

RESIDENTIAL PURCHASE AND SALE AGREEMENT
Specific Terms

1. **Date:** _____ **MLS No.:** 2189066 **Offer Expiration Date:** _____
2. **Buyer:** _____
Buyer Buyer Status
3. **Seller:** Lake 16, LLC.
Seller Seller
4. **Property:** Legal Description attached as Exhibit A. Tax Parcel No(s): 134695-6063-000-010-0000,
20592 Limestone Lane Mount Vernon Skagit WA 98274
Address City County State Zip
5. **Included Items:** stove(s)/range(s); refrigerator(s); washer(s); dryer(s); dishwasher(s); microwave(s);
 fireplace insert(s); wood stove(s); satellite dish; security system; hot tub; attached camera(s);
 attached speaker(s); attached TV(s); generator; _____
6. **Purchase Price:** \$ _____ U.S. Dollars
7. **Earnest Money:** \$ _____ U.S. Dollars; Delivery Date 3 days after mutual acceptance
To be held by Buyer Brokerage Firm; Closing Agent; In the form of a Promissory Note (included as an Addendum)
8. **Default:** (check only one) Forfeiture of Earnest Money; Seller's Election of Remedies
9. **Title Insurance Company:** Chicago Title
10. **Closing Agent:** Chicago Title Katie Brazel
Company Individual (optional)
11. **Closing Date:** _____; **Possession Date:** on Closing; Other _____
12. **Services of Closing Agent for Payment of Utilities:** Requested (attach NWMLS Form 22K); Waived
13. **Charges/Assessments Levied Before but Due After Closing:** assumed by Buyer; prepaid in full by Seller at Closing
14. **Seller Citizenship (FIRPTA):** Seller is; is not a foreign person for purposes of U.S. income taxation
15. **Information Verification Period:** Expires 3 days after mutual acceptance; Satisfied/Waived
16. **Agency Disclosure:** Buyer represented by: Buyer Broker; Buyer/Listing Broker (limited dual agent); unrepresented
Seller represented by: Listing Broker; Listing/Buyer Broker (limited dual agent); unrepresented
17. **Buyer Brokerage Firm Compensation:** % 3% ; Pay as Offered or Other – See Addendum
\$ or % Amount Offered in Listing
18. **Addenda:** 22A(Financing) 22D(Optional Clauses) 22P(Farm Disclosure) 22SSC(Skagit Septic)
35(Inspection)
Sellers Addendum "SAPSA", Exhibit "A" Legal, Landscape Maint, Exhibit "B-1" Acknowledgment, Agency Law receipt.

Buyer Signature _____ Date _____

Buyer Signature _____ Date _____

Buyer Address _____
City, State, Zip _____

Buyer Phone No. _____ Fax No. _____

Buyer E-mail Address _____

Buyer Brokerage Firm _____ MLS Office No. _____

Buyer Broker (Print) _____ MLS LAG No. _____

Firm Phone No. _____ Broker Phone No. _____ Firm Fax No. _____

Firm Document E-mail Address _____

Buyer Broker E-mail Address _____

Buyer Broker DOL License No. _____ Firm DOL License No. _____

Seller Signature _____ Date _____

Seller Signature _____ Date _____

Seller Address _____
Seattle **WA**
City, State, Zip _____

Seller Phone No. _____ Fax No. _____

Seller E-mail Address _____

John L. Scott Mill Creek **1779**
Listing Brokerage Firm MLS Office No.

Bruce Lystad **73280**
Listing Broker (Print) MLS LAG No.

(425) 743-1600 **(425) 750-7006** **(425) 948-7111**
Firm Phone No. Broker Phone No. Firm Fax No.

millcreektowncenter@johnlscott.com
Firm Document E-mail Address

brucelystad@gmail.com
Listing Broker E-mail Address

22209 **24058**
Listing Broker DOL License No. Firm DOL License No.

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a. **Purchase Price.** Buyer shall pay to Seller the Purchase Price, including the Earnest Money, in cash at Closing, unless otherwise specified in this Agreement. Buyer represents that Buyer has sufficient funds to close this sale in accordance with this Agreement and is not relying on any contingent source of funds, including funds from loans, the sale of other property, gifts, retirement, or future earnings, except to the extent otherwise specified in this Agreement. The parties shall use caution when wiring funds to avoid potential wire fraud. Before wiring funds, the party wiring funds shall take steps to confirm any wire instructions via an independently verified phone number and other appropriate measures.

b. **Earnest Money.** Buyer shall deliver the Earnest Money by the Delivery Date listed in Specific Term No. 7 (2 days after mutual acceptance if not filled in) to the party holding the Earnest Money (Buyer Brokerage Firm or Closing Agent). If sent by mail, the Earnest Money must arrive at Buyer Brokerage Firm or Closing Agent by the Delivery Date. If the Earnest Money is held by Buyer Brokerage Firm and is over \$10,000.00 it shall be deposited into an interest bearing trust account in Buyer Brokerage Firm's name provided that Buyer completes an IRS Form W-9. Interest, if any, after deduction of bank charges and fees, will be paid to Buyer. Buyer shall reimburse Buyer Brokerage Firm for bank charges and fees in excess of the interest earned, if any. If the Earnest Money held by Buyer Brokerage Firm is over \$10,000.00 Buyer has the option to require Buyer Brokerage Firm to deposit the Earnest Money into the Housing Trust Fund Account, with the interest paid to the State Treasurer, if both Seller and Buyer so agree in writing. If the Buyer does not complete an IRS Form W-9 before Buyer Brokerage Firm must deposit the Earnest Money or the Earnest Money is \$10,000.00 or less, the Earnest Money shall be deposited into the Housing Trust Fund Account. Buyer Brokerage Firm may transfer the Earnest Money to Closing Agent at Closing. If all or part of the Earnest Money is to be refunded to Buyer and any such costs remain unpaid, the Buyer Brokerage Firm or Closing Agent may deduct and pay them therefrom. The parties instruct Closing Agent to provide written verification of receipt of the Earnest Money and notice of dishonor of any check to the parties and Brokers at the addresses and/or fax numbers provided herein.

