



PURCHASE AND SALE AGREEMENT AND RECEIPT FOR EARNEST MONEY

This is a legally binding contract. Please read carefully before signing.

AGENCY DISCLOSURE: Both Buyer and Seller acknowledge having received the Washington Law of Real Estate Agency pamphlet and hereby acknowledge and consent to the following agency relationships in this transaction:

Name of Buyer's Agent(s): _____

Name of Real Estate Firm (Selling Firm): _____

Office Address: _____

Cell number: _____

Email address: _____

The above is/are the agent of:

- ☐ Buyer exclusively (Buyer Broker)
☐ Both Buyer and Seller (Dual Agent)
☐ Buyer is Unrepresented

Name of Seller's Agent(s): _____

Name of Real Estate Firm (Listing Firm): _____

Office Address: _____

Cell number: _____

Email address: _____

The above is/are the agent of:

- ☐ Seller exclusively (Listing Broker)
☐ Both Buyer and Seller (Dual Agent)
☐ Seller is Unrepresented

Buyer shall sign this acknowledgment at the time of signing this Agreement before submission to Seller. Seller shall sign this acknowledgment at the time this Agreement is first submitted to Seller, even if this Agreement will be rejected or a counteroffer will be made. Seller's signature to this Final Agency Disclosure shall not constitute acceptance of this Agreement or any terms therein.

Buyer Signature: _____ Print: _____ Date: _____

Buyer Signature: _____ Print: _____ Date: _____

Seller Signature: _____ Print: _____ Date: _____

Buyer Initials: _____ Date: _____

Buyer Initials: _____ Date: _____

PURCHASE AND SALE AGREEMENT AND RECEIPT FOR EARNEST MONEY

This is a legally binding contract. Please read carefully before signing

This Real Estate Purchase and Sale Agreement ("Agreement") dated _____, 20____ is made and entered into by and between:

BUYER(S): Name(s): _____
Name(s): _____
Current Address: _____
City: _____ State: _____ Zip: _____
Phone number (Buyer #1): _____
Email (Buyer #1): _____
Phone number (Buyer #2): _____
Email (Buyer #2): _____

and

SELLER: _____

1. AGREEMENT TO PURCHASE: Buyer agrees to purchase the following described real property ("Property or property"), together with improvements constructed or to be constructed thereon. Dwelling to be built on said Lot with Upgrades, if any, to be selected by Buyer as more fully set forth in Section 18 of the Agreement.

Lot #: _____
Community: _____
Plan Name: _____
Elevation: _____
Address: _____
City: _____ State: _____ Zip: _____
Tax ID#: _____

2. PURCHASE PRICE: The Purchase Price of the property shall be calculated as follows:

The **Purchase Price** of (including Lot): \$ _____

Earnest Money: \$ _____

Non-refundable ☐ **Presale**, ☐ **Option**, or ☐ **Builder Deposit:** \$ _____

At or before Closing, the balance of **Down Payment:** \$ _____

Balance at Closing and upon delivery of Deed: \$ _____

3. BALANCE PAYABLE AS FOLLOWS (check one):

___ CONVENTIONAL FINANCING

Buyer Initials: _____ Date: _____ Buyer Initials: _____ Date: _____

☐ CASH
☐ FHA
☐ VA
☐ OTHER _____.

4. **ADDITIONAL TERMS:** _____

_____.

5. **BUYER REPRESENTATIONS:** As of the date of signing the Agreement, Buyer has sufficient liquid and available funds to close this transaction in accordance with the terms proposed herein and is not relying on any contingent source of funds (e.g., from loans, gifts, sale or Closing of property, 401K disbursements, etc.) unless otherwise disclosed in this Agreement.

6. **CONTINGENCIES/CONDITIONS:** Both parties' obligations under this Agreement are conditioned upon satisfaction or waiver by the Buyer of the following contingencies: (check if Applicable)

☐ Contingent on Resale of Existing Home (see 6.1 below)
☐ Other contingencies set forth in Addendums attached to this Agreement _____.
☐ No Contingencies.

If any of the applicable conditions have not been satisfied or waived in writing by Buyer to Seller within the applicable time period(s) set forth in the referenced contingencies/conditions, this Agreement may be terminated by Seller by written notice to Buyer, whereupon this Agreement shall terminate as of the date such notice of termination is given, at which time the Earnest Money shall be returned to Buyer, and both parties shall be relieved from further liability hereunder. Alternatively, Seller may agree in writing to extend any or all of the contingency periods, in its sole and absolute discretion, and may condition any such extension on a modification of the terms of this Agreement including an adjustment in the Purchase Price. Buyer acknowledges that Seller's obligations under this Agreement are contingent upon Buyer's satisfaction or waiver of the applicable contingencies, and that Seller is not required to complete the dwelling or undertake any construction activities until such contingencies have been satisfied or waived in accordance with this Section. Upon satisfaction or waiver of the applicable contingencies, the Earnest Money Deposit shall become non-refundable but applicable to the Purchase. If no contingencies apply to Buyer's purchase of the Property, the Earnest Money Deposit shall become non-refundable but applicable to the Purchase Price.

6.1 **HOME-SALE CONTINGENCY:** If this Agreement is contingent upon sale of Buyer's house, the provisions of standard Multiple Listing Contingency Form (**NWMLS FORM 22B-BUYER'S SALE OF PROPERTY CONTINGENCY**) shall apply as modified herein (agent must attach the contingency form before execution of this Agreement). Buyer's house shall be listed with a real estate firm acceptable to Seller, according to terms and conditions acceptable to Seller. The Buyer's response deadline of the Seller's receipt of an acceptable offer shall be one (1) calendar day (paragraph 4, line 35, of NWMLS FORM 22B). The contingency deadline (paragraph 1, line 8 of NWMLS FORM 22B) will be limited to a maximum 45-days from mutual acceptance of this Purchase Agreement, as the initial contingency period. The Buyer's notification of Buyer's Pending sale of the contingent property shall be on the **NWMLS FORM 22Q**. The satisfaction or release of said contingency shall be on the **NWMLS FORM 90k-CONTINGENCY PROPERTY NOTICE** form.

7. **DISCLOSURES / ADDENDA / ADDITIONAL DOCUMENTS:** Buyer acknowledges receipt of each of the following materials checked below each of which is incorporated into this Purchase Agreement (check if applicable). If Seller is unable to provide any of the below documents, Buyer agrees to sign and approve withing 3 days of receipt of said documents.

☐ Plot Plan
☐ Elevation & Layouts

Buyer Initials: _____ Date: _____ Buyer Initials: _____ Date: _____

____ Community Specifications, Standards, and Selections (if applicable).
____ Homeowners Association: Estimated Budget and Monthly Assessments
____ Covenants, Conditions & Restrictions (CC&R's)
____ Sample Limited Warranty Booklet
____ Contingent Sale Addendum (NWMLS FORM 22B)
____ Addendum to Purchase and Sale Agreement
____ Release of Funds Prior To Close Form
____ Lender Selection Form

Others: _____.

8. REQUIRED NOTICES: To the extent applicable (not all notices are applicable to all projects), Buyer acknowledges receipt of the following notices (check if applicable):

____ Exhibit A
____ Seller Property Disclosure Statement (Form 17)
____ Public Offering Statement
____ Washington Law of Real Estate Agency pamphlet

Miscellaneous regarding Disclosures, Notices, Addendums, and Additional Documents: If this Agreement is made an exhibit to any form of agreement drafted by a party other than Seller (e.g., Northwest Multiple Listing Service, Oregon Real Estate Forms, LLC, etc.) and a conflict arises between this Agreement and such other form of agreement, the terms and conditions of this Agreement shall control notwithstanding any contrary provision in such other form of agreement.

9. ESCROW AND TITLE INSURANCE POLICY: The Escrow company for this transaction and Title Insurance Policy shall be issued from:

Company: _____
Address: _____
Escrow Representative: _____
Email: _____
Phone: _____

10. EARNEST MONEY: Buyer agrees to deposit the earnest money directly with Escrow by way of check or wire transfer.

In the amount of \$ _____, payable to and to be deposited with Escrow. The Buyer instructs the Selling Firm to hold any earnest money in the form of check undeposited pending mutual acceptance of this Agreement and all agreed upon counter offers, after which time deposit it as provided herein within five (5) banking days.

10.1 EARNEST MONEY: All Earnest Money shall be deposited in a neutral escrow account the escrow company identified in paragraph 9. All Earnest Money shall be considered non-refundable (but applicable to the Purchase Price) within 45 calendar days (forty-five) of mutual acceptance of this Agreement. If this Agreement is Contingent on the sale of Buyer's home, as outlined in paragraph 6.1 and the Contingent Sale Addendum, the Earnest Money shall be considered non-refundable (but applicable to the Purchase Price) upon removal of the Buyer's home sale contingency.

10.2 ESCROW INSTRUCTIONS/DEPOSIT: Escrow is hereby instructed by Seller and Buyer as follows: (1) Upon your receipt of a copy of this Agreement signed by Seller and Buyer open an escrow account and proceed with Closing in accordance with the terms of this Agreement, subject to any supplemental instructions which may be provided by Seller prior to Closing. If you determine that the transaction cannot be Closed for any reason, you are to hold all earnest money deposits not previously released until you receive joint written instructions from Seller and Buyer, or a final ruling from a court or arbitrator, as to disposition of such deposits. (2) Seller authorizes Listing Firm to order copies of any declaration of covenants, conditions and restrictions ("CCR's") binding on the Property (if available), a preliminary title report and a standard owner's policy of title insurance at Seller's expense, and further authorizes Escrow to payout of the cash proceeds of sale the expenses of furnishing title insurance, Seller's recording fees, Washington State Real Estate Excise Tax, Seller's Closing costs and any encumbrances on the Property payable by Seller on or before Closing.

Buyer Initials: _____ **Date:** _____ **Buyer Initials:** _____ **Date:** _____

10.3 EARNEST MONEY PAYMENT/REFUND: If Seller, (1) does not approve this Agreement, or (2) having approved this Agreement fails to furnish marketable title, or (3) fails to complete this transaction in accordance with this Agreement, or perform any other act as herein provided, all Earnest Money shall be promptly returned to Buyer.

10.4 NON-REFUNDABLE DEPOSITS: All non-refundable Presale, Option, or Builder Deposits identified in paragraph 2 above are, notwithstanding a conflicting agreement or addendum mutually agreed upon by Buyer and Seller, due and payable at mutual acceptance of this Agreement. All non-refundable deposits shall be made payable to the Escrow Company identified in paragraph 9. The Buyer instructs the Selling Firm to hold any non-refundable deposits in the form of check undeposited pending mutual acceptance of this Agreement and all agreed upon counter offers, after which time deposit it as provided herein within five (5) banking days. Buyer agrees to sign the attached ESCROW INSTRUCTIONS-RELEASE OF FUNDS PRIOR TO CLOSE addendum upon Seller request. Buyer acknowledges that non-refundable Builder deposits, Presale deposits, and Option/Upgrade deposits are not part of the earnest money and are considered a separate non-refundable deposit. Buyer agrees that these deposits are 100% non-refundable and irrevocable and shall be released to the Seller per the terms of the Agreement. These non-refundable deposits paid and released to the Seller shall be credited to the Buyer at closing.

11. CLOSING DATE: The terms "Closing", "Closed" or "Closing Date" shall mean when the deed or a memorandum of land sale contract is recorded and funds are available to Seller. Seller and Buyer acknowledge that for Closing to occur by the Closing Date, it may be necessary to execute documents and deposit funds in escrow prior to the closing date. The Closing Date for this Agreement shall be as is set forth below. In the event that a definitive date is not able to be identified below, the maximum estimated closing date shall be no later than one year from execution of this Agreement, subject to extension pursuant to Section 11.4 below.

___ **COMPLETED HOME:**

Closing shall occur on (insert date) _____.

___ **PRESALE or HOME CURRENTLY UNDER CONSTRUCTION:**

Closing shall occur as per the terms identified in the **NOTICE TO CLOSE (NTC)** form that the Seller shall provide to the Buyer or Buyer's representative.

11.1 NOTICE TO CLOSE (NTC): If the home is sold when the home is a presale or currently under, Seller or Seller's representative will provide Buyer or Buyer's representative with a NOTICE TO CLOSE (NTC) prior to the completion of the home and will establish the Closing Date. Buyer agrees to close escrow according to the terms of this Agreement within 3 business days of the date identified on the NOTICE TO CLOSE (NTC) form that will be provided to the Buyer.

11.2 POSSESSION: Seller will deliver possession of the property to Buyer upon the completion of Closing. Closing shall be deemed complete on the date on which all necessary documents are recorded in the deed records and the sale proceeds are available to the Seller. Seller shall deliver possession of the Property to Buyer no later than 5:00 p.m. on the Closing.

