concentration of moisture in the Home may result from cooking, showering or similar activities inside the Home, the outside atmosphere and/or the design, construction means and methods and/or the building materials used in the construction of the Home. This moisture may cause the growth, release, discharge, dispersal or presence of Microorganisms which, at certain levels, can cause deterioration of building materials, damage to property, health hazards, personal injuries and/or other irritant effects such as, without limitation to, skin irritation, respiratory problems and/or allergic reactions. Likewise, concentrations of radon released from soil or chemicals released from household furnishings, appliances, mechanical equipment, personal possessions or building materials may, at certain levels, create health hazards and/or other irritant effects such as, without limitation to, skin irritation, respiratory problems and allergic reactions. Because Microorganisms and radon occur naturally in the environment, Seller cannot eliminate the possibility that radon may be present or that Microorganisms may grow in, on or about the Home. Buyer may minimize these effects by proper utilization and maintenance of heating, cooling, dehumidification or ventilation equipment, interior maintenance and cleaning and exterior maintenance such as, but not limited to, proper grading, landscaping, painting and caulking**.** BUYER HEREBY ACKNOWLEDGES THAT BUYER HAS BEEN INFORMED OF SUCH DEFECTS AND BUYER ASSUMES ALL RISKS AND RELEASES SELLER FOR ALL CLAIMS OF DAMAGE, PERSONAL INJURY, OR DESTRUCTION OF OR INJURY TO PROPERTY THAT MAY ARISE AS A RESULT OF OR IN ANY WAY CONNECTED WITH THE INDOOR AIR QUALITY OR THE PRESENCE OF MICROORGANISMS, RADON OR CHEMICALS IN, ON OR ABOUT THE HOME.

20. **GAP ENDORSEMENT:** GAP Insurance is not included. If Buyer chooses to have "gap" endorsement coverage or equivalent gap coverage, Buyer will request the coverage and will pay the fee.

21. **CONFLICTING LANGUAGE WITH APPROVED FORMS:** It is intended that this Addendum S document be used with an approved form as set forth in RL 16.03 of the Wisconsin Administrative Code. In the event that any provision of this Addendum conflicts with the provisions of the approved forms, the provisions of this Addendum shall control.

22. **REAL ESTATE BROKER:** The Seller and/or principals of the Seller are licensed Real Estate Brokers in the State of Wisconsin.

23. **ENTIRE OFFER:** The Offer expresses all agreements, understandings, representations and warranties between the Buyer and Seller concerning the subject matter hereof and supersedes all previous understandings and Offers relating thereto, whether oral or written, including proposals, draft plans and specifications, brochures, emails, texts and other information, and shall be binding upon and shall inure to the benefit of the heirs, administrators, executors, successors and of the parties hereto; provided, however, this Offer is not assignable by Buyer. This Offer may be amended only by written Offer of both Buyer and Seller. The headings in this Offer are inserted only as a matter of convenience and in no way affect the terms or intent of any provisions of this Offer.

24. **INTERPRETATION:** This Offer has been drafted, negotiated and entered into by each party having the opportunity to seek the advice of independent counsel. Accordingly, this Offer shall not be construed against one party or the other based on which party drafted any portion thereof.

25. **SIGNATURES:** If there is more than one Buyer to this Offer then each Buyer does hereby irrevocably authorize each other Buyer to act alone in dealings with Seller. Any amendment to this Offer, Change Order, approval or authorization signed by any Buyer shall be binding on all Buyers and shall have the same effect as if signed by each Buyer. Executed signature pages for any document contemplated under this Offer may be transmitted by facsimile or e-mail, and such facsimile or electronic signatures shall have the same legal effect as an original signature. This Offer may be executed in counterparts. Each such counterpart shall be considered an original, and all of such counterparts shall constitute a single Offer binding the parties as if they had signed a single document.

26. **VENUE, JURISDICTION AND FEES:** This Offer is deemed executed in Pewaukee, Wisconsin at the offices of Seller. This Offer shall be interpreted and enforced in accordance with the laws of the State of Wisconsin. All disputes arising from or relating to this Offer shall be brought only before a state court sitting in Waukesha County, Wisconsin, and the parties hereby irrevocably consent to the personal jurisdiction of such courts and venue therein. EACH OF THE PARTIES HEREBY KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATED TO THIS OFFER OR ANY AMENDMENT, INSTRUMENT OR DOCUMENT DELIVERED IN CONNECTION HEREWITH, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. Seller is entitled to recover from Buyer all costs and expenses, including, but not limited to, reasonable attorneys' fees, Seller may incur in collecting any amounts due under the Offer hereunder or enforcing any provision of the Offer plus interest at a monthly periodic rate of 1.5% on any amounts due.

27. **ENFORCEABILITY:** If any part of this Offer is found to be unenforceable, it shall not affect the enforceability of the remainder of this Offer. The failure of either party to enforce any term or condition of this Offer shall not constitute a waiver of any other breach of any right, claim, term or condition of this Offer.

28. **TIME IS OF THE ESSENCE:** "Time is of the Essence" as to all dates in this Offer.

29. **HOME INFORMATION DISTRIBUTION:** The Buyer gives consent for the Seller to give information regarding the Home and sale of the Home to state licensed real estate appraisers for purposes of evaluating and determining real estate values.

30. **NOTICE:** Any notices shall be made in writing and delivered personally or sent by email, facsimile, overnight delivery service or certified mail, postage prepaid, return receipt requested, to the other party at the addresses below unless changed by any party by giving written notice to the other party. A notice shall be deemed delivered when received by personal delivery, when received if sent by email or facsimile during regular business hours, the next business day if sent by overnight delivery service or three (3) business days after deposit in a U.S. Postal Service depository if sent by certified mail.

BUYER: (Required Information)

_____
Address

_____
Buyer #1 Email

_____
Buyer #2 Email

_____
Buyer #1 Phone Number

_____
Buyer #2 Phone Number

SELLER:

N27 W2402 Paul Court; Suite 200
Pewaukee, WI 53702

WE, THE BUYERS, HAVE READ THIS ADDENDUM S CAREFULLY BEFORE SIGNING AND AGREE TO THE TERMS OF THIS ADDENDUM S AND ACKNOWLEDGE RECEIPT OF A COPY OF THIS ADDENDUM S.

Dated the Date first above written.

BUYER:	**SELLER:**
_____	_____
Signature	Signature
_____	_____
Signature	Title

To facilitate lender preparation of the Closing Disclosure:

Name of Firm **for Buyer** _____

Company Address _____

Firm License No. _____

Selling Agent's Name _____

License No. _____

Email address _____

Telephone No. _____

Name of Firm for Seller: **Harbor Homes, Inc.**

Company Address: **N27 W24025 Paul Ct., Suite 200, Pewaukee, WI 53072**

Firm License No.: **938401-91**

Listing Agent's Name _____

License No. _____

Email address _____

Telephone No. _____