Upon termination of this Agreement, a party or the Closing Agent may deliver a form authorizing the release of Earnest Money to the other party or the parties. The party(s) shall execute such form and deliver the same to the Closing Agent. If either party fails to execute the release form, a party may make a written demand to the Closing Agent for the Earnest Money. Pursuant to RCW 64.04.220, Closing Agent shall deliver notice of the demand to the other party within 15 days. If the other party does not object to the demand within 20 days of Closing Agent's notice, Closing Agent shall disburse the Earnest Money to the party making the demand within 10 days of the expiration of the 20 day period. If Closing Agent timely receives an objection or an inconsistent demand from the other party, Closing Agent shall commence an interpleader action within 60 days of such objection or inconsistent demand, unless the parties provide subsequent consistent instructions to Closing Agent to disburse the earnest money or refrain from commencing an interpleader action for a specified period of time. Pursuant to RCW 4.28.080, the parties consent to service of the summons and complaint for an interpleader action by first class mail, postage prepaid at the party's usual mailing address or the address identified in this Agreement. If the Closing Agent complies with the preceding process, each party shall be deemed to have released Closing Agent from any and all claims or liability related to the disbursement of the Earnest Money. If either party fails to authorize the release of the Earnest Money to the other party when required to do so under this Agreement, that party shall be in breach of this Agreement. For the purposes of this section, the term Closing Agent includes a Buyer Brokerage Firm holding the Earnest Money. The parties authorize the party commencing an interpleader action to deduct up to \$750.00 for the costs thereof. The parties acknowledge that RCW 64.04.220 requires the court to award the Closing Agent its reasonable attorneys' fees and costs associated with an interpleader action.

c. **Included Items.** Any of the following items, including items identified in Specific Term No. 5 if the corresponding box is checked, located in or on the Property are included in the sale: built-in appliances; wall-to-wall carpeting; curtains, drapes and all other window treatments; window and door screens; awnings; storm doors and windows; installed television antennas; ventilating, air conditioning and heating fixtures; trash compactor; garbage disposal; fireplace doors, gas logs and gas log lighters; irrigation fixtures; electric garage door openers; water heaters; installed electrical fixtures; lighting fixtures; shrubs, plants and trees planted in the ground; and other fixtures; and all associated operating remote controls and access permissions. Unless otherwise agreed, if any of the above items are leased or encumbered, Seller shall acquire clear title before Closing.

d. **Condition of Title.** Unless otherwise specified in this Agreement, title to the Property shall be marketable at Closing. The following shall not cause the title to be unmarketable: rights, reservations, covenants, conditions and restrictions, presently of record and general to the area; easements and encroachments, not materially affecting the value of or unduly interfering with Buyer's reasonable use of the Property; and reserved oil and/or mining rights. Seller shall not convey or reserve any oil and/or mineral rights after mutual acceptance without Buyer's written consent. Monetary encumbrances or liens not assumed by Buyer, shall be paid or discharged by Seller on or before Closing. Title shall be conveyed by a Statutory Warranty Deed. If this Agreement is for conveyance of a buyer's interest in a Real Estate Contract, the Statutory Warranty Deed shall include a buyer's assignment of the contract sufficient to convey after acquired title.

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- e. **Title Insurance.** Seller authorizes Buyer’s lender or Closing Agent, at Seller’s expense, to apply for the then-current ALTA form of Homeowner’s Policy of Title Insurance for One-to-Four Family Residence, from the Title Insurance Company. If Seller previously received a preliminary commitment from a Title Insurance Company that Buyer declines to use, Buyer shall pay any cancellation fees owing to the original Title Insurance Company. Otherwise, the party applying for title insurance shall pay any title cancellation fee, in the event such a fee is assessed. If the Title Insurance Company selected by the parties will not issue a Homeowner’s Policy for the Property, the parties agree that the Title Insurance Company shall instead issue the then-current ALTA standard form Owner’s Policy, together with homeowner’s additional protection and inflation protection endorsements, if available. The Title Insurance Company shall send a copy of the preliminary commitment to Seller, Listing Broker, Buyer and Buyer Broker. The preliminary commitment, and the title policy to be issued, shall contain no exceptions other than the General Exclusions and Exceptions in the Policy and Special Exceptions consistent with the Condition of Title herein provided. If title cannot be made so insurable prior to the Closing Date, then as Buyer’s sole and exclusive remedy, the Earnest Money shall, unless Buyer elects to waive such defects or encumbrances, be refunded to the Buyer, less any unpaid costs described in this Agreement, and this Agreement shall thereupon be terminated. Buyer shall have no right to specific performance or damages as a consequence of Seller’s inability to provide insurable title.

- f. **Closing and Possession.** This sale shall be closed by the Closing Agent on the Closing Date. If the Closing Date falls on a Saturday, Sunday, legal holiday as defined in RCW 1.16.050, or day when the county recording office is closed, the Closing Agent shall close the transaction on the next day that is not a Saturday, Sunday, legal holiday, or day when the county recording office is closed. “Closing” means the date on which all documents are recorded and the sale proceeds are available to Seller. Seller shall deliver keys, garage door remotes, and access codes to Buyer on the Closing Date or on the Possession Date, whichever occurs first. Buyer shall be entitled to possession at 9:00 p.m. on the Possession Date. Seller shall maintain the Property in its present condition, normal wear and tear excepted, until the Buyer is provided possession. Seller shall either repair or replace any system or appliance (including, but not limited to plumbing, heat, electrical, and all Included Items) that becomes inoperative or malfunctions prior to Closing with a system or appliance of at least equal quality. Buyer reserves the right to walk through the Property within 5 days of Closing to verify that Seller has maintained the Property and systems/appliances as required by this paragraph. Seller shall not enter into or modify existing leases or rental agreements, service contracts, or other agreements affecting the Property which have terms extending beyond Closing without first obtaining Buyer’s consent, which shall not be unreasonably withheld. If possession transfers at a time other than Closing, the parties shall execute NWMLS Form 65A (Rental Agreement/Occupancy Prior to Closing) or NWMLS Form 65B (Rental Agreement/Seller Occupancy After Closing) (or alternative rental agreements) and are advised of the need to contact their respective insurance companies to assure appropriate hazard and liability insurance policies are in place, as applicable.

RCW 19.27.530 requires the seller of any owner-occupied single-family residence to equip the residence with a carbon monoxide alarm(s) in accordance with the state building code before a buyer or any other person may legally occupy the residence following the sale. RCW 43.44.110 requires the seller of a dwelling unit, that does not have at least one smoke detection device, to provide at least one smoke detection device in the unit before the buyer or any other person occupies the unit following a sale. The parties acknowledge that the Brokers are not responsible for ensuring that Seller complies with RCW 19.27.530 or RCW 43.44.110. Buyer and Seller shall hold the Brokers and their Firms harmless from any claim resulting from Seller’s failure to install a carbon monoxide alarm(s) or smoke detector(s) in the Property.