11.3 BUYER'S CLOSING EXTENSION: If Buyer is not ready, willing, and able to close the purchase of the Property for any reason whatsoever on the Closing Date, the Closing Date may be extended by Buyer for up to five (5) days upon payment to Seller by Buyer of two-hundred dollars (\$200) for each day the Closing Date is extended (the "Extension Fee"), as liquidated damages for Buyer's Closing delay. The Extension Fee shall be paid for the total number days in advance and paid directly to Seller. This extension fee will be non-refundable and will not be applied to the Purchase Price or Upgrade Payments at Closing. In the event Closing does not occur within such five (5) day period, Seller shall have the right to terminate this Agreement and exercise other remedies available upon Buyer's default, or, at Seller's sole option, Seller may agree in writing to further extend the Closing Date for a period or periods of time upon payment by Buyer of the aforementioned Extension Fee for each additional day the Closing Date is extended. There are no refunds if closing occurs earlier than the revised extension date. The parties acknowledge the difficulty of determining the actual damages resulting from Buyer's failure to timely close the transaction under this Agreement and agree that the Extension Fee liquidated damages described in this Section represent a reasonable estimate of such damages and are not a penalty.

Buyer Initials: _____ Date: _____ Buyer Initials: _____ Date: _____

11.4 SELLER'S CLOSING EXTENSION: Seller shall have the option of extending the Closing Date one or more times for up to a total maximum period of one hundred eighty (180) days. Seller shall not be responsible or liable for reimbursing Buyer for any costs, expenses or damages suffered or incurred by Buyer as a result of such extension. If Seller fails to close by the Closing Date as it may be extended pursuant to this Section, Buyer's sole remedy shall be as set forth in the Seller's Default Section 50.1.

12. PRORATIONS: Prorates for the current year's taxes and other prepaid expenses or assessments attributable to the Property shall be as of the Closing Date and shall be on the basis of a 365-day calendar year (such calendar year to be the assessor's tax year for purposes of real property taxes).

13. CLOSING COSTS: Seller shall pay the standard owner's title insurance premium. Seller and Buyer shall each pay their own respective escrow fee as per escrow company fee schedule. All other costs and expenses in connection with the Closing ("Closing Costs"), including, but not limited to the cost of providing a mortgagee's title insurance policy, including early issue endorsement, the cost of recording the deed and any deed of trust, the transfer tax (if applicable), the credit report, all of Buyer's financing costs, flood zone check, prepaid expenses, and the premium of any extended coverage policy or any endorsement to the standard coverage title insurance policy and/or extended coverage policy against construction liens, if any, shall be paid by Buyer.

14. PREPAID EXPENSES: Buyer agrees to pay in cash at Closing any prepaid expenses attributable to the Property (the "Prepaid Expenses"), including taxes, assessments, mortgage lender escrows and homeowner's insurance. All real property taxes and assessments and maintenance assessments for the year of Closing shall be prorated through the Closing Date based upon the previous year's assessments, or if available, the current year's assessment. All utility costs attributable to the Property shall be prorated by the parties outside of escrow as of the Closing Date. If actual tax and/or assessment information is not available as of the Closing Date, Escrow Agent will be permitted to utilize estimates in order to complete the Closing.

15. TITLE TO THE PROPERTY: Title to the Property will be transferred from Seller to Buyer by a statutory warranty deed, free and clear of all liens and encumbrances suffered or created by Seller other than the lien of real property taxes and assessments not yet due, easements and restrictions of record as of the Closing Date (excluding any blanket encumbrances imposed by Sellers Lender), the standard printed exceptions to such policies, typically set forth in Schedule "B" on the title report for the Property, and any supplements or amendments thereto, and any additional public utility easements of record.

15.1 TITLE INSURANCE: Seller shall, prior to Closing, cause the Title Company to issue a commitment to Buyer to insure title to the Property (a "Commitment"), subject to no exceptions other than those matters set forth in Section 15 above and standard printed exceptions and exclusions set forth in such Commitment. It shall be a condition to Closing that the Title Company is prepared to deliver to Buyer a standard owner's policy of title insurance, insuring title to the Property subject only to those matters set forth in Section 15 above and standard printed exceptions and exclusions, in an amount equal to the Purchase Price.

15.2 TITLE REVIEW CONTINGENCY PERIOD: This Agreement is subject to Buyer's review of an initial Preliminary Commitment for title insurance and any exceptions noted therein, together including any easements, covenants, conditions, and restrictions of record. Buyer shall have 3 business days from receipt of the initial Preliminary Commitment from the Title Company to give notice of Buyers disapproval of exceptions contained in the initial Preliminary Commitment. Seller shall have 5 business days after Buyer's notice of disapproval to give Buyer notice that Seller will clear all disapproved exceptions. Seller shall have until the Closing Date to clear all disapproved exceptions. If Seller either notifies Buyer that Seller will not clear all disapproved exceptions or does not give timely notice that Seller will clear all disapproved exceptions, Buyer may terminate this Agreement within 3 business days after the deadline for Seller's notice. In the event Buyer elects to terminate the Agreement, the Earnest Money shall be returned to Buyer. If Buyer does not timely terminate the Agreement, Buyer shall be deemed to have waived all objections to the title, which Seller did not clear.

15.3 EARLY ISSUE TITLE INSURANCE: If Buyer's lender requires early issue title insurance, the Buyer agrees to pay the additional premium for such early issue coverage.

16. FINANCING / PREFERRED LENDER

Buyer Initials: _____ Date: _____ Buyer Initials: _____ Date: _____

16.1 FINANCE CONTINGENCY: If this Agreement is conditioned on the Buyer obtaining financing, the Buyer agrees to make loan application with a lender and provide written loan approval within five (5) days of mutual acceptance of this Agreement. Any financing or mortgage contingency period provided in any addenda or within the Agreement shall not exceed forty-five (45) days from mutual acceptance of this Agreement. Unless otherwise mutually extended, any finance contingency period shall be deemed waived after such forty-five (45) day period expires.

16.2. LOAN APPROVAL: Buyer acknowledges that adding Upgrades to the Purchase Price may require an updated loan approval letter from Buyer's lender and it is the responsibility of the Buyer to inform lender of any changes to the Purchase Price, terms, estimated Closing Date and other relevant Agreement terms affected thereby, and to provide Seller an updated loan approval from lender.

16.3. LOAN LOCK – BUYER RESPONSIBLE FOR EXTENSIONS: It shall be the responsibility of Buyer to determine (in their sole discretion) whether to initiate a lock of the applicable interest rate (and the duration of such lock) with their lender. Seller shall not be responsible to ensure that any Closing occurs during the period of the Buyer's interest rate lock, and Seller shall have no liability for any damages or claims of any kind related to Buyer's loss of any interest rate lock. Buyer shall be solely responsible to pay such additional fees and costs as may be necessary to extend any interest rate lock secured with a lender.

16.4. PREFERRED LENDER: The preferred lender for the Seller can be provided to the Buyer by the on-site Sales Professional. Seller's preferred lender may offer special incentives and programs for Pahlisch Homes homebuyers and has agreed to provide the Buyer with a "Good Faith Estimate" for lending option comparison purposes, but Buyer has no obligation to choose the preferred lender as their lender. Buyer consents to the release of an executed copy of this Agreement to the preferred lender and to direct contact from one of the preferred lender's loan officers. In the event Buyer utilizes the preferred lender for the transaction contemplated by this Agreement, Buyer shall not be charged the \$200.00 per day Extension Fee as referenced in Section 11.3 to the extent such extension is necessitated by a delayed Closing caused by Seller's preferred lender (including delays in receiving any appraisal ordered by such lender).

16.5 APPRAISAL CONTINGENCIES: This Agreement is not contingent on a home appraisal. This section supersedes any other conflicting addenda or terms of this Agreement. **In the event the lender's appraiser appraises the value of the Property for less than the total Purchase Price, the Buyer agrees to pay the difference between the mortgage loan proceeds and the amount required to close the transaction and proceed to Closing.**

16.6 DISCLOSURE OF BUYER'S FINANCIAL INFORMATION: Buyer hereby authorizes lender of Buyer's choice to disclose any and all pertinent financial information regarding Buyer to Seller and/or Seller's agent. **Buyer shall notify Seller immediately if lender withdraws its approval.**

16.7 AGREEMENT NOT GUARANTEE OF FINANCING: No item within this Agreement shall be construed as a guarantee, promise, or representation by Seller or Seller's Agent that Buyer will be able to obtain financing from any source, including, but not limited to, Seller's preferred lender.

16.8 BUYER'S POST-APPROVAL RESPONSIBILITIES: Upon approval of Buyer's loan, it is Buyer's responsibility to maintain the loan commitment in full force and effect until Closing and to pay all attendant costs and fees. Buyer shall not be able to terminate this Agreement in the event the lender increases the interest rate and/or loan fee from those prevailing at the time the loan application was made by Buyer. Buyer is specifically encouraged to take advantage of interest rate lock-ins as are available in the market in order that Buyer may have protection against interest rate volatility. If Buyer elects to lock their interest rate, Buyer should be aware that there are many factors beyond the control of Seller that can affect the completion of the home. These factors include such matters as weather conditions, labor disputes, unavailability of materials or subcontractors, delays in procurement of materials and finishes, and accidents. There is no guarantee that the home will be completed prior to the expiration date of the interest lock-in period. If Buyer elects to lock-in interest rate, Buyer is accepting the risks of doing so and will be solely responsible for any additional expenses.

17. CASH PURCHASES: If financing is not a condition and the Buyer intends to purchase the property with cash, the Buyer agrees to provide Seller within three (3) days from acceptance, reasonable evidence (in form and detail reasonably satisfactory to Seller) to substantiate that full payment of the total Purchase Price will be available and tendered at Closing.

18. OPTIONS / UPGRADES / SELECTIONS

Buyer Initials: _____ Date: _____ Buyer Initials: _____ Date: _____

18.1 OPTIONS: Upon the request and at the expense of Buyer, Seller may agree, but is not required to provide Options in finish materials, colors, appliances, light fixtures, or other similar finish items (collectively referred to as "Options") which are not included in the Base Purchase Price payable for the Property pursuant to this Agreement. Options, if any, shall be selected by Buyer and approved by Seller per the Pahlisch Homes, Inc. Option/Change Order forms. All Options, Change Orders, and Addenda shall be binding upon the parties and become a part of this Agreement once they are completed and signed by all parties. All Options are available through the Seller only, and no outside vendors or so-called "sweat equity" are allowed. If Buyer fails to make the selections in writing via a fully executed Seller's Option/Change Order addendum within a timeframe that the Seller, in its sole opinion, deems timely, the Seller may select colors and materials itself and Buyer shall be deemed to have waived its right to make the particular selections.

18.2 OPTIONS AND SELECTIONS TIMEFRAME: Buyer to finalize all available options and selections within the below timeframes.

___ **Presale (foundation not poured):** Unless approved or extended by Seller, the Option and Selections meeting with the Seller design representative shall take place within 14 calendar days from mutual acceptance and a fully executed Option Addendum with payment collected shall be within 21 days after mutual acceptance. These date requirements do not supersede the Seller construction milestones dictating Option availability, and all Option Addendums/Change Orders must be fully executed within accordance of these milestones in order to be approved by the Seller.

___ **Under Construction, but not complete:** Unless approved or extended by Seller, the Option and Selections meeting with the Seller design representative shall take place within 7 calendar days from mutual acceptance and a fully executed Option/Change order Addendum with payment collected shall be within 14 days after mutual acceptance. These date requirements do not supersede the Seller construction milestones dictating Option availability, and all Options must be fully executed within accordance of these milestones in order to be approved by the Seller.

___ **Under Construction but limited to Surface/Colors/Cabinet selections only:** If available and subject to the builder cut-off timeline, all surface/color/cabinet selections shall be submitted with the initial Purchase Agreement using the Seller's BUYER SELECTIONS FORM.

___ **Completed Home or past Seller option and selections timelines:** No Options/Upgrades/Selections are available. The Buyer agrees to and accepts the Seller's selections for this home.

18.3 OPTION DEPOSITS: Upon finalizing Buyer's Options, Buyer shall pay to Seller a non-refundable "Option Deposit" in the amount of 100% of the cost of the selected Options over the Community Threshold. If this Agreement is contingent, and the contingencies have not been removed at the time of the Option appointment, Buyer shall pay to Seller a non-refundable Option Deposit in the amount of 100% of the cost of the selected Option over the Community Threshold. **THE SELLER AGREES TO CREDIT THE BUYER AT CLOSING FOR THE FULL AMOUNT OF THE BUYERS DEPOSIT. IF THE BUYER DOES NOT SUCCESSFULLY CLOSE THE PROPERTY, FOR ANY REASON, THE SELLER WILL KEEP THE ENTIRE AMOUNT OF THE OPTION DEPOSIT. THE BUYER ACKNOWLEDGES THAT BUYER FORFEITS THE OPTION DEPOSIT EVEN IF THE PROPERTY FAILS TO CLOSE BECAUSE THE APPRAISED VALUE OF THE PROPERTY IS INSUFFICIENT DUE TO INCREASES IN THE PURCHASE PRICE CAUSED BY INCLUSION OF THE OPTIONS SELECTED BY BUYER.**

Seller will not proceed with any Option(s) until receipt of payment made payable to Escrow or notification of wire transfer or direct deposit with escrow for the amount of the Option(s) is received by the Seller along with a fully executed Option or change order addendum. Any delay in receiving a check, cashier's check, wire transfer or fully executed Option addendum will result in the cancellation of the Option request, at the sole discretion of the Seller. Option pricing is subject to change without notification or obligation.

BUYER UNDERSTANDS AND ACKNOWLEDGES THAT SELLER WILL PROCEED WITH THE CONSTRUCTION OF THE HOME AND THAT AVAILABLE OPTIONS MUST BE SELECTED BEFORE THEIR RESPECTIVE CUTOFF DATES AND AN OPTION ADDENDUM MUST BE FULLY EXECUTED BY BOTH BUYER AND SELLER AND FUNDS RECEIVED BY THE SELLER. SELLER DOES NOT DELAY CONSTRUCTION, SO TIME IS OF THE ESSENCE WHEN SELECTING OPTIONS.

Buyer Initials: _____ Date: _____

Buyer Initials: _____ Date: _____

18.4 OPTIONS CANCELLED BY SELLER: Occasionally, due to limited availability or construction installation/timing issues, an agreed upon Option may be cancelled by the Seller. The Buyer acknowledges and accepts that the Seller, at their sole discretion, may cancel any previously agreed upon Option, with a credit issued to the Buyer for any cancelled Option. The Buyer agrees to reasonable substitution of materials, if available and offered by Seller. The Buyer has no right to terminate if an Option is cancelled by the Seller and agrees that a reasonable substitute material or credit for the amount of the cancelled Option shall be their sole remedy.

18.5 OTHER OPTION POLICIES:

- a) Option choices are strictly limited to what is listed on the Seller's published Option list. Special requests or items are not available.
- b) Requested Options that are past Seller cut-off timelines are not available.
- c) One selection appointment will be provided.
- d) All selections are considered final after the Option Addendum is signed. Any changes, amendments, additions, and subtractions to an Option Addendum requested by Buyer will be at the sole discretion of the Seller and subject to a non-refundable \$500 change order processing fee.

18.6 APPRAISED VALUE OF OPTIONS: Notwithstanding any terms in any financing addenda, Buyer understands that Options added to the price of the home may not appraise for full value. Seller is not responsible for Options or the entire home and purchase price appraising at full value. Should the Options, home, or entire purchase price not appraise for full value, Buyer agrees to pay the difference, at Closing, between the appraised value of the home and the Purchase Price including Options.

19. CONSTRUCTION OF RESIDENCE: Seller shall construct the residence in substantial compliance with the plans and specifications on file with the local building department. Except as otherwise expressly agreed in this Agreement, Buyer may not customize or otherwise modify plans, specifications and components, finishes, and materials referenced therein. Seller may (i) substitute materials, equipment, and fixtures of comparable quality for those shown on the plans and specifications and (ii) erect the residence as shall best conform, in Seller's opinion, to the Property which the residence is being constructed; which actions by Seller may include, but shall not be limited to, plan reversal, changes in elevation; i.e., the distance measured vertically between the top of the foundation and the streets abutting the Property, to conform with the property and surrounding improvements; changes in the location of the Property to conform with front, side, and rear setback requirements; and changes in the grading of the Property, or for other reasons determined by Seller.

20. DIMENSIONS: The blueprint drawings, plot plans, grading, drainage, and improvement plans (collectively "Plans") for residences within the development all contain dimensions that are approximate and are not intended to be precise dimensions. Lot size, spot elevations, finished floor and pad elevations, final grading conditions, room dimensions and electrical outlet placement may vary from models and the Plans. Construction will be performed in substantial conformance with the Plans, but dimensions and specifications may change slightly. If there is discrepancy between the Plans and the actual as-built conditions of the Property and Buyer's residence, the as-built condition will control. The useable or buildable area, location and configuration of the lot, garage and all improvements located thereon may fluctuate from that shown or displayed to Buyer in any drawings, plans, topographic maps, or models based upon Seller's placement of final improvements including fencing and slopes which shall be placed and constructed in Seller's sole and absolute discretion. The location, size, height and composition of all walls, decks, patios, fences, sidewalks, driveways, and porches, to be constructed on the Property or adjacent thereto shall be determined by Seller in its sole and absolute discretion and despite models, drawings or topographic maps displayed to Buyer, Seller has made no representations, warranties, or assurances as to the size, height, location or composition of any wall or fence to be constructed on or adjacent to the Property. The Plans are subject to change at any time without notice or obligation.

21. LOTS: Each lot is unique in its size, shape, and drainage characteristics. Buyer understands and agrees that the size of the lot, the exact location of trees, sidewalks, landscaping, if any, driveways, and the drainage patterns of the lot may differ from the model home and drawings or renderings the Buyer has examined. Seller reserves the right to determine the location, configuration of the house upon the lot, all final grades of the lot and extent of clearing on the lot, if any. Further, the Buyer acknowledges and accepts that the driveway may be sloped. The floor plan layout (standard or reverse/right or left-side garage)

Buyer Initials: _____ Date: _____ Buyer Initials: _____ Date: _____

will be determined solely by Seller. Buyer acknowledges that Buyer has physically inspected the lot selected, and Buyer finds the lot acceptable. In the event that the type of house desired by Buyer will not fit on the lot at the minimum setback requirements, and the parties are not able to reach a reasonable solution, Seller shall have the right, at its sole option, to notify Buyer that the Agreement is terminated, and the Earnest Money and other deposits shall be returned to Buyer.

22. ADJACENT PROPERTY: Buyer acknowledges that any land adjacent to or surrounding the community in which the home is located shall be described as Adjacent Land. Whether or not any such Adjacent Land is within Seller's control, Buyer acknowledges that Seller makes no representation or warranty of any kind whatsoever with respect to the current or future use (including any changes in use) or condition of any Adjacent Land, and Seller shall not be liable to Buyer for any breach of representation or warranty, or change in the condition or use of Adjacent Land, and Buyer hereby releases Seller and listing agents from any claims, damages, liabilities, losses, or causes of action of any kind related to the current or future use (including any changes in use) or condition of any Adjacent Land. Buyer acknowledges and agrees that it is not relying on any verbal or written representations of Seller or listing agents with respect to any Adjacent Land other than those set forth in this Agreement.

23. SITE WORK VEGETATION: Grass, trees and other vegetation may not survive if not maintained properly and may need to be replaced at the sole expense of the Buyer or the Association. Pre-existing grass, trees and other vegetation may not survive during construction or after the Closing and Seller gives no warranty of quality or survival. Further, Buyer is advised that native trees are often subject to governmental regulation and may not necessarily be removed at will.

24. EASEMENTS: Certain lots may contain easements given to the County, other regulatory agencies, or other property owners, which restrict the use of the easement area as defined by the easements. Buyer is responsible for performing its own due diligence to determine what easements exist, any easement that may become effective during the course of construction, and "active/passive" easements that may occur and record after the signing of the Agreement.

25. PROFESSIONAL HOME INSPECTIONS: Buyer may have a complete professional inspection of the Property by a licensed, bonded and insured professional home inspector of their choice at the Buyer's own expense. Neither the listing nor selling licensees are qualified to conduct such inspections and shall not be responsible to do so. Buyers acknowledge that the home will be substantially complete at the provided day and time and ready for an inspection for the structure and major systems of the home. Buyer acknowledges and accepts that minor repair and touch-up items may not be completed by the time of home inspection.

25.1 PROFESSIONAL HOME INSPECTION TIMEFRAME:

____ **PRESALE** (foundation not poured) or currently **UNDER CONSTRUCTION** at the time of mutual acceptance date, but not complete. The home inspection must be **completed** by the date provided to the Buyer from Seller on the **NOTICE TO CLOSE (NTC)** form as described in paragraph 11.1.

____ **COMPLETED HOME:** at the time of mutual acceptance date: The home inspection and Seller's **Repair Request Form** must be **completed** no later than **10 business days** prior to the established closing date.

25.2 PROFESSIONAL INSPECTION REPAIR ITEMS: : If a professional home inspection identifies items that may need attention, explanation or repairs, the Buyer shall provide to Seller within 48 hours of the scheduled home inspection date, an itemized list on the Seller's **Repair Request Form** that the Buyer would like addressed and/or corrected. The Seller also requests to receive the full professional inspection report along with the repair request form. The Buyer agrees that the Seller is under no obligation to correct the items on the list. The Seller agrees to address any items that are not crossed out or otherwise noted on the Seller's response to the Repair Request Form. The Buyer understands and agrees that the professional inspection is for the purpose of assessing the condition of the structural elements of the Property. Any cosmetic and/or finish work items will be addressed between Buyer and Seller's representative at the New Home Demonstration (NHD).

Buyer acknowledges that if the home inspection is not completed by the date provided on the NOTICE TO CLOSE (NTC), the Buyer waives the right to have the Professional Home Inspection.

Buyer Initials: _____ Date: _____ Buyer Initials: _____ Date: _____

25.3 PROFESSIONAL HOME INSPECTION CONTINGENCIES: Buyer acknowledges that this Agreement is not subject to or contingent upon the satisfactory findings of any professional home inspection report and that Buyer may not terminate this Agreement based on the results of any inspection report. The Seller agrees to address and/or repair any habitability item(s) to conform to applicable building codes and local building industry standards, as well as the terms of the Seller's Limited Warranty and the Homeowners Manual provided to the Buyer. Buyer understands that completion of agreed upon repair items may take up to 30 days to complete and cannot delay closing beyond contractual commitments based upon status of those items, unless Seller, in its sole discretion determines that a Closing extension is necessary to complete the inspection item(s) needing correction.

26. GARAGE AND LOCATION/PLAN ORIENTATION/UTILITY FACILITIES: Seller makes no representation with regard to exact width, depth or height of the garage as actual as-built dimensions may vary slightly. Seller makes no representation as to the ability of the garage to accommodate any particular kind or size of vehicle. Buyer acknowledges that the home may be built in reverse of the floorplan shown in a brochure or model. Garage orientation will be determined solely by Seller. Seller makes no representation as to the location of utility lines, boxes or structures, fire hydrants, cluster mailboxes (if applicable), light poles, storm drainage pipes and/or other neighborhood structures or improvements. Buyer acknowledges that the Lot may have all or some of such items and that the plot plan provided is for illustration purposes only and may be inaccurate as to actual as-built locations.

27. BUYER'S ACCESS DURING CONSTRUCTION: Prior to occupancy, Buyer and any outside agent representative, is expressly denied access to the Property at any time without the permission of Seller and without being accompanied by Seller's authorized representative, at a pre-arranged appointment with Seller at such times and on such days as Seller may deem appropriate, at Seller's sole discretion. Buyer acknowledges that during construction there may be periods when the home cannot be accessed, and other than the Buyer's Professional Home Inspection, Seller has no obligation to provide access to the Property for Buyer's inspection prior to the New Home Demonstration outlined in Section 31. Any and all such access to the Property shall be at Buyer's sole risk. Seller shall have the right to limit the number of individuals allowed access to the Property. Only employees and contractors of Seller, acting pursuant to Seller's written instructions and directions, are authorized to work on the Property. Prior to Closing, Buyer and Buyer's agents are prohibited from working on the Property themselves or from directing others, including, but not limited to, any contractors or subcontractors working on the Property.

28. CONTINUING CONSTRUCTION: Buyer understands that construction work on the community and other homes within the community may continue for a period of time following Closing and waives any claims regarding the same.

29. HOMEOWNER MAINTENANCE: No home is maintenance free. All building materials deteriorate over time, and maintenance is a continuous process. Buyer understands and acknowledges that after Closing, Buyer will be responsible for the maintenance of the home. Seller will review the functions and features of the home with Buyer at the New Home Demonstration. Buyer understands and agrees that Seller will not be held responsible for any personal injury or property damage which is the result of Buyer's failure to maintain the home.

30. INSULATION: This disclosure is made a part of the Agreement to comply with Federal Trade Commission rules. The statements made herein are accurate as of the time of installation of the insulation and are based on representations by the insulation contractor. All representations as to R-Value, unless otherwise indicated, are according to the manufacturer's calculations. Some settling and minor variations in thickness and R-Values will occur over time. The insulation specifications can be found in the Community Specifications and Standards for your home.

31. NEW HOME DEMONSTRATION: Prior to Closing, the Buyer must accompany a Seller representative for a demonstration of your new home. A Seller representative will contact you to establish an appointment for you to attend the New Home Demonstration, to take place approximately ten (10) days prior to the closing date. At the time of the Demonstration, we will explain operations of various mechanical equipment, complete the New Home Demonstration checklist, and identify any items that need correction. After the conclusion of the New Home Demonstration, a second meeting date, if necessary, will be established before Closing to verify completion of noted items, if any. This second meeting is named the New Home Demonstration sign-off meeting. Additional items needing correction found by Buyer after the New Home Demonstration will not be corrected before Closing and shall be considered a warranty item and will not delay Closing in any way. Buyer agrees to proceed to Closing and shall not delay Closing or withhold funds at Closing even if all items requiring adjustment, installation or repair as noted in writing at the New Home Demonstration, have not been completed by Seller.

Buyer Initials: _____ Date: _____ Buyer Initials: _____ Date: _____

32. LIMITED WARRANTY: Seller is hereby providing the Buyer with the Seller's Limited Warranty contained in the most recent edition of the Seller's Limited Warranty Booklet (the "Booklet"), as of the date of the execution of this Agreement. The Booklet has been made available to the Buyer, and is incorporated by reference, and made a part of this Agreement. The Limited Warranty contained in the Booklet is the sole warranty provided to the Buyer. Any other warranty or warranties, whether express or implied, are disclaimed by Seller and waived by the Buyer, unless otherwise prohibited by particular state law.

33. NO OTHER WARRANTIES: SELLER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF HABITABILITY, MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE HOME, OTHER THAN THOSE EXPRESSLY DESCRIBED IN THE BUILDERS WARRANTY AGREEMENT. SO LONG AS THE IMPROVEMENTS ON THE PROPERTY ARE COMPLETED SUBSTANTIALLY IN ACCORDANCE WITH SELLER'S PLANS AND SPECIFICATIONS, MINOR DEVIATIONS AND VARIATIONS THEREFROM INVOLVING PAINT COLOR, WINDOW AND FLOOR COVERINGS, COUNTERTOPS AND CABINETS, APPLIANCES, PLUMBING AND ELECTRICAL FIXTURES, HARDWARE AND OTHER DECORATIONS, AND FINISH WORK SHALL NOT BE CONSIDERED DEFECTS DUE TO WORKMANSHIP OR MATERIALS. ANY WARRANTY WORK PERFORMED BY SELLER AND ITS REPRESENTATIVES WILL BE DURING SELLER'S NORMAL WEEKDAY HOURS AND BUYER AGREES TO PROVIDE ACCESS THEREFORE. THE WARRANTY TERM SHALL NOT BE EXTENDED BY ANY WARRANTY REPAIR OR REPLACEMENT WORK BY SELLER OR ITS REPRESENTATIVES. SELLER SHALL NOT BE RESPONSIBLE FOR DAMAGE TO THE HOME CAUSED BY BUYER, THE ASSOCIATION, OR OTHER PARTIES, WHETHER BY MISUSE OR OTHERWISE, FOR DAMAGE EXACERBATED BY BUYER, THE ASSOCIATION, OR OTHER PARTIES, OR ALLOWED BY BUYER OR THE ASSOCIATION, OR FOR ANY MODIFICATIONS TO THE HOME MADE BY PARTIES OTHER THAN SELLER, OR ANY OTHER ITEMS COVERED BY A MANUFACTURER'S WARRANTY. SELLER MAKES NO WARRANTY REGARDING SOUNDPROOFING OF HOMES, AND TRANSMISSION OF SOUNDS BETWEEN HOMES AND OTHER AREAS SHALL NOT BE CONSIDERED A CONSTRUCTION DEFECT.

34. HOMEOWNERS ASSOCIATION: Buyer understands that by purchasing and acquiring title to the Property, Buyer may become a member of a Homeowners Association ("Association"). As a member of this association, Buyer shall be required to pay the assessments assessed by the Association. THESE ASSESSMENTS ARE SUBJECT TO CHANGE IN ACCORDANCE WITH THE CC&R'S, BYLAWS AND ARTICLES OF INCORPORATION, BINDING ON THE PROPERTY AND/OR THE ASSOCIATION, IF ANY, AS THE SAME MAY BE MODIFIED FROM TIME TO TIME.

34.1. HOMEOWNERS ASSOCIATION TRANSFER FEE: If there is a transfer fee imposed by the Homeowners' Association or any other association (e.g., a "move-in" or "move-out" fee), the fee shall be paid by the Buyer.

34.2. Amenity Fee. If the property lies within a community where an Amenity is built, or is planned to be built, all lots within the community may, depending on community, incur a one-time \$750 fee paid by Buyer at Closing. An Amenity is defined as a feature within a residential community that enhances the lifestyle and convenience of its residents, such as a swimming pool, fitness center, and/or clubhouse.

___ A one-time \$750 Amenity Fee is applicable to this transaction.

___ Amenity Fee is not applicable to this transaction.

Buyer Initials: _____ Buyer Initials: _____

35. HOMEOWNERS ASSOCIATION/TOWNHOME/PLANNED COMMUNITY INFORMATION: Buyer acknowledges that prior to executing this Agreement that Buyer has conducted a thorough and complete review of all aspects of the property being purchased, including but not limited to, its association, assessments, budgets, reserves, reserves study, insurance, general and limited common elements, as well as all Governance Documents, and is satisfied and accepts the findings. All Association documents can be obtained from the Association manager website.

Name of Association _____

Name of Management Company _____

Association website _____

Association website community login _____

Association website community password _____

Buyer Initials: _____ Date: _____ Buyer Initials: _____ Date: _____

Association address _____

Association phone _____

36. SCHOOLS: Schools represented in any listing are of Seller's and listing agent's best knowledge, without independent inquiry or investigation. School boundaries are subject to change and special designated areas are subject to reassignment due to school overcrowding and new school construction. If specific schools are a requirement of the Buyer, Buyer is to investigate and determine to their satisfaction what schools service the Property.

37. MLS: Multiple Listing Service, affiliated syndicates, and other real estate website information is deemed reliable but not guaranteed and should be verified by Buyer.

38. SALES BROCHURES: Buyer understands that sales brochures, web-site renderings, and other advertising media that contain drawings of homes are not exact replicas of the home that will ultimately be built. Differences in design, layout and features may exist. The actual orientation of the home may, in fact, be different from what is represented in advertising media.

39. MODEL HOMES: Model homes and their appurtenances and furnishings, are displayed only for illustration purposes and shall not be deemed to be an agreement or commitment by Seller to deliver the Property being purchased by Buyer in accordance with any such model units, and their appurtenances and furnishings. The furnishings, decorations, appliances, upgraded lighting package, landscaping, cabinetry, custom colors or textures and other appurtenances in or to any model home may not be represented to be a standard feature of the home purchased and Buyer agrees they are not relying on such features.

40. VIEWS/OPEN SPACE: Seller and any of its employees or authorized representatives make no representations or warranties with respect to the presence or absence of any current or future view, from any portion of the subject Property. Any such view may change or be obstructed depending upon activities undertaken during the development of the subdivision or on adjacent property. There can be no assurances, representations, or warranties, expressed or implied, regarding the permanency of any view, and Buyer acknowledges that is not relying on any such assurances, representations, or warranties of any kind by Seller, its employees, affiliates, agents, or contractors. Furthermore, Seller makes no representations or warranty with respect to the existence or condition of any open space or property now or in the future adjacent to each individual lot or the subdivision as a whole, whether this property may be owned or controlled by Seller, government agencies, or other private or public property owners.

41. PRICING/INCENTIVES: Buyer acknowledges that Seller has the full right to establish prices and incentives for the sale of properties in the community (or any other community developed by Seller), without regard to the price to be paid by Buyer or any other Buyer for any specific lot within the community. Buyer acknowledges that Seller has the right to reduce or increase the size of homes to be constructed by Seller in the community. Buyer further acknowledges that they are fully satisfied with the price and terms received in connection with the purchase of their home. **Buyer expressly agrees and acknowledges that they have not relied on any written or oral statement that Seller will or will not increase the pricing of any next phase or development, or that there will be appreciation (or no depreciation) of your Property. Buyer waives any claim that they have been damaged if different pricing or incentives are offered to other potential homeowners or if Buyer's Property changes in value, depreciates or does not appreciate in value.**

42. IRC 1031 EXCHANGE: In the event Seller or Buyer elect to complete an IRC 1031 exchange in this transaction, the other party agrees to cooperate with them and the accommodator, if any, in a manner necessary to complete the exchange, so long as it will not delay the close of escrow or cause additional expense or liability to the cooperating party. Unless otherwise provided herein, this provision shall not become a contingency to the Closing of this transaction.

43. GOVERNING LAW: This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the internal laws of the State that the property is located in.

44. SMOKE/CARBON MONOXIDE DETECTORS: At the time of home completion, the home will have one or more operating smoke detectors and carbon monoxide detectors installed as required by State law.

45. FIRPTA SELLER CITIZENSHIP DISCLOSURE: Seller warrants that Seller is a United States citizen and not a non-resident alien individual and not a foreign corporation or entity.

Buyer Initials: _____ Date: _____

Buyer Initials: _____ Date: _____

46. PROPERTY INSURANCE: Buyer is encouraged to promptly verify the availability and cost of property/casualty insurance that will be secured for the Property.

47. UTILITIES: Seller shall pay all utility bills accrued to when the Buyer is entitled possession. The Buyer acknowledges that the Seller will discontinue utility service in the Seller's name as of the day of Closing.

48. PERMISSION TO CONTACT AND COMMUNICATE DIRECTLY WITH BUYER(S): Buyer expressly gives permission for Seller employees, associates, affiliates, and listing agents to contact and communicate directly with the Buyer. This shall include, but not be limited to, setting appointments for Option meetings, New Home Demonstration meeting, financing programs and solutions from the Preferred Lender, answers to questions to Seller staff, closing coordination, survey questions, requests to visit a home under construction, and warranty items.

49. CHANGES IN SURROUNDING AREA: Seller and Listing Brokers make no representation or guarantee of the future value of Buyer's Lot, Home or Property. Real Property values fluctuate and are subject to change based upon market conditions. Modifications made by Seller or any master developer in the course or manner of development in the community where the home is located may affect the value. Buyer understands and acknowledges that Seller is not responsible or liable for the impact of any changes in the community or surrounding development on the Lot or home. Buyer shall have no right to recover any funds or to pursue any other legal remedy against Seller related to changes in Lot or home values.

50. DEFAULT: *TIME IS OF THE ESSENCE OF THIS AGREEMENT.*

50.1 SELLER DEFAULT: In the event that Seller fails to perform its obligations under this Agreement in a timely manner and fails to cure such default within thirty (30) days after notice from Buyer to Seller specifying in reasonable detail such default, Buyer shall have the right to terminate this Agreement by notice to Seller and Escrow Agent. Upon such termination, Buyer shall be entitled, as its sole remedy, to recover the entire Earnest Money amount paid to Escrow Agent, plus any other deposits or Option/Upgrade Payments. **IN NO EVENT SHALL SELLER BE LIABLE TO BUYER FOR ANY DAMAGES ARISING OUT OF THE PROVISIONS OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, SPECIAL, REMOTE, OR CONSEQUENTIAL DAMAGES OR MOVING COSTS, TEMPORARY HOUSING COSTS, LOSS OF FINANCING OR INCREASE IN INTEREST RATES, AND BUYER HEREBY EXPRESSLY WAIVES ANY SUCH CLAIMS.** Special or consequential damages for purposes of this Agreement shall include, without limitation, any loss of use, income, or profit or any loss of or damage to property, whether purchased under this Agreement or otherwise.

50.2 BUYER'S DEFAULT: In the event Buyer fails to make any payment required under this Agreement within five (5) days after notice from Seller that such payment is due, or to perform any other obligation of Buyer under this Agreement and fails to cure such default within ten (10) days after notice from Seller specifying in reasonable detail such default, Seller may declare Buyer to be in default of this Agreement by notice to Buyer and may, in addition to exercising all other remedies available to Seller under this Agreement, at law, or in equity, terminate this Agreement. **UPON SUCH TERMINATION, THE ENTIRE AMOUNT PAID BY BUYER UNDER THIS AGREEMENT, PLUS ANY INTEREST EARNED ON SUCH AMOUNT, SHALL BE RELEASED TO SELLER AND RETAINED BY SELLER AS LIQUIDATED DAMAGES WITH RESPECT TO SUCH DEFAULT.** The parties acknowledge the difficulty of determining the actual damages resulting from a default by Buyer under this Agreement and agree that the liquidated damages described in this Section represent a reasonable estimate of such damages and are not a penalty. Seller's remedies under this Section are cumulative and may be pursued concurrently, independently, or successively, in any order whatsoever; provided, however, that if Seller elects to terminate this Agreement and retain Buyer's Earnest Money and any other deposits including Option payments, such election shall be Seller's sole and exclusive remedy hereunder; provided, however, if Buyer files any lis pendens against the Property and Seller succeeds in defeating the lis pendens, then Seller may pursue Buyer for all remedies available at law.

50.3 SELLER TERMINATION: Seller may, by written notice, terminate this Agreement in the event that:

- (a) The relationship of the Seller and Buyer has, in the sole opinion of the Seller, deteriorated beyond a reasonable working relationship so that it is no longer possible for the parties to fulfill this Agreement; OR,
- (b) A material defect or deficiency exists in the construction of the dwelling or related improvements, and the Seller is either unable to repair the defect or deficiency after reasonable attempts to cure or the Seller determines, in the Seller's sole discretion, that it is not cost effective to attempt to repair the defect or deficiency.

Buyer Initials: _____ Date: _____ Buyer Initials: _____ Date: _____

In the event of termination under (a) or (b), Buyer agrees to accept the return of all monies (earnest money, Option/Upgrade deposits, and all other deposits, if any) paid to Seller under this Agreement. The Buyer agrees to promptly sign and return to Seller their Termination/Cancellation agreement, and the Buyer agrees that they shall have no further claims against the Seller or the respective Listing Firm or Licensee. In the event the Seller elects to terminate under the provisions listed above, the Seller shall pay to Buyer a Termination Fee in the amount of \$1000, which shall be Buyer's sole remedy against Seller and the extent of Seller's liability to Buyer due to such termination.

51. ARBITRATION IN LIEU OF LITIGATION:

51.1 ARBITRATION OF DISPUTES WHICH ARISE BEFORE CLOSE OF ESCROW: Seller, Buyer, Listing Firm and their respective agents involved in this transaction, agree that any and all pre-closing claims, controversies and disputes (including claims for rescission, misrepresentation, concealment, negligence, fraud, unlawful trade practices, and fees for commission), relating directly or indirectly to this transaction, shall be submitted to final and binding arbitration in accordance with the rules of Arbitration Services of Portland, Inc.

51.2 FEES AND COSTS: The party initiating arbitration must pay the initial arbitration fee charged by the organization providing such arbitration services. Thereafter, arbitration fees and costs shall be shared equally by the parties. Buyer and Seller acknowledge that by waiving their legal rights to file a lawsuit to resolve any dispute between them, they are not waiving their right to employ legal counsel at their own expense to assist them in any phase of the process. Buyer and Seller agree that both will bear their own attorney's fees incurred in connection with any dispute, controversy, claim, or litigation, regardless of who is the prevailing party.

51.3 SELLER'S OPTION TO TERMINATE: If a dispute arises before Closing, the Buyer agrees that the Seller, and the Seller alone, may at any time before or during the Arbitration process, elect to invoke the Termination clause listed in Section 50.3 above. If the Seller chooses to invoke this option, the Buyer agrees to accept the above stated monies listed in this section and promptly sign and return to Seller their Termination/Cancellation agreement. The Buyer agrees that they shall have no further claims against the Seller or their respective Listing Firm or Licensee.

51.4 ARBITRATION OF DISPUTES WHICH ARISE AFTER CLOSE OF ESCROW: It is hereby agreed that all claims, disputes, and controversies between Buyer and Seller arising from or related to the subject home, identified herein, or to any defect in or to the subject home or the real property on which the subject home is situated, or the sale of the subject home by Seller, including but not limited to, any claim for breach of contract, negligent, or intentional misrepresentation, shall be submitted to binding arbitration by and pursuant to the arbitration provision contained in the most recent edition of the warranty Booklet, as of the date of the execution of this Agreement. The warranty Booklet has been made available to Buyer, and is incorporated herein by reference, and made a part of this Agreement.

52. DEFINITIONS: Unless otherwise provided herein: (1) Time calculated in days after the date Seller and Buyer have signed this Agreement shall start on the first full business day after the date that the last party has signed accepting this Agreement, including counteroffer(s), if applicable, (2) Written notices required or permitted under this Agreement to be delivered to Seller or Buyer may be delivered to their respective real estate licensee with the same effect as if delivered to that Seller or Buyer; (3) A "business day" shall mean and include Monday through Friday, except recognized legal holidays.

53. AFFILIATED BUSINESS ARRANGEMENT DISCLOSURE: Buyer acknowledges that the owners of Pahlisch Homes, Inc. have a financial ownership interest in Crystal Lake Community Management, Inc., Pahlisch Real Estate, Inc., Pahlisch Commercial, Inc., Pahlisch Select, and Hixon Mortgage Company, Inc.

56. SURVIVAL: All provisions of this Agreement and any provisions of any addendum hereto, the full performance of which is not required prior to or at Closing, shall survive Closing and be fully enforceable thereafter, except as provided herein.

57. JOINT & SEVERAL LIABILITY: If Buyer consists of more than one person or entity, all such persons or entities shall be joint and severally liable for the obligations of Buyer under this Agreement.

58. ASSIGNMENT: The Buyer's rights herein are not assignable without the written consent of Seller, which consent may be withheld in Seller's sole and absolute discretion.

Buyer Initials: _____ Date: _____ Buyer Initials: _____ Date: _____

59. PERSONAL PROPERTY: Seller gives no warranty pursuant to this Agreement with respect to any tangible personal property, which is normally used for personal, family, or household purposes (including any such property intended to be attached to or installed in any real property, without regard to whether it is so attached or installed). Buyer understands and agrees that the warranty of all appliances, equipment, and other consumer products installed in the home are those of the manufacturer or supplier and that these are assigned to Buyer, effective on the Closing Date. The Seller hereby assigns to the Buyer all rights under manufacturers' warranties on all appliances and items of equipment included in the home. The Seller provides no warranty of its own, express or implied, regarding any appliances, items of equipment, or any other "consumer product" as defined in the Magnuson-Moss Warranty Act.

60. COUNTERPARTS/DELIVERY: This Agreement may be signed in multiple counterparts with the same effect as if all parties signed the same document. Delivery of a legible photocopy, telefax, carbon or carbonless copy of a signed original of this Agreement shall be treated the same as delivery of the original.

61. INTEGRATION AND ELECTRONIC SIGNATURES: This Agreement constitutes the entire understanding between the parties and supersedes all prior or contemporaneous understandings and representations. No modification of this Agreement shall be effective unless agreed in writing and signed by Buyer and Seller. The parties acknowledge that a signature in electronic form (including, without limitation, DocuSign) has the same legal effect and validity as a handwritten signature.

62. NON-RELIANCE BY THE BUYER: Buyer hereby represents to Seller that Buyer has not relied and is not relying upon any warranties (other than the express warranties the Buyer has above acknowledged receipt of), promises, guarantees or representations made by Seller, any employee or agent of Seller or anyone else acting or claiming to act on behalf of Seller with respect to the purchase by Buyer of the Property or the other matters set forth herein, unless specifically reduced to writing and made a part of this Agreement. Buyer understands that many home inspectors have a limitation of liability in their inspection agreement only to the extent of the fee paid. Buyer acknowledges that no real estate agent may waive any provision of this Agreement.

63. BUYER BROKERAGE COMPENSATION: Seller to pay the Buyer Brokerage Firm's compensation as set forth below (check one).

☐ Non-applicable. Buyer certifies that there is not a Buyer Broker involved with this transaction.

☐ Seller shall pay up to % of the net sales price to Buyer Broker Firm upon successful closing. Net sales price to be defined as Total Purchase Price less upgrades/options, and all Seller paid closing costs and/or other concessions paid by the Seller for the benefit of the Buyer. If Buyer Brokerage Firm Compensation agreement with Buyer is less than Seller's offer as stated in this paragraph, the difference shall be credited to the Seller at Closing. In no event shall the compensation paid by Seller exceed the amount provided for in the written agreement between Broker and their client.

BUYER'S AGREEMENT: Buyer hereby agrees to purchase the Property on the terms and conditions set forth in this Agreement. Buyer represents and acknowledges that a copy of this Agreement with all pertinent entries filled in and with all schedules attached was delivered to Buyer by Seller at the time it was signed by Buyer and that Buyer has read and understood all the provisions of this Agreement. Buyer acknowledges that Buyer has not received or relied upon any statement of Seller or any real estate agent(s) connected with this transaction, which are not expressly contained in this Agreement.

Buyer's offer shall automatically expire on Date: _____ Time: _____, ("the Offer Deadline"), if Seller does not accept, or make a counteroffer, and agree to Buyer's offer in writing within that time. However, Buyer may withdraw this offer any time prior to Seller's written acceptance

Buyer's Signature

Date and Time

Buyer's Signature

Date and Time

Buyer Initials: _____ Date: _____

Buyer Initials: _____ Date: _____

Buyer's Agent (Signature)

Date and Time

SELLER'S ACCEPTANCE:

___ Seller agrees to sell the Property on the terms and conditions set forth in this Agreement; or

___ Seller rejects Buyer's offer, but makes the attached counteroffer; or

___ Seller rejects Buyer's above offer without a counteroffer.

Seller,

By: _____ Date: _____ Time: _____ a.m./p.m.

Authorized Signer

Buyer Initials: _____ Date: _____

Buyer Initials: _____ Date: _____

2026 Horn Rapids HOA Budget

Number of Units:	1427
Budget Type:	Annual (Jan-Dec)
Fiscal Year End:	12/31/2026
Estimated New Home Transfers	36
Estimated Real Estate Transfers	25
Estimated Refinance Fees	25

	Annual	Quarterly
Estimated Annual Operational Dues	487.68	121.92
Estimated Annual Reserve Dues	108.32	27.08
Estimated Annual Dues (Operating + Reserve + Cap Imp)	596.00	149.00

10.23.25

2025
Budget

2025
Actual
(Projected)

2026
Budget

Income

Income From Dues

	2025 Budget	2025 Actual	2026 Budget
Operating Assessments	670,406	660,163	695,925
Reserve Assessments	136,374	127,676	136,374

Income From Transfer Fees

	2025 Budget	2025 Actual	2026 Budget
Capital Improvement Contributions (Not from Dues)	9,000	32,500	33,000

Operating Expenses

Payroll Expenses

	2025 Budget	2025 Actual	2026 Budget
Architectural Controll Mgr	7,650	7,548	7,650
Common Area Manager	12,240	11,266	12,240
Doggie Station Service Manager	5,304	5,874	5,900
HOA Assistant Manager	15,300	13,780	15,300
HOA Compliance	7,650	7,515	9,000
HOA Manager	17,952	17,978	18,000
Pool Attendent	21,180	23,847	25,500
Payroll Expenses	4,000	4,500	5,000
Webmaster	8,800	7,975	8,800
Total Administration	100,076	100,283	107,390

Administration			
	2025 Budget	2025 Actual	2026 Budget
6110 Dues & Subscriptions	3,000	5,285	3,000
6111 HOA Management Software	11,200	12,130	12,130
6120 Miscellaneous Expense	300	0	300
6130 Accounting/Bookkeeper	32,000	37,765	35,000
6150 Attorney/Legal Fees	2,500	3,020	2,500
6160 Bank Service Charges	2,400	540	2,000
6170 Financial Review / Audit	15,000	14,653	15,000
6190 HOA Office	500	299	500
6191 Gas Reimbursement	500	949	750
6200 Horn Rapids Reserve Study	1,855	1,725	1,855
6210 Liability Insurance	12,000	9,522	12,000
6220 Licenses and Permits	550	427	550
6230 Merchant Fees - Transaction Fees	2,500	2,213	2,500
6240 Office Supplies & Equipment	2,000	3,293	2,000
6250 Postage and Delivery	1,000	836	1,000
6260 Printing and Reproduction	800	290	500
6270 Professional Services - CPA	850	0	850
6280 Reimbursable Expenses	300	0	300
Total Administration	89,255	92,947	92,735

Committees			
	2025 Budget	2025 Actual	2026 Budget
6310 Newsletter Expenses	0	0	0
6320 Social Expenses	4,000	4,000	4,000
6330 Welcome Supplies	500	500	500
Total Welcoming Committee	4,500	4,500	4,500

Pool			
	2025 Budget	2025 Actual	2026 Budget
6341 Pool Entry Cards/Swim Bracelets	2,000	1,427	1,500
6350 Janitorial Supplies	1,000	97	500
6360 Pool Chemicals, Supplies, Consumables	6,700	9,010	8,000
6380 Permits	350	350	350
6390 Pool & HOA Office (Telephone & Internet)	1,900	1,889	1,900
6400 Pool Building - Office	0	0	0
6410 Pool Maintenance	2,000	1,460	2,000
6420 Pool Operations Contingency	1,000	0	1,000
6430 Subscriptions (Health department subscriptions)	0	0	0
6431 Security Monitoring	600	564	600
6440 Supplies	800	316	800
6470 Utilities: Electric, Water, Gas	10,000	11,000	11,000
Total Pool	26,350	26,112	27,650

HR Commons Maintenance			
	2025 Budget	2025 Actual	2026 Budget
6490 Doggie Stations Supplies	3,000	3,196	3,200
6500 City of Richland (Irrigation)	3,000	3,310	3,500
6510 Common Area Equipment & Supplies	1,500	3,009	2,500
6530 Landscape Contract	373,100	373,100	373,100
6540 Heritage Contract Modification (Mid-year areas add)	13,500	20,021	24,000
6550 Maintenance-Non Contract (Special projects & needs)	3,000	2,000	8,000
6560 Monument Maintenance	500	0	500
6570 Parks & Pathways (Upkeep & maintenance supplies)	1,000	0	1,000
6580 Ponds & Culverts (Algaecide treatments)	0	999	1,000
6590 Property Taxes	2,500	2,256	2,500
6600 Snow Contingency Budget	3,500	3,500	3,500
6610 Tennis Courts/Basketball Maintenance	500	0	500
6620 Trees, Shrubs & Spray	7,000	2,555	7,000
6630 Utilities Electric	24,000	24,003	25,000
6640 Water Feature Maintenance	0	151	500
Total HR Commons Maintenance	436,100	438,099	455,800
Contingency			
	2025 Budget	2025 Actual	2026 Budget
Contingency Fund	14,125	0	7,850
Total Contingency	14,125	0	7,850
Total Budget Operating Expense	670,406	661,941	695,925