- g. **Section 1031 Like-Kind Exchange.** If either Buyer or Seller intends for this transaction to be a part of a Section 1031 like-kind exchange, then the other party shall cooperate in the completion of the like-kind exchange so long as the cooperating party incurs no additional liability in doing so, and so long as any expenses (including attorneys’ fees and costs) incurred by the cooperating party that are related only to the exchange are paid or reimbursed to the cooperating party at or prior to Closing. Notwithstanding the Assignment paragraph of this Agreement, any party completing a Section 1031 like-kind exchange may assign this Agreement to its qualified intermediary or any entity set up for the purposes of completing a reverse exchange.

- h. **Closing Costs and Prorations and Charges and Assessments.** Seller and Buyer shall each pay one-half of the escrow fee unless otherwise required by applicable FHA or VA regulations. Taxes for the current year, rent, interest, and lienable homeowner’s association dues shall be prorated as of Closing. Buyer shall pay Buyer’s loan costs, including credit delinquent on encumbrances which will remain after Closing, Closing Agent is instructed to pay such delinquencies at Closing from money due, or to be paid by, Seller. Buyer shall pay for remaining fuel in the fuel tank if, prior to Closing, Seller obtains a written statement from the supplier as to the quantity and current price and provides such statement to the Closing Agent. Seller shall pay all utility and internet charges, including unbilled charges. Unless waived in Specific Term No. 12, Seller and Buyer request the services of Closing Agent in disbursing funds necessary to satisfy unpaid utility charges in accordance with RCW 60.80 and Seller shall provide the names and addresses of all utilities providing service to the Property and having lien rights (attach NWMLS Form 22K Identification of Utilities or equivalent).

_____	_____	_____	_____	_____	_____	_____	_____
Buyer’s Initials	Date	Buyer’s Initials	Date	Seller’s Initials	Date	Seller’s Initials	Date

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Buyer is advised to verify the existence and amount of any local improvement district, capacity or impact charges or other assessments that may be charged against the Property before or after Closing. Seller will pay such charges that are or become due on or before Closing. Charges levied before Closing, but becoming due after Closing shall be paid as agreed in Specific Term No. 13.

i. Sale Information. Listing Broker and Buyer Broker are authorized to report this Agreement (including price and all terms) to the Multiple Listing Service that published it and to its members, financing institutions, appraisers, and anyone else related to this sale. Buyer and Seller expressly authorize all Closing Agents, appraisers, title insurance companies, and others related to this Sale, to furnish the Listing Broker and/or Buyer Broker, on request, any and all information and copies of documents concerning this sale.

j. Seller Citizenship and FIRPTA. Seller warrants that the identification of Seller's citizenship status for purposes of U.S. income taxation in Specific Term No. 14 is correct. Seller shall execute a certification (NWMLS Form 22E or equivalent) under the Foreign Investment in Real Property Tax Act ("FIRPTA") and provide the certification to the Closing Agent within 10 days of mutual acceptance. If Seller is a foreign person for purposes of U.S. income taxation, and this transaction is not otherwise exempt from FIRPTA, Closing Agent is instructed to withhold and pay the required amount to the Internal Revenue Service. Seller shall pay any fees incurred by Buyer related to such withholding and payment.

If Seller fails to provide the FIRPTA certification to the Closing Agent within 10 days of mutual acceptance, Buyer may give notice that Buyer may terminate the Agreement at any time 3 days thereafter (the "Right to Terminate Notice"). If Seller has not earlier provided the FIRPTA certification to the Closing Agent, Buyer may give notice of termination of this Agreement (the "Termination Notice") any time following 3 days after delivery of the Right to Terminate Notice. If Buyer gives the Termination Notice before Seller provides the FIRPTA certification to the Closing Agent, this Agreement is terminated and the Earnest Money shall be refunded to Buyer.

k. Notices and Delivery of Documents. Any notice related to this Agreement (including revocations of offers or counteroffers) must be in writing. Notices to Seller must be signed by at least one Buyer and shall be deemed delivered only when the notice is received by Seller, by Listing Broker, or at the licensed office of Listing Broker. Notices to Buyer must be signed by at least one Seller and shall be deemed delivered only when the notice is received by Buyer, by Buyer Broker, or at the licensed office of Buyer Broker. Documents related to this Agreement, such as NWMLS Form 17, Information on Lead-Based Paint and Lead-Based Paint Hazards, Public Offering Statement or Resale Certificate, and all other documents shall be delivered pursuant to this paragraph. Buyer and Seller must keep Buyer Broker and Listing Broker advised of their whereabouts in order to receive prompt notification of receipt of a notice.

Facsimile transmission of any notice or document shall constitute delivery. E-mail transmission of any notice or document (or a direct link to such notice or document) shall constitute delivery when: (i) the e-mail is sent to both Buyer Broker and Buyer Brokerage Firm or both Listing Broker and Listing Brokerage Firm at the e-mail addresses specified on page one of this Agreement; (ii) Buyer Broker or Listing Broker provide written acknowledgment of receipt of the e-mail (an automatic e-mail reply does not constitute written acknowledgment); or (iii) if a party is unrepresented, the e-mail is sent directly to the party's e-mail address specified on page one of this Agreement. At the request of either party, or the Closing Agent, the parties will confirm facsimile or e-mail transmitted signatures by signing an original document.

l. Computation of Time. Unless otherwise specified in this Agreement, any period of time measured in days and stated in this Agreement shall start on the day following the event commencing the period and shall expire at 9:00 p.m. of the last calendar day of the specified period of time. Except for the Possession Date, if the last day is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050, the specified period of time shall expire on the next day that is not a Saturday, Sunday or legal holiday. Any specified period of 5 days or less, except for any time period relating to the Possession Date, shall not include Saturdays, Sundays or legal holidays. If the parties agree that an event will occur on a specific calendar date, the event shall occur on that date, except for the Closing Date, which, if it falls on a Saturday, Sunday, legal holiday as defined in RCW 1.16.050, or day when the county recording office is closed, shall occur on the next day that is not a Saturday, Sunday, legal holiday, or day when the county recording office is closed. When counting backwards from Closing, any period of time measured in days shall start on the day prior to Closing and if the last day is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050, the specified period of time shall expire on the next day, moving forward, that is not a Saturday, Sunday or legal holiday (e.g. Monday or Tuesday). If the parties agree upon and attach a legal description after this Agreement is signed by the offeree and delivered to the offeror, then for the purposes of computing time, mutual acceptance shall be deemed to be on the date of delivery of an accepted offer or counteroffer to the offeror, rather than on the date the legal description is attached. Time is of the essence of this Agreement.

m. 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 has the same legal effect and validity as a handwritten signature.

Buyer's Initials Date Buyer's Initials Date Seller's Initials Date Seller's Initials Date

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- n. **Assignment.** Buyer may not assign this Agreement, or Buyer’s rights hereunder, without Seller’s prior written consent, unless the parties indicate that assignment is permitted by the addition of “and/or assigns” on the line identifying the Buyer on the first page of this Agreement. 169 170 171
- o. **Default.** In the event Buyer fails, without legal excuse, to complete the purchase of the Property, then the following provision, as identified in Specific Term No. 8, shall apply: 172 173
 - i. **Forfeiture of Earnest Money.** That portion of the Earnest Money that does not exceed five percent (5%) of the Purchase Price shall be forfeited to the Seller as the sole and exclusive remedy available to Seller for such failure. 174 175
 - ii. **Seller’s Election of Remedies.** Seller may, at Seller’s option, (a) keep the Earnest Money as liquidated damages as the sole and exclusive remedy available to Seller for such failure, (b) bring suit against Buyer for Seller’s actual damages, (c) bring suit to specifically enforce this Agreement and recover any incidental damages, or (d) pursue any other rights or remedies available at law or equity. 176 177 178 179
- p. **Professional Advice and Attorneys’ Fees.** Buyer and Seller are advised to seek the counsel of an attorney and a certified public accountant to review the terms of this Agreement. Buyer and Seller shall pay their own fees incurred for such review. However, if Buyer or Seller institutes suit against the other concerning this Agreement, or if the party holding the Earnest Money commences an interpleader action, the prevailing party is entitled to reasonable attorneys’ fees and expenses. 180 181 182 183
- q. **Offer.** This offer must be accepted by 9:00 p.m. on the Offer Expiration Date, unless sooner withdrawn. Acceptance shall not be effective until a signed copy is received by the other party, by the other party’s broker, or at the licensed office of the other party’s broker pursuant to General Term k. If this offer is not so accepted, it shall lapse and any Earnest Money shall be refunded to Buyer. 184 185 186 187
- r. **Counteroffer.** Any change in the terms presented in an offer or counteroffer, other than the insertion of or change to Seller’s name and Seller’s warranty of citizenship status, shall be considered a counteroffer. If a party makes a counteroffer, then the other party shall have until 9:00 p.m. on the counteroffer expiration date to accept that counteroffer, unless sooner withdrawn. Acceptance shall not be effective until a signed copy is received by the other party, the other party’s broker, or at the licensed office of the other party’s broker pursuant to General Term k. If the counteroffer is not so accepted, it shall lapse and any Earnest Money shall be refunded to Buyer. 188 189 190 191 192 193
- s. **Offer and Counteroffer Expiration Date.** If no expiration date is specified for an offer/counteroffer, the offer/counteroffer shall expire 2 days after the offer/counteroffer is delivered by the party making the offer/counteroffer, unless sooner withdrawn. 194 195 196
- t. **Agency Disclosure.** Buyer Brokerage Firm, Buyer Brokerage Firm’s Designated Broker, Buyer Broker’s Branch Manager (if any) and Buyer Broker’s Managing Broker (if any) represent the same party that Buyer Broker represents. Listing Brokerage Firm, Listing Brokerage Firm’s Designated Broker, Listing Broker’s Branch Manager (if any), and Listing Broker’s Managing Broker (if any) represent the same party that the Listing Broker represents. All parties acknowledge receipt of the pamphlet entitled “Real Estate Brokerage in Washington.” 197 198 199 200 201
- u. **Brokerage Firm Compensation.** Seller and Buyer shall pay compensation in accordance with any listing or compensation agreement to which they are a party. The Listing Brokerage Firm’s compensation shall be paid as specified in the listing agreement. The Buyer Brokerage Firm’s compensation offered in the listing shall be paid by Seller as set forth in this Agreement or any Addendum hereto. The compensation offered to the Buyer Brokerage Firm, if any, is set forth in Specific Term No. 17 and if there is any inconsistency between the Buyer Brokerage Firm’s compensation offered in the listing and the description of the offered compensation stated in Specific Term No. 17, the terms of the listing shall control. Seller and Buyer hereby consent to Listing Brokerage Firm or Buyer Brokerage Firm receiving compensation from more than one party and to the sharing of compensation between firms. Seller and Buyer hereby assign to Listing Brokerage Firm and Buyer Brokerage Firm, as applicable, a portion of their funds in escrow equal to such compensation and irrevocably instruct the Closing Agent to disburse the compensation directly to the Firm(s). In any action by Listing or Buyer Brokerage Firm to enforce this paragraph, the prevailing party is entitled to court costs and reasonable attorneys’ fees. Seller and Buyer agree that the Firms are intended third-party beneficiaries under this Agreement. 202 203 204 205 206 207 208 209 210 211 212 213
- v. **Cancellation Rights/Lead-Based Paint.** If a residential dwelling was built on the Property prior to 1978, and Buyer receives a Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (NWMLS Form 22J) after mutual acceptance, Buyer may rescind this Agreement at any time up to 3 days thereafter. 214 215 216
- w. **Information Verification Period.** Unless satisfied/waived, Buyer shall have the time period set forth in Specific Term No. 15 (10 days after mutual acceptance if not filled in) to verify all information provided from Seller or Listing Brokerage Firm related to the Property. This contingency shall be deemed satisfied unless Buyer gives notice identifying the materially inaccurate information within the time period set forth in Specific Term No. 15. If Buyer gives timely notice under this section, then this Agreement shall terminate and the Earnest Money shall be refunded to Buyer. 217 218 219 220 221

Buyer’s Initials	Date	Buyer’s Initials	Date	Seller’s Initials	Date	Seller’s Initials	Date
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RESIDENTIAL PURCHASE AND SALE AGREEMENT
General Terms

- x. **Property Condition Disclaimer.** Buyer and Seller agree, that except as provided in this Agreement, all representations and information regarding the Property and the transaction are solely from the Seller or Buyer, and not from any Broker. The parties acknowledge that the Brokers are not responsible for assuring that the parties perform their obligations under this Agreement and that none of the Brokers has agreed to independently investigate or confirm any matter related to this transaction except as stated in this Agreement, or in a separate writing signed by such Broker. In addition, Brokers do not guarantee the value, quality or condition of the Property and some properties may contain building materials, including siding, roofing, ceiling, insulation, electrical, and plumbing, that have been the subject of lawsuits and/or governmental inquiry because of possible defects or health hazards. Some properties may have other defects arising after construction, such as drainage, leakage, pest, rot and mold problems. In addition, some properties may contain soil or other contamination that is not readily apparent and may be hazardous. Brokers do not have the expertise to identify or assess defective or hazardous products, materials, or conditions. Buyer is urged to use due diligence to inspect the Property to Buyer’s satisfaction and to retain inspectors qualified to identify the presence of defective or hazardous materials and conditions and evaluate the Property as there may be defects and hazards that may only be revealed by careful inspection. Buyer is advised to investigate whether the Property is suitable for Buyer’s intended use and to ensure the water supply is sufficient to meet Buyer’s needs. Buyer is advised to investigate the cost of insurance for the Property, including, but not limited to homeowner’s, fire, flood, earthquake, landslide, and other available coverage. Buyer acknowledges that local ordinances may restrict short term rentals of the Property. Buyer and Seller acknowledge that home protection plans may be available which may provide additional protection and benefit to Buyer and Seller. Brokers may assist the parties with locating and selecting third-party service providers, such as inspectors or contractors, but Brokers cannot guarantee or be responsible for the services provided by those third parties. The parties shall exercise their own judgment and due diligence regarding third-party service providers.
- y. **Fair Housing.** Seller and Buyer acknowledge that local, state, and federal fair housing laws prohibit discrimination based on sex, marital status, sexual orientation, gender identity, race, creed, color, religion, caste, national origin, citizenship or immigration status, families with children status, familial status, honorably discharged veteran or military status, the presence of any sensory, mental, or physical disability, or the use of a support or service animal by a person with a disability.

This addendum is superseded by the Sellers addendum "SAPSA"

Form 22A
Financing Addendum
Rev. 7/23
Page 1 of 3

FINANCING ADDENDUM TO PURCHASE & SALE AGREEMENT

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The following is part of the Purchase and Sale Agreement dated _____ 1
 between _____ ("Buyer") 2
Buyer Buyer
 and Lake 16, LLC. ("Seller") 3
Seller Seller
 concerning 20592 Limestone Lane Mount Vernon WA 98274 (the "Property"). 4
Address City State Zip

1. LOAN APPLICATION. 5

- a. **Loan Application.** This Agreement is contingent on Buyer obtaining the following type of loan or loans to 6
 purchase the Property (the "Loan(s)"): Conventional First; Conventional Second; Bridge; VA; FHA; 7
 USDA; Home Equity; Down Payment Program; Other _____ 8
 (the "Financing Contingency"). In addition to the Loans, Buyer shall make a down payment in the amount of 9
 \$ _____; or _____ % of the Purchase Price. Buyer shall make application for the Loans 10
 to pay the balance of the Purchase Price and pay the application fee, if required, for the subject Property within 11
 _____ days (5 days if not filled in) after mutual acceptance of this Agreement. For the purposes of this 12
 Addendum, "application" means the submission of Buyer's financial information for the purposes of obtaining an 13
 extension of credit including Buyer's name, income, social security number (if required), the Property address, 14
 purchase price, and the loan amount. If not waived, the Financing Contingency shall survive the Closing Date. 15
- b. **Waiver of Financing Contingency.** If Buyer (i) fails to make application for financing for the Property within the 16
 agreed time; (ii) changes the type of loan at any time without Seller's prior written consent; or (iii) changes the 17
 lender without Seller's prior written consent after the agreed upon time to apply for financing expires, then the 18
 Financing Contingency shall be deemed waived. Buyer's waiver of the Financing Contingency under this 19
 Paragraph 1(b) also constitutes waiver of Paragraph 5 (Appraisal Less Than Sales Price). For purposes of this 20
 Addendum, "lender" means either the party to whom the application was submitted or the party funding the loan. 21
 Buyer authorizes Listing Broker and Seller to inquire about the status of Buyer's loan approval with lender any 22
 time prior to Closing. Buyer will execute an authorization form, if required by lender, to accomplish the same. 23

2. FINANCING CONTINGENCY. Select "a" or "b" ("a" if neither is selected). 24

- a. **Seller's Notice to Perform.** 25
- i. **Notice to Perform.** At any time _____ days (21 days if not filled in) after mutual acceptance, Seller 26
 may give "Notice to Perform" requesting that Buyer waive the Financing Contingency and that Seller may 27
 give notice to terminate the Agreement at any time 3 days after delivery of that notice if Buyer does not 28
 earlier waive the Financing Contingency. NWMLS Form 22AR shall be used for this notice. 29
- ii. **Notice of Termination.** If Buyer has not previously waived the Financing Contingency, Seller may give 30
 "Notice of Termination" of this Agreement any time 3 days after delivery of Notice to Perform. If Seller gives 31
 Notice of Termination before Buyer has waived the Financing Contingency, this Agreement is terminated 32
 and the Earnest Money shall be refunded to Buyer. NWMLS Form 22AR shall be used for this notice. 33
- iii. **Appraisal Less Than Sales Price.** Buyer's waiver of the Financing Contingency under this Paragraph 2(a) 34
 will; or will not (will not, if not filled in) constitute waiver of Paragraph 5 (Appraisal Less Than Sales Price). 35
- b. **Automatic Waiver of Financing Contingency.** 36
- i. **Waiver.** The Financing Contingency shall conclusively be deemed waived unless within _____ days (21 37
 days if not filled in) after mutual acceptance, Buyer gives notice of termination of this Agreement. If Buyer 38
 gives timely notice of termination, the Earnest Money shall be refunded to Buyer after Buyer delivers written 39
 confirmation from Buyer's lender as required by Paragraph 4. 40
- ii. **Appraisal Less Than Sales Price.** Buyer's waiver of the Financing Contingency under this Paragraph 2(b) 41
 will; or will not (will not, if not filled in) constitute waiver of Paragraph 5 (Appraisal Less Than Sales Price). 42

 Buyer's Initials Date Buyer's Initials Date Seller's Initials Date Seller's Initials Date

**FINANCING ADDENDUM TO
PURCHASE & SALE AGREEMENT**

3. LOAN COST PROVISIONS. Seller shall pay up to \$ _____; or _____% of the Purchase Price 43
(\$0.00 if not filled in), which shall be applied to Buyer’s Loan(s) and settlement costs, including prepaids, loan 44
discount, loan fee, interest buy down, financing, closing or other costs allowed by lender. That amount shall include 45
the following costs that lender is prohibited from collecting from Buyer: (a) up to \$300.00 for Buyer’s Loan(s) and 46
settlement costs for FHA/USDA/VA loans; and (b) unless agreed otherwise below, Buyer’s share of the escrow fee 47
for a VA loan. Seller shall pay the costs for (a) and (b), even if the amount agreed upon in this Paragraph 3 is 48
insufficient to pay for those costs. If checked, Buyer shall pay Buyer’s share of the escrow fee for the VA loan 49
(note that VA regulations prohibit Buyer from paying loan and settlement costs exceeding one percent of the amount 50
of the loan). Buyer’s waiver of the Financing Contingency shall not change the parties’ obligations under this 51
Paragraph 3. 52

4. EARNEST MONEY. If Buyer has not waived the Financing Contingency, and is unable to obtain financing by 53
Closing after a good faith effort then, on Buyer’s notice, this Agreement shall terminate. The Earnest Money shall 54
be refunded to Buyer after lender confirms in writing (a) the date Buyer’s loan application for the Property was 55
made, including a copy of the loan estimate that was provided to Buyer; (b) that Buyer possessed sufficient non- 56
contingent funds to close (e.g. down payment, closing costs, etc.); and (c) the reasons Buyer was unable to obtain 57
financing by Closing. If Seller terminates this Agreement, the Earnest Money shall be refunded without need for 58
such confirmation. 59

5. APPRAISAL LESS THAN SALE PRICE. 60

a. Notice of Low Appraisal. If lender’s appraised value of the Property is less than the Purchase Price, Buyer 61
may, within 3 days after receipt of a copy of lender’s appraisal, give notice of low appraisal, which shall include 62
a copy of lender’s appraisal. NWMLS Form 22AN may be used for the notices in this Paragraph 5. 63

b. Seller’s Response. Seller shall, within 10 days after Buyer’s notice of low appraisal, give notice of: 64

- i. A reappraisal or reconsideration of value, at Seller’s expense, by the same appraiser or another appraiser 65
acceptable to lender, in an amount not less than the Purchase Price. Buyer shall promptly seek lender’s 66
approval of such reappraisal or reconsideration of value. The parties are advised that lender may elect not 67
to accept a reappraisal or reconsideration of value; 68
- ii. Seller’s consent to reduce the Purchase Price to an amount not more than the amount specified in the 69
appraisal or reappraisal by the same appraiser, or an appraisal by another appraiser acceptable to lender, 70
whichever is higher. (This provision is not applicable if this Agreement is conditioned on FHA, VA, or USDA 71
financing. FHA, VA, and USDA financing does not permit the Buyer to be obligated to buy if the Seller reduces 72
the Purchase Price to the appraised value. Buyer, however, has the option to buy at the reduced price.); 73
- iii. Seller’s proposal to reduce the Purchase Price to an amount more than the amount specified in the 74
appraisal and for Buyer to pay the necessary additional funds (the amount the reduced Purchase Price 75
exceeds the appraised value) to close the sale; or 76
- iv. Seller’s rejection of Buyer’s notice of low appraisal. 77

If Seller timely delivers notice of (i) reappraisal or reconsideration of value; or (ii) consent to reduce the Purchase 78
Price to an amount not more than the amount specified in the appraisal (except for FHA, VA, or USDA 79
financing), and lender accepts Seller’s response, then Buyer shall be bound by Seller’s response. 80

c. Buyer’s Reply. 81

- i. Buyer shall have 3 days from either Seller’s notice of rejection of low appraisal or, if Seller fails to respond, 82
the day Seller’s response period ends, whichever is earlier, to (a) waive the Financing Contingency (including 83
waiver of this Paragraph 5); or (b) terminate the Agreement, in which event the Earnest Money shall be 84
refunded to Buyer. 85
- ii. If Seller proposes to reduce the Purchase Price to an amount more than the appraised value, Buyer shall 86
have 3 days to (a) accept and represent that Buyer has sufficient funds to close the sale in accordance with 87
this provision; or (b) terminate the Agreement, in which event the Earnest Money shall be refunded to Buyer. 88
- iii. If Seller consents to reduce the Purchase Price to an amount not more than the appraised value for FHA, VA, 89
or USDA financing, Buyer shall have 3 days to (a) give notice that Buyer will buy at the reduced price; or (b) 90
terminate the Agreement, in which event the Earnest Money shall be refunded to Buyer. 91