2026 Budget

QUAIL RIDGE OWNERS ASSOCIATION				
Number of Total Platted Lots:	223	Added new phase (4)- 49 lots		
Number of Standard Lots	223			
Number of Future Lots	0			
Budget Year:	2026			
Budget Type:	Monthly			
Due Date:	10th			
Fiscal Year End:	12/31			

BUDGET ITEMS	2025 BUDGET PER YEAR	2026 BUDGET PER YEAR	2026 BUDGET PER MONTH	2026 BUDGET PER UNIT PER MONTH
REVENUES				
Operating Income	135,352.00	169,646.20	14,137.18	63.40
Common Reserve Income	\$21,800.00	\$23,718.00	1,976.50	8.86
TOTAL REVENUE	\$ 157,152.00	\$ 193,364.20	\$ 16,113.68	\$ 72.26
GENERAL EXPENSES				
Administrative Expenses				
Insurance	6,219.00	7,000.00	583.33	2.62
Operating Contingency Fund	1,000.00	1,000.00	83.33	0.37
Postage	160.00	200.00	16.67	0.07
Taxes	4,150.00	6,871.20	572.60	2.57
Grounds Expenses				
Grounds Maintenance Cont. Fund	1,000.00	1,000.00	83.33	0.37
Landscaping Common Area	7,644.00	7,644.00	637.00	2.86
Snow Removal	500.00	-	-	-
Utilities/Subscriptions	18,350.00	20,000.00	1,666.67	7.47
Amenity Expenses				
Janitorial Cleaning Contract	23,094.00	23,790.00	1,982.50	8.89
Amenity Contingency Expense	3,000.00	12,440.00	1,036.67	4.65
Exercise Equip Maint & Repair & Supplies	2,000.00	2,000.00	166.67	0.75
Security Monitoring/Patrols	3,020.00	3,020.00	251.67	1.13
Pool Expenses				
Pool Cleaning & Chemical Maint. (5/22-9/20 Pool Season)	27,000.00	33,000.00	2,750.00	12.33
Pool Contingency Expense	-	4,000.00	333.33	1.49
Licenses	600.00	350.00	29.17	0.13
Professional Expenses				
Accountant - Tax Preparation	2,700.00	2,800.00	233.33	1.05
Legal Services	500.00	500.00	41.67	0.19
Property Management Services	33,200.00	42,816.00	3,568.00	16.00
Reserve Study	1,215.00	1,215.00	101.25	0.45
SUBTOTAL GENERAL EXPENSES	\$ 135,352.00	\$ 169,646.20	\$ 14,137.18	\$ 63.40
GENERAL RESERVE ALLOCATION				
Allocation to Common Reserves	\$21,800.00	\$23,718.00	1,976.50	8.86
SUBTOTAL GENERAL RESERVES	\$21,800.00	\$23,718.00	\$1,976.50	\$8.86
TOTAL BUDGETED EXPENSES	\$ 157,152.00	\$ 193,364.20	\$ 16,113.68	\$ 72.26

The Washington Uniform Common Interest Ownership Act (RCW 64.90.545) states that a Reserve Study must be prepared annually with the initial study and at least every 3rd year update prepared by a reserve study professional. The 2026 study was prepared by Equip Consulting. In the study the annual contribution for 2026 is \$23,718. The reserves are 77% funded. The extent to which the Allocation to the Reserve amount in this budget deviates from the associations Reserve Study is zero. The Reserve Study meets all the requirements of RCW 64.90.545.

NOTES:

This budget does not include Horn Rapids Master HOA dues.

To not burden the first owners in the Association with all the expenses, this budget is calculated by all lots platted, to date. Dues are collected as homes are sold and the Declarant will contribute, as needed, to meet expenses. Because of this, during the construction period, the budget vs. actual will have variances.

AFTER RECORDING, RETURN TO:

Quail Ridge Owners Association
c/o Crystal Lake Community Management, Inc.
P.O. Box 8550
Bend, OR 97708

**CASCADE TITLE COMPANY
MIS 20-275**

**DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS FOR
QUAIL RIDGE**

Reference Number(s) of Related Documents:

The initial Bylaws of Quail Ridge Owners Association are recorded with the Benton County Auditor's Office concurrently herewith.

Grantor(s): Pahlisch Homes at Horn Rapids Limited Partnership

Grantee(s): Quail Ridge Owners Association

Legal Description (Abbreviated): Located in the City of Richland: Lots 1 through 36, inclusive, and Tract B of Plat of Quail Ridge, Phase 1 & 2, recorded July 14, 2020 at Volume 5 of Plats, Page 0650, Benton County, Washington.

Tax Parcel/Account Number(s): 1-2008-300-0009-009

80
21

94 18376

FILED BY

MAY 27 10 22 AM '94

BOBBIE GAGNER
BENTON COUNTY, AUDITOR

VOL. 608 PAGE 1847

OFFICIAL RECORDS

WHEN RECORDED RETURN TO:

Horn Rapids Homeowners Association
P.O. Box 840
Richland, WA. 99352

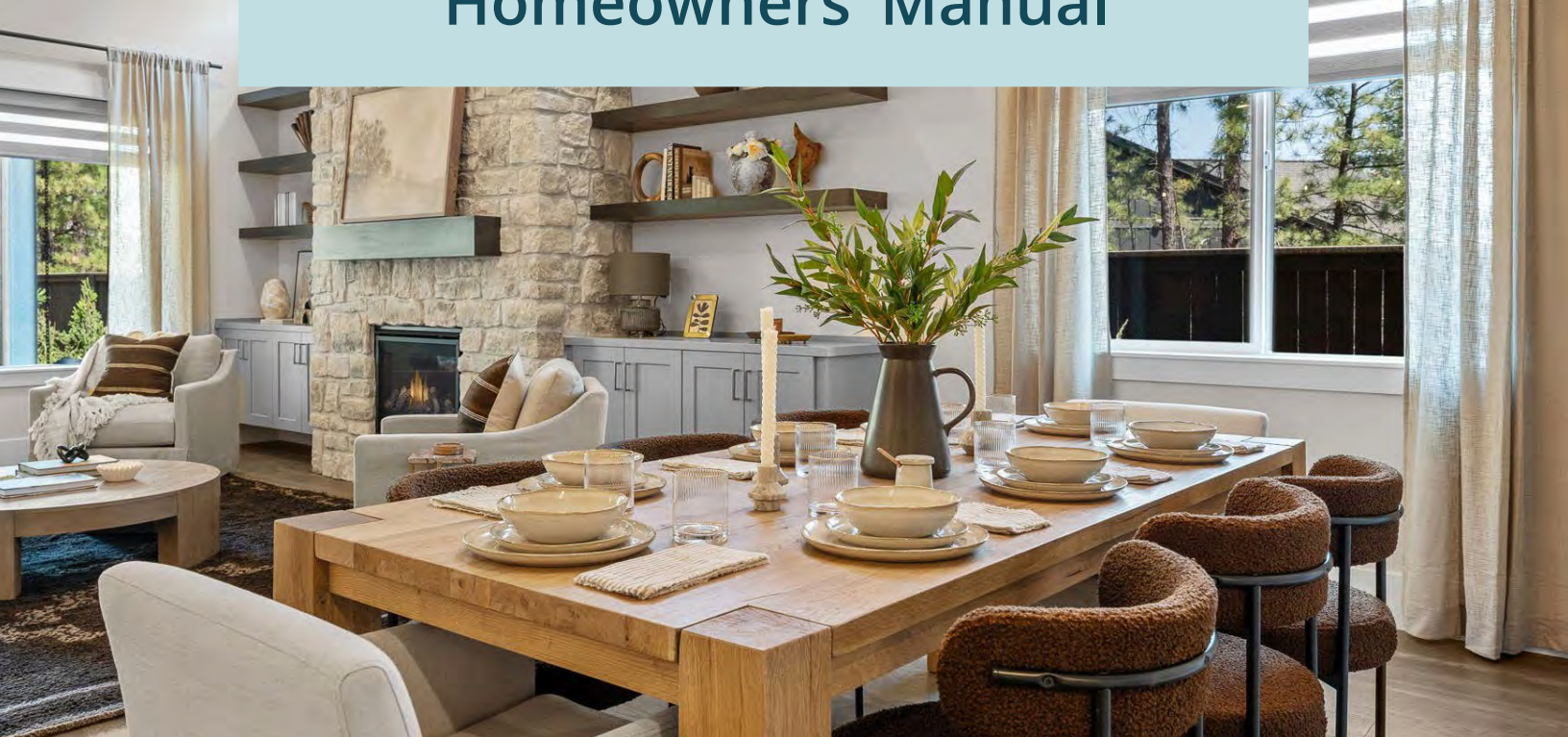
**DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS
AND EASEMENTS FOR HORN RAPIDS A MASTER PLANNED COMMUNITY.**

CHICAGO TITLE INSURANCE CO.

pahlisch

HOMES

Homeowners' Manual



Bringing Community Home

WASHINGTON

One year workmanship, Six year structural warranty.



LENDER SELECTION FORM

Community: Quail Ridge Lot number: _____
Address: _____ City: Richland State: WA
Buyer's name(s): _____
Seller: Pahlisch Homes at Horn Rapids, LP

1. **AFFILIATED BUSINESS ARRANGEMENT DISCLOSURE:** Buyer acknowledges that the owners of Pahlisch Homes, Inc. have a business relationship with Hixon Mortgage Company, Inc. Buyer is hereby informed that Buyer is not obligated to use an affiliated business of Seller as a condition to the sale of the home.
2. **INCENTIVES FOR USE OF AFFILIATED BUSINESS:** By checking one of the boxes below and signing this agreement, Buyer hereby selects the lender that Buyer will use in connection with the purchase of the home.

- 2.1 ☐ Buyer elects to use Hixon Mortgage.
At closing Seller will contribute up to \$ _____ towards:
(choose one)

☐ Buyer's closing costs or towards a rate buydown.

☐ Buyer's Options/Upgrades (Option deposit as defined in section 18.3 of the Purchase and Sale Agreement will be required at the time of option selection).

- 2.2 ☐ Buyer elects to use a Lender other than Hixon Mortgage.
Alternate Lender name selected by Buyer:

Buyer acknowledges that entitlement to the incentive above is contingent upon Buyer's use of Hixon Mortgage for financing the purchase of the home. Buyer may change Buyer's election to use Seller's affiliated business, provided it will not make such changes within the last thirty (30) days before Closing or if such changes will cause a delay in Closing. Buyer understands that if Buyer changes Buyer's election to not use Hixon Mortgage, Buyer will not receive the incentive. Credits will not be applied for any unused portion of the incentive.

3. **Entire Agreement:** The Agreement, together with this Addendum and any other addenda or riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized representative of Seller.

Buyer Signature: _____ Date: _____

Buyer Signature: _____ Date: _____

Seller Signature: _____ Date: _____

Buyer's Agent: _____ Seller's Agent: Tiffanie Jordon

PAHLISCH HOMES CUSTOMER AUTHORIZATION

Community: Quail Ridge

Lot:

Buyer's Name:

Property Address:

HOMEOWNERS INSURANCE QUOTE DISCLOSURE

If you need to obtain Homeowners insurance coverage for your new home, we have a convenient option for you. Westwood Insurance Agency (Westwood) is waiting to provide you with a free, no obligation, Homeowners insurance quote.

You are not required to use Westwood to obtain a Homeowners insurance policy; other insurance agencies provide similar services to those offered by Westwood. We encourage you to shop around and make sure you are purchasing a Homeowners insurance policy that best meets your needs. However, Westwood specializes in providing new construction Homeowners insurance and we believe they can help you find Homeowners insurance coverage at the most competitive rate while providing customer service that is among the best in the industry. We may receive compensation for providing your information to Westwood.

If you would like to receive a no obligation quote from Westwood, we will provide them with limited information drawn from your application, namely:

Your name, address and phone number

The community's name, model name, plan and lot number

Estimated closing date

Westwood will not use this information for any purpose other than to provide you with a no obligation Homeowners insurance quote. Westwood never sells such information to third parties.

If you mark "YES" and sign below, we will share your personal information with Westwood. If you do not mark "YES", or if you do not return this form, we will not share your personal information with Westwood. In the unlikely event that an inadvertent mistake occurs, and you are contacted by Westwood despite not having marked "YES" or not having returned a form marked "YES", please let us know by emailing us at privacy@pahlisch.com.

Please understand that you are not required to share this information to purchase a home from Pahlisch Homes, or to acquire homeowners insurance.

☐ YES, please share my information with Westwood.

By signing below, you acknowledge receipt of this form and, by checking "YES," you also give your consent for Westwood to contact you (1) by email, or (2) by telephone call or text message, which may include use of an automatic dialer or prerecorded or artificial voice message, even if your telephone number is included on a federal or state Do Not Call list. Your consent to sharing your information with Westwood is not a condition of your new home purchase. Please review the our [Privacy Policy](#) to learn about how Pahlisch Homes collects and handles personal information and how you can exercise your privacy rights.

Signature: _____

Signature: _____

Print Name: _____

Print Name: _____

Date: _____

Date: _____

SELLER DISCLOSURE STATEMENT IMPROVED PROPERTY

SELLER: Pahlisch Homes at Horn Rapids, LP

Seller

Seller

To be used in transfers of improved residential real property, including residential dwellings up to four units, new construction, dwellings in a residential common interest community not subject to a public offering statement, condominiums not subject to a public offering statement, certain timeshares, and manufactured and mobile homes. See RCW Chapter 64.06 for further information.

INSTRUCTIONS TO THE SELLER

Please complete the following form. Do not leave any spaces blank. If the question clearly does not apply to the property check "NA." If the answer is "yes" to any asterisked (*) item(s), please explain on attached sheets. Please refer to the line number(s) of the question(s) when you provide your explanation(s). For your protection you must date and initial each page of this disclosure statement and each attachment. Delivery of the disclosure statement must occur not later than five (5) business days, unless otherwise agreed, after mutual acceptance of a written purchase and sale agreement between Buyer and Seller.

NOTICE TO THE BUYER

THE FOLLOWING DISCLOSURES ARE MADE BY THE SELLER ABOUT THE CONDITION OF THE PROPERTY LOCATED AT _____, CITY Richland, STATE WA, ZIP 99354, COUNTY Benton ("THE PROPERTY") OR AS LEGALLY DESCRIBED ON THE ATTACHED EXHIBIT A.

SELLER MAKES THE FOLLOWING DISCLOSURES OF EXISTING MATERIAL FACTS OR MATERIAL DEFECTS TO BUYER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE STATEMENT. UNLESS YOU AND SELLER OTHERWISE AGREE IN WRITING, YOU HAVE THREE (3) BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO YOU TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. IF THE SELLER DOES NOT GIVE YOU A COMPLETED DISCLOSURE STATEMENT, THEN YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A PURCHASE AND SALE AGREEMENT.

THE FOLLOWING ARE DISCLOSURES MADE BY 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 BUYER AND SELLER.

FOR A MORE COMPREHENSIVE EXAMINATION OF THE SPECIFIC CONDITION OF THIS PROPERTY YOU ARE ADVISED TO OBTAIN AND PAY FOR THE SERVICES OF QUALIFIED EXPERTS TO INSPECT THE PROPERTY, WHICH MAY INCLUDE, WITHOUT LIMITATION, ARCHITECTS, ENGINEERS, LAND SURVEYORS, PLUMBERS, ELECTRICIANS, ROOFERS, BUILDING INSPECTORS, ON-SITE WASTEWATER TREATMENT INSPECTORS, OR STRUCTURAL PEST INSPECTORS. THE PROSPECTIVE BUYER AND SELLER MAY WISH TO OBTAIN PROFESSIONAL ADVICE OR INSPECTIONS OF THE PROPERTY OR TO PROVIDE APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN THEM WITH RESPECT TO ANY ADVICE, INSPECTION, DEFECTS OR WARRANTIES.

Seller [] is/ [✓] is not occupying the Property.

I. SELLER'S DISCLOSURES:

If you answer "Yes" to a question with an asterisk (), please explain your answer and attach documents, if available and not otherwise publicly recorded. If necessary, use an attached sheet.

1. TITLE

A. Do you have legal authority to sell the property? If no, please explain

*B. Is title to the property subject to any of the following?

- | | YES | NO | DON'T
KNOW | N/A |
|-------------------------------|-----|-----|---------------|-----|
| (1) First right of refusal | [✓] | [] | [] | [] |
| (2) Option | [] | [✓] | [] | [] |
| (3) Lease or rental agreement | [] | [✓] | [] | [] |
| (4) Life estate? | [] | [✓] | [] | [] |

*C. Are there any encroachments, boundary agreements, or boundary disputes?

*D. Is there a private road or easement agreement for access to the property?

*E. Are there any rights-of-way, easements, or access limitations that may affect the Buyer's use of the property?

*F. Are there any written agreements for joint maintenance of an easement or right-of-way?

*G. Is there any study, survey project, or notice that would adversely affect the property?

*H. Are there any pending or existing assessments against the property?

*I. Are there any zoning violations, nonconforming uses, or any unusual restrictions on the property that would affect future construction or remodeling?

SELLER'S INITIALS _____ Date _____ SELLER'S INITIALS _____ Date _____

Pahlisch Real Estate, 1020 N Center Pkwy Kennewick WA 99336
Tiffany Jordan

Produced with Lone Wolf Transactions (ZipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201

Phone: 509.627.9226

Fax: _____
www.ltwolf.com

Pahlisch Homes

Initials

pja

01/13/2026

**SELLER DISCLOSURE STATEMENT
IMPROVED PROPERTY**
(Continued)

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	YES	NO	DON'T KNOW	N/A	
*J. Is there a boundary survey for the property?	☐	☐	☒	☐	54
*K. Are there any covenants, conditions, or restrictions recorded against the property?	☒	☐	☐	☐	55
NOTICE TO BUYER: Covenants or deed restrictions based on race, creed, sexual orientation, or other protected class were voided by RCW 49.60.224 and are unenforceable. Washington law allows for the illegal language to be struck by bringing an action in superior court or by the free recording of a restrictive covenant modification document. Many county auditor websites provide a short form with instructions on this process.					56
					57
					58
					59
					60
					61
					62
2. WATER					63
A. Household Water					64
(1) If yes, the source of water for the property is: ☒ Private or publicly owned water system					65
☐ Private well serving only the property * ☐ Other water system					66
*If shared, are there any written agreements?	☐	☐	☐	☒	67
*(2) Is there an easement (recorded or unrecorded) for access to and/or maintenance of the water source?	☐	☐	☒	☐	68
*(3) Are there any problems or repairs needed?	☐	☒	☐	☐	69
(4) During your ownership, has the source provided an adequate year-round supply of potable water?	☒	☐	☐	☐	70
If no, please explain:					71
*(5) Are there any water treatment systems for the property?	☐	☒	☐	☐	72
If yes, are they: ☐ Leased ☐ Owned					73
*(6) Are there any water rights for the property associated with its domestic water supply, such as a water right permit, certificate, or claim?	☐	☐	☐	☒	74
(a) If yes, has the water right permit, certificate, or claim been assigned, transferred, or changed?	☐	☐	☐	☒	75
*(b) If yes, has all or any portion of the water right not been used for five or more successive years?	☐	☐	☐	☒	76
*(7) Are there any defects in the operation of the water system (e.g. pipes, tank, pump, etc.)?	☐	☒	☐	☐	77
					78
					79
B. Irrigation Water					80
(1) Are there any irrigation water rights for the property, such as a water right permit, certificate, or claim?	☐	☒	☐	☐	81
*(a) If yes, has all or any portion of the water right not been used for five or more successive years?	☐	☐	☐	☒	82
*(b) If so, is the certificate available? (If yes, please attach a copy.)	☐	☐	☐	☒	83
*(c) If so, has the water right permit, certificate, or claim been assigned, transferred, or changed?	☐	☐	☐	☒	84
*(2) Does the property receive irrigation water from a ditch company, irrigation district, or other entity? ..	☒	☐	☐	☐	85
If so, please identify the entity that supplies water to the property:					86
<u>City of Richland</u>					87
					88
					89
C. Outdoor Sprinkler System					90
(1) Is there an outdoor sprinkler system for the property?	☒	☐	☐	☐	91
*(2) If yes, are there any defects in the system?	☐	☒	☐	☐	92
*(3) If yes, is the sprinkler system connected to irrigation water?	☒	☐	☐	☐	93
3. SEWER/ON-SITE SEWAGE SYSTEM					94
A. The property is served by:					95
☒ Public sewer system ☐ On-site sewage system (including pipes, tanks, drainfields, and all other component parts)					96
☐ Other disposal system					97
Please describe:					98
B. If public sewer system service is available to the property, is the house connected to the sewer main?	☒	☐	☐	☐	99
If no, please explain:					100
<u>01/13/2026</u>					101

SELLER'S INITIALS Date SELLER'S INITIALS Date

**SELLER DISCLOSURE STATEMENT
IMPROVED PROPERTY**
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YES NO DON'T N/A 102

*C. Is the property subject to any sewage system fees or charges in addition to those covered in your regularly billed sewer or on-site sewage system maintenance service? [] ☒ [] [] [] 103

D. If the property is connected to an on-site sewage system: 105

* (1) Was a permit issued for its construction, and was it approved by the local health department or district following its construction? [] [] [] ☒ 106

(2) When was it last pumped? 108

* (3) Are there any defects in the operation of the on-site sewage system? [] [] [] ☒ 109

(4) When was it last inspected? [] ☒ 110

By whom: 111

(5) For how many bedrooms was the on-site sewage system approved? ____ bedrooms [] ☒ 112

E. Are all plumbing fixtures, including laundry drain, connected to the sewer/on-site sewage system? ☒ [] [] [] 113

If no, please explain: 114

*F. Have there been any changes or repairs to the on-site sewage system? [] [] [] ☒ 115

G. Is the on-site sewage system, including the drainfield, located entirely within the boundaries of the property? [] [] [] ☒ 116

If no, please explain: 117

*H. Does the on-site sewage system require monitoring and maintenance services more frequently than once a year? [] [] [] ☒ 118

119

120

121

NOTICE: IF THIS RESIDENTIAL REAL PROPERTY DISCLOSURE IS BEING COMPLETED FOR NEW CONSTRUCTION 122

WHICH HAS NEVER BEEN OCCUPIED, SELLER IS NOT REQUIRED TO COMPLETE THE QUESTIONS LISTED IN ITEM 4 123

(STRUCTURAL) OR ITEM 5 (SYSTEMS AND FIXTURES). 124

4. STRUCTURAL 125

*A. Has the roof leaked within the last 5 years? [] [] [] [] 126

*B. Has the basement flooded or leaked? [] [] [] [] 127

*C. Have there been any conversions, additions or remodeling? [] [] [] [] 128

* (1) If yes, were all building permits obtained? [] [] [] [] 129

* (2) If yes, were all final inspections obtained? [] [] [] [] 130

D. Do you know the age of the house? [] [] [] [] 131

If yes, year of original construction: 132

*E. Has there been any settling, slippage, or sliding of the property or its improvements? [] [] [] [] 133

*F. Are there any defects with the following: (If yes, please check applicable items and explain) [] [] [] [] 134

[] Foundations [] Decks [] Exterior Walls 135

[] Chimneys [] Interior Walls [] Fire Alarms 136

[] Doors [] Windows [] Patio 137

[] Ceilings [] Slab Floors [] Driveways 138

[] Pools [] Hot Tub [] Sauna 139

[] Sidewalks [] Outbuildings [] Fireplaces 140

[] Garage Floors [] Walkways [] Siding 141

[] Wood Stoves [] Elevators [] Incline Elevators 142

[] Stairway Chair Lifts [] Wheelchair Lifts [] Other 143

*G. Was a structural pest or "whole house" inspection done? [] [] [] [] 144

If yes, when and by whom was the inspection completed? 145

146

H. During your ownership, has the property had any wood destroying organism or pest infestation? [] [] [] [] 147

I. Is the attic insulated? [] [] [] [] 148

Is the basement insulated? [] [] [] [] 149

Initial

pja

01/13/2026

SELLER'S INITIALS Date SELLER'S INITIALS Date

Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201 www.lwolf.com

Pahlisch Homes

**SELLER DISCLOSURE STATEMENT
IMPROVED PROPERTY**
(Continued)

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5. SYSTEMS AND FIXTURES

*A. If any of the following systems or fixtures are included with the transfer, are there any defects?

If yes, please explain: _____

	YES	NO	DON'T KNOW	N/A	150
Electrical system, including wiring, switches, outlets, and service	☐	☐	☐	☐	151
Plumbing system, including pipes, faucets, fixtures, and toilets	☐	☐	☐	☐	152
Hot water tank	☐	☐	☐	☐	153
Garbage disposal	☐	☐	☐	☐	154
Appliances	☐	☐	☐	☐	155
Sump pump	☐	☐	☐	☐	156
Heating and cooling systems	☐	☐	☐	☐	157
Security system: ☐ Owned ☐ Leased	☐	☐	☐	☐	158
Other	☐	☐	☐	☐	159

*B. If any of the following fixtures or property is included with the transfer, are they leased?

(If yes, please attach copy of lease.)

	YES	NO	DON'T KNOW	N/A	160
Security System:	☐	☐	☐	☐	161
Tanks (type):	☐	☐	☐	☐	162
Satellite dish:	☐	☐	☐	☐	163
Other:	☐	☐	☐	☐	164

*C. Are any of the following kinds of wood burning appliances present at the property?

	YES	NO	DON'T KNOW	N/A	165
(1) Woodstove?	☐	☐	☐	☐	166
(2) Fireplace insert?	☐	☐	☐	☐	167
(3) Pellet stove?	☐	☐	☐	☐	168
(4) Fireplace?	☐	☐	☐	☐	169

If yes, are all of the (1) woodstoves or (2) fireplace inserts certified by the U.S. Environmental Protection Agency as clean burning appliances to improve air quality and public health?

	YES	NO	DON'T KNOW	N/A	170
D. Is the property located within a city, county, or district or within a department of natural resources fire protection zone that provides fire protection services?	☐	☐	☐	☐	171

	YES	NO	DON'T KNOW	N/A	172
E. Is the property equipped with carbon monoxide alarms? (Note: Pursuant to RCW 19.27.530, Seller must equip the residence with carbon monoxide alarms as required by the state building code.)	☐	☐	☐	☐	173

	YES	NO	DON'T KNOW	N/A	174
F. Is the property equipped with smoke detection devices?	☐	☐	☐	☐	175
(Note: Pursuant to RCW 43.44.110, if the property is not equipped with at least one smoke detection device, at least one must be provided by the seller.)					176

	YES	NO	DON'T KNOW	N/A	177
G. Does the property currently have internet service?	☐	☐	☐	☐	178
Provider:					179

6. HOMEOWNERS' ASSOCIATION/COMMON INTERESTS

	YES	NO	DON'T KNOW	N/A	180
A. Is there a Homeowners' Association?	☒	☐	☐	☐	181

Name of Association and contact information for an officer, director, employee, or other authorized agent, if any, who may provide the association's financial statements, minutes, bylaws, fining policy, and other information that is not publicly available: Quail Ridge Daphne Brix 5412182436

	YES	NO	DON'T KNOW	N/A	182
B. Are there regular periodic assessments?	☒	☐	☐	☐	183

\$ 72.26 per ☒ month ☐ year

☒ Other: Horn Rapids HOA \$149/OTR Gary Varnay 5093922359

	YES	NO	DON'T KNOW	N/A	184
*C. Are there any pending special assessments?	☐	☒	☐	☐	185

	YES	NO	DON'T KNOW	N/A	186
*D. Are there any shared "common areas" or any joint maintenance agreements (facilities such as walls, fences, landscaping, pools, tennis courts, walkways, or other areas co-owned in undivided interest with others)?	☒	☐	☐	☐	187

7. ENVIRONMENTAL

	YES	NO	DON'T KNOW	N/A	188
*A. Have there been any flooding, standing water, or drainage problems on the property that affect the property or access to the property?	☐	☒	☐	☐	189

	YES	NO	DON'T KNOW	N/A	190
*B. Does any part of the property contain fill dirt, waste, or other fill material?	☐	☒	☐	☐	191

	YES	NO	DON'T KNOW	N/A	192
*C. Is there any material damage to the property from fire, wind, floods, beach movements, earthquake, expansive soils, or landslides?	☐	☒	☐	☐	193

	YES	NO	DON'T KNOW	N/A	194
D. Are there any shorelines, wetlands, floodplains, or critical areas on the property?	☐	☒	☐	☐	195

	YES	NO	DON'T KNOW	N/A	196
*E. Are there any substances, materials, or products in or on the property that may be environmental concerns, such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, or contaminated soil or water?	☐	☒	☐	☐	197

	YES	NO	DON'T KNOW	N/A	198
*F. Has the property been used for commercial or industrial purposes?	☐	☒	☐	☐	199

Initial pja

01/13/2026

SELLER'S INITIALS _____ Date _____ SELLER'S INITIALS _____ Date _____

**SELLER DISCLOSURE STATEMENT
IMPROVED PROPERTY**
(Continued)

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- II. NOTICES TO THE BUYER** 257
- 1. SEX OFFENDER REGISTRATION** 258
- INFORMATION REGARDING REGISTERED SEX OFFENDERS MAY BE OBTAINED FROM LOCAL LAW ENFORCEMENT 259
AGENCIES. THIS NOTICE IS INTENDED ONLY TO INFORM YOU OF WHERE TO OBTAIN THIS INFORMATION AND IS NOT 260
AN INDICATION OF THE PRESENCE OF REGISTERED SEX OFFENDERS. 261
- 2. PROXIMITY TO FARMING/WORKING FOREST** 262
- THIS NOTICE IS TO INFORM YOU THAT THE REAL PROPERTY YOU ARE CONSIDERING FOR PURCHASE MAY LIE IN 263
CLOSE PROXIMITY TO A FARM OR WORKING FOREST. THE OPERATION OF A FARM OR WORKING FOREST 264
INVOLVES USUAL AND CUSTOMARY AGRICULTURAL PRACTICES OR FOREST PRACTICES, WHICH ARE PROTECTED 265
UNDER RCW 7.48.305, THE WASHINGTON RIGHT TO FARM ACT. 266
- 3. OIL TANK INSURANCE** 267
- THIS NOTICE IS TO INFORM YOU THAT IF THE REAL PROPERTY YOU ARE CONSIDERING FOR PURCHASE UTILIZES 268
AN OIL TANK FOR HEATING PURPOSES, NO COST INSURANCE MAY BE AVAILABLE FROM THE POLLUTION LIABILITY 269
INSURANCE AGENCY. 270
- III. BUYER'S ACKNOWLEDGEMENT** 271
- 1. BUYER HEREBY ACKNOWLEDGES THAT:** 272
- A. Buyer has a duty to pay diligent attention to any material defects that are known to Buyer or can be known to Buyer by 273
utilizing diligent attention and observation. 274
- B. The disclosures set forth in this statement and in any amendments to this statement are made only by the Seller and 275
not by any real estate licensee or other party. 276
- C. Buyer acknowledges that, pursuant to RCW 64.06.050(2), real estate licensees are not liable for inaccurate information 277
provided by Seller, except to the extent that real estate licensees know of such inaccurate information. 278
- D. This information is for disclosure only and is not intended to be a part of the written agreement between the Buyer and Seller. 279
- E. Buyer (which term includes all persons signing the "Buyer's acceptance" portion of this disclosure statement below) has 280
received a copy of this Disclosure Statement (including attachments, if any) bearing Seller's signature(s). 281
- F. If the house was built prior to 1978, Buyer acknowledges receipt of the pamphlet *Protect Your Family From Lead in Your Home*. 282
- DISCLOSURES CONTAINED IN THIS DISCLOSURE STATEMENT ARE PROVIDED BY SELLER BASED ON SELLER'S 283
ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE. UNLESS BUYER 284
AND SELLER OTHERWISE AGREE IN WRITING, BUYER SHALL HAVE THREE (3) BUSINESS DAYS FROM THE DAY 285
SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO RESCIND THE AGREEMENT BY 286
DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. YOU 287
MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A SALE AGREEMENT. 288
- BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS DISCLOSURE STATEMENT AND ACKNOWLEDGES 289
THAT THE DISCLOSURES MADE HEREIN ARE THOSE OF THE SELLER ONLY, AND NOT OF ANY REAL ESTATE 290
LICENSEE OR OTHER PARTY. 291
- 292
- 293
- Buyer _____ Date _____ Buyer _____ Date _____
- 2. BUYER'S WAIVER OF RIGHT TO REVOKE OFFER** 294
- Buyer has read and reviewed the Seller's responses to this Seller Disclosure Statement. Buyer approves this statement and 295
waives Buyer's right to revoke Buyer's offer based on this disclosure. 296
- 297
- Buyer _____ Date _____ Buyer _____ Date _____
- 298
- 3. BUYER'S WAIVER OF RIGHT TO RECEIVE COMPLETED SELLER DISCLOSURE STATEMENT** 299
- Buyer has been advised of Buyer's right to receive a completed Seller Disclosure Statement. Buyer waives that right. 300
However, if the answer to any of the questions in the section entitled "Environmental" would be "yes," Buyer may not waive 301
the receipt of the "Environmental" section of the Seller Disclosure Statement. 302
- 303
- 304
- Initial _____ Date _____ Buyer _____ Date _____
Buyer

 01/13/2026
SELLER'S INITIALS _____ Date _____ SELLER'S INITIALS _____ Date _____

PUBLIC OFFERING STATEMENT

FOR

QUAIL RIDGE

DATE: March 1, 2026

RIGHT TO CANCEL

YOU ARE ENTITLED TO RECEIVE A COPY OF THIS PUBLIC OFFERING STATEMENT AND ALL MATERIAL AMENDMENTS TO THIS PUBLIC OFFERING STATEMENT BEFORE CONVEYANCE OF YOUR UNIT. UNDER RCW 64.90.635, YOU HAVE THE RIGHT TO CANCEL YOUR CONTRACT FOR THE PURCHASE OF YOUR UNIT WITHIN SEVEN DAYS AFTER FIRST RECEIVING THIS PUBLIC OFFERING STATEMENT. IF THIS PUBLIC OFFERING STATEMENT IS FIRST PROVIDED TO YOU MORE THAN SEVEN DAYS BEFORE YOU SIGN YOUR CONTRACT FOR THE PURCHASE OF YOUR UNIT, YOU HAVE NO RIGHT TO CANCEL YOUR CONTRACT. IF THIS PUBLIC OFFERING STATEMENT IS FIRST PROVIDED TO YOU SEVEN DAYS OR LESS BEFORE YOU SIGN YOUR CONTRACT FOR THE PURCHASE OF YOUR UNIT, YOU HAVE THE RIGHT TO CANCEL, BEFORE CONVEYANCE OF THE UNIT, THE EXECUTED CONTRACT BY DELIVERING, NO LATER THAN THE SEVENTH DAY AFTER FIRST RECEIVING THIS PUBLIC OFFERING STATEMENT, A NOTICE OF CANCELLATION PURSUANT TO THE THIRD PARAGRAPH OF THIS RIGHT TO CANCEL NOTICE. IF THIS PUBLIC OFFERING STATEMENT IS FIRST PROVIDED TO YOU LESS THAN SEVEN DAYS BEFORE THE CLOSING DATE FOR THE CONVEYANCE OF YOUR UNIT, YOU MAY, BEFORE CONVEYANCE OF YOUR UNIT TO YOU, EXTEND THE CLOSING DATE TO A DATE NOT MORE THAN SEVEN DAYS AFTER YOU FIRST RECEIVED THIS PUBLIC OFFERING STATEMENT, SO THAT YOU MAY HAVE SEVEN DAYS TO CANCEL YOUR CONTRACT FOR THE PURCHASE OF YOUR UNIT.

YOU HAVE NO RIGHT TO CANCEL YOUR CONTRACT UPON RECEIPT OF AN AMENDMENT TO THIS PUBLIC OFFERING STATEMENT; HOWEVER, THIS DOES NOT ELIMINATE ANY RIGHT TO RESCIND YOUR CONTRACT, DUE TO THE DISCLOSURE OF THE INFORMATION IN THE AMENDMENT, THAT IS OTHERWISE AVAILABLE TO YOU UNDER GENERALLY APPLICABLE CONTRACT LAW.

IF YOU ELECT TO CANCEL YOUR CONTRACT PURSUANT TO THIS NOTICE, YOU MAY DO SO BY HAND-DELIVERING NOTICE OF CANCELLATION, OR BY MAILING NOTICE OF CANCELLATION BY PREPAID UNITED STATES MAIL, TO THE SELLER AT THE ADDRESS SET FORTH IN PARAGRAPH A OF THIS PUBLIC OFFERING STATEMENT OR AT THE ADDRESS OF THE SELLER'S REGISTERED AGENT FOR SERVICE OF PROCESS. THE DATE OF SUCH NOTICE IS THE DATE OF RECEIPT, IF HAND - DELIVERED, OR THE DATE OF DEPOSIT IN THE UNITED STATES MAIL,



REAL ESTATE BROKERAGE IN WASHINGTON

Introduction

This pamphlet provides general information about real estate brokerage and summarizes the laws related to real estate brokerage relationships. It describes a real estate broker's duties to the seller/landlord and buyer/tenant. Detailed and complete information about real estate brokerage relationships is available in chapter 18.86 RCW.

If you have any questions about the information in this pamphlet, contact your broker or the designated broker of your broker's firm.

Licensing and Supervision of Brokers

To provide real estate brokerage services in Washington, a broker must be licensed under chapter 18.85 RCW and licensed with a real estate firm, which also must be licensed. Each real estate firm has a designated broker who is responsible for supervising the brokers licensed with the firm. Some firms may have branch offices that are supervised by a branch manager and some firms may delegate certain supervisory duties to one or more managing brokers.

The Washington State Department of Licensing is responsible for enforcing all laws and rules relating to the conduct of real estate firms and brokers.