**FINANCING ADDENDUM TO
PURCHASE & SALE AGREEMENT**

Buyer's inaction during this reply period shall result in termination of the Agreement and return of the Earnest Money to Buyer. The Closing Date shall be extended as necessary to accommodate the foregoing times for notices. 92
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d. Appraisal, Inspection, and Work Orders. Seller shall permit appraisals and inspections required by lender, including but not limited to structural, pest, heating, plumbing, roof, electrical, septic, and well inspections. Seller is not obligated to pay for such appraisals or inspections unless otherwise agreed. The parties acknowledge that the lender's appraisal may condition the appraised value of the Property on the completion and approval of work orders prior to Closing ("Appraisal Work Order"). Buyer shall, within 3 days of receiving an Appraisal Work Order, give notice to Seller, which notice shall include a copy of the Appraisal Work Order. If Buyer is unable to obtain financing by Closing due to an incomplete Appraisal Work Order then, on Buyer's notice, this Agreement shall terminate. If Buyer has not waived this Paragraph 5, the Earnest Money shall be refunded to Buyer after providing lender's confirmation in compliance with Paragraph 4, including lender's statement that Buyer was unable to obtain financing by Closing due to an incomplete Appraisal Work Order. 95
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6. FHA/VA/USDA - APPRAISAL CERTIFICATE. If this Agreement is contingent on Buyer obtaining FHA, VA, or USDA financing, notwithstanding any other provisions of this Agreement, Buyer is not obligated to complete the purchase of the Property unless Buyer has been given in accordance with HUD/FHA, VA, or USDA requirements a written statement by FHA, VA, USDA or a Direct Endorsement lender, setting forth the appraised value of the Property (excluding closing costs). Seller and Buyer shall execute a document setting forth the prior provision, or similar provision, known as the FHA, VA, or USDA amendatory clause, as required by lender. Buyer shall pay the costs of any appraisal. If the appraised value of the Property is less than the Purchase Price, Buyer may give the notice of low appraisal in Paragraph 5. 105
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Purpose of Appraisal. The appraised valuation is arrived at only to determine the maximum mortgage FHA, VA, or USDA will insure. FHA, VA, or USDA do not warrant the value or the condition of the Property. Buyer agrees to satisfy himself/herself that the price and condition of the Property are acceptable. 113
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7. VA AMENDATORY CLAUSE. If the Buyer is obtaining VA financing, it is expressly agreed that, notwithstanding any other provisions of this contract, the purchaser shall not incur any penalty by forfeiture of earnest money or otherwise be obligated to complete the purchase of the property described herein, if the contract purchase price or cost exceeds the reasonable value of the property established by the Department of Veterans Affairs. The purchaser shall, however, have the privilege and option of proceeding with the consummation of this contract without regard to the amount of the reasonable value established by the Department of Veterans Affairs. 116
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8. EXTENSION OF CLOSING. If, through no fault of Buyer, lender is required by 12 CFR 1026 to give corrected disclosures to Buyer due to (a) a change in the Annual Percentage Rate ("APR") of Buyer's Loan(s) by .125% or more for a fixed rate loan or .250% or more for an adjustable rate loan; (b) a change in the loan product; or (c) the addition of a prepayment penalty, then upon notice from Buyer, the Closing Date shall be extended for up to 4 days to accommodate the requirements of Regulation Z of the Truth in Lending Act. This Paragraph 8 shall survive Buyer's waiver of this Financing Contingency. 122
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**OPTIONAL CLAUSES ADDENDUM TO
PURCHASE & SALE AGREEMENT**

The following is part of the Purchase and Sale Agreement dated _____ 1
between _____ ("Buyer") 2
Buyer Buyer
and Lake 16, LLC. ("Seller") 3
Seller Seller
concerning 20592 Limestone Lane Mount Vernon WA 98274 (the "Property"). 4
Address City State Zip

CHECK IF INCLUDED: 5

- 1. **Square Footage/Lot Size/Encroachments.** The Listing Broker and Buyer Broker make no representations concerning: (a) the lot size or the accuracy of any information provided by the Seller; (b) the square footage of any improvements on the Property; (c) whether there are any encroachments (fences, rockeries, buildings) on the Property, or by the Property on adjacent properties. Buyer is advised to verify lot size, square footage and encroachments to Buyer's own satisfaction. 6-9
- 2. **Title Insurance.** The Title Insurance clause in the Agreement provides Seller is to provide the then-current ALTA form of Homeowner's Policy of Title Insurance. The parties have the option to provide less coverage by selecting a Standard Owner's Policy or more coverage by selecting an Extended Coverage Policy: 11-13
 - Standard Owner's Coverage.** Seller authorizes Buyer's lender or Closing Agent, at Seller's expense, to apply for the then-current ALTA form of Owner's Policy of Title Insurance, together with homeowner's additional protection and inflation protection endorsements, if available at no additional cost, rather than the Homeowner's Policy of Title Insurance. 14-17
 - Extended Coverage.** Seller authorizes Buyer's lender or Closing Agent, at Seller's expense to apply for an ALTA or comparable Extended Coverage Policy of Title Insurance, rather than the Homeowner's Policy of Title Insurance. Buyer shall pay the increased costs associated with the Extended Coverage Policy, including the excess premium over that charged for Homeowner's Policy of Title Insurance and the cost of any survey required by the title insurer. 18-22
- 3. **Seller Cleaning.** Seller shall clean the interiors of any structures and remove all trash, debris and rubbish from the Property prior to Buyer taking possession. 23-24
- 4. **Personal Property.** Unless otherwise agreed, Seller shall remove all personal property from the Property not later than the Possession Date. Any personal property remaining on the Property thereafter shall become the property of Buyer, and may be retained or disposed of as Buyer determines. 25-27
- 5. **Utilities.** To the best of Seller's knowledge, Seller represents that the Property is connected to: 28
 - public water main; public sewer main; septic tank; well (specify type) _____; 29
 - irrigation water (specify provider) _____; natural gas; telephone; electricity; 30
 - cable (specify provider) Wave/Astound; internet (specify provider) Wave/Astound; 31
 - other _____ . 32
- 6. **Insulation - New Construction.** If this is new construction, Federal Trade Commission Regulations require the following to be filled in. If insulation has not yet been selected, FTC regulations require Seller to furnish Buyer the information below in writing as soon as available: 33-35
 - WALL INSULATION: TYPE: _____ THICKNESS: _____ R-VALUE: _____ 36
 - CEILING INSULATION: TYPE: _____ THICKNESS: _____ R-VALUE: _____ 37
 - OTHER INSULATION DATA: See Sellers Addendum "SAPSA" 38

**OPTIONAL CLAUSES ADDENDUM TO
PURCHASE & SALE AGREEMENT**

Continued

- 7. **Leased Property Review Period and Assumption.** Buyer acknowledges that Seller leases the following items of personal property that are included with the sale: propane tank; security system; satellite dish and operating equipment; other _____ .
 Seller shall provide Buyer a copy of the lease for the selected items within _____ days (5 days if not filled in) of mutual acceptance. If Buyer, in Buyer's sole discretion, does not give notice of disapproval within _____ days (5 days if not filled in) of receipt of the lease(s) or the date that the lease(s) are due, whichever is earlier, then this lease review period shall conclusively be deemed satisfied (waived) and at Closing, Buyer shall assume the lease(s) for the selected item(s) and hold Seller harmless from and against any further obligation, liability, or claim arising from the lease(s), if the lease(s) can be assumed. If Buyer gives timely notice of disapproval, then this Agreement shall terminate and the Earnest Money shall be refunded to Buyer.
- 8. **Homeowners' Association Review Period.** If the Property is subject to a homeowners' association or any other association, then Seller shall, at Seller's expense, provide Buyer a copy of the following documents (if available from the Association) within 0 days (10 days if not filled in) of mutual acceptance:
 - a. Association rules and regulations, including, but not limited to architectural guidelines;
 - b. Association bylaws and covenants, conditions, and restrictions (CC&Rs);
 - c. Association meeting minutes from the prior two (2) years;
 - d. Association Board of Directors meeting minutes from the prior six (6) months; and
 - e. Association financial statements from the prior two (2) years and current operating budget.
 If Buyer, in Buyer's sole discretion, does not give notice of disapproval within 0 days (5 days if not filled in) of receipt of the above documents or the date that the above documents are due, whichever is earlier, then this homeowners' association review period shall conclusively be deemed satisfied (waived). If Buyer gives timely notice of disapproval, then this Agreement shall terminate and the Earnest Money shall be refunded to Buyer. **All HOA docs are at www.lake16offer.com**
- 9. **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 party as provided for in the association documents. If the association documents do not provide which party pays the fee, the fee shall be paid by Buyer; Seller (Seller if not filled in).
- 10. **Excluded Item(s).** The following item(s), that would otherwise be included in the sale of the Property, is excluded from the sale ("Excluded Item(s)"). Seller shall repair any damage to the Property caused by the removal of the Excluded Item(s). Excluded Item(s): _____
- 11. **Home Warranty.** Buyer and Seller acknowledge that home warranty plans are available which may provide additional protection and benefits to Buyer and Seller. Buyer shall order a one-year home warranty as follows:
 - a. Home warranty provider: _____
 - b. Seller shall pay up to \$ _____ (\$0.00 if not filled in) of the cost for the home warranty, together with any included options, and Buyer shall pay any balance.
 - c. Options to be included: _____ (none, if not filled in).
 - d. Other: **HDW 2-10 Warranty provided by Seller to Buyer at closing.**
- 12. **Other.**

FIRPTA CERTIFICATION

The Foreign Investment in Real Property Tax Act ("FIRPTA"), 26 U.S.C. 1445, provides that a buyer of a U.S. real property interest must withhold tax if Seller is a foreign person, unless one of the exceptions in the Act applies. The following will inform Buyer and Closing Agent whether tax withholding is required.

Note: The above law applies to foreign corporations, partnerships, trusts, estates and other foreign entities, as well as to foreign individuals. If Seller is a corporation, partnership, trust, estate or other entity, the terms "I" and "my" as used below means the corporation or other entity. A "real property interest" includes full or part ownership of land and/or improvements thereon; leaseholds; options to acquire any of the foregoing; and an interest in foreign corporations, partnerships, trusts or other entities holding U.S. real estate.

SELLER CERTIFICATION. Seller hereby certifies the following:

PROPERTY. I am the Seller of real property at:

20592 Limestone Lane Mount Vernon WA 98274
Address City State Zip

or (if no street address) legally described on the attached.

CITIZENSHIP STATUS. I AM AM NOT a non-resident alien (or a foreign corporation, foreign partnership, foreign trust, foreign estate or other foreign business entity) for purposes of U.S. income taxation.

TAXPAYER I.D. NUMBER.

My U.S. taxpayer identification number (e.g. social security number) is _____
(Tax I.D. number to be provided by Seller at Closing)

ADDRESS.

My home address is _____
Address City State Zip

Under penalties of perjury, I declare that I have examined this Certification and to the best of my knowledge and belief it is true, correct and complete. I understand that this Certification may be disclosed to the Internal Revenue Service ("IRS") and that any false statement I have made here could be punished by fine, imprisonment, or both.

Seller Date Seller Date

BUYER CERTIFICATION (Only applicable if Seller is a non-resident alien).

If Seller is a non-resident alien, and has not obtained a release from the IRS, then Closing Agent must withhold 15% of the amount realized from the sale and pay it to the IRS, unless Buyer certifies that the selected statement below is correct:

Amount Realized (\$300,000 or less) and Family Residence = No Tax. (a) I certify that the total price that I am to pay for the property, including liabilities assumed and all other consideration to Seller, does not exceed \$300,000; and (b) I certify that I or a member of my family* have definite plans to reside on the property for at least 50% of the time that the property is used by any person during each of the first two twelve month periods following the date of this sale. If Buyer certifies these statements, there is no tax.

Amount Realized (more than \$300,000, but not exceeding \$1,000,000) and Family Residence = 10% Tax. (a) I certify that the total price that I am to pay for the property, including liabilities assumed and all other consideration to Seller, exceeds \$300,000, but does not exceed \$1,000,000; and (b) I certify that I or a member of my family* have definite plans to reside on the property for at least 50% of the time that the property is used by any person during each of the first two twelve month periods following the date of this sale. If Buyer certifies these statements, then Closing Agent must withhold 10% of the amount realized from the sale and pay it to the IRS.

* (Defined in 11 U.S.C. 267(c)(4). It includes brothers, sisters, spouse, ancestors and lineal descendants).

Under penalties of perjury, I declare that I have examined this Certification and to the best of my knowledge and belief both statements are true, correct and complete. I understand that this Certification may be disclosed to the IRS and that any false statement I have made here could be punished by fine, imprisonment, or both.

Buyer Date Buyer Date

Form 22P
Skagit Right-to-Manage Disclosure
Rev. 10/14
Page 1 of 1

**SKAGIT COUNTY
RIGHT-TO-MANAGE
NATURAL RESOURCE LANDS DISCLOSURE**

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The following is part of the Purchase and Sale Agreement dated _____

between _____ ("Buyer")
Buyer Buyer

and **Lake 16, LLC.** ("Seller")
Seller Seller

concerning **20592 Limestone Lane** **Mount Vernon** **WA 98274** (the "Property")
Address City State Zip

Buyer is aware that the Property may be subject to the Skagit County Right-to-Manage Natural Resource Lands Disclosure, Skagit County Code section 14.38, which states:

This disclosure applies to parcels designated or within 1 mile of designated agricultural - land or designated or within 1/4 mile of rural resource, forest or mineral resource lands of long-term commercial significance in Skagit County. A variety of Natural Resource Land commercial activities occur or may occur in the area that may not be compatible with non-resource uses and may be inconvenient or cause discomfort to area residents. This may arise from the use of chemicals; or from spraying, pruning, harvesting or mineral extraction with associated activities, which occasionally generates traffic, dust, smoke, noise, and odor. Skagit County has established natural resource management operations as a priority use on designated Natural Resource Lands, and area residents should be prepared to accept such incompatibilities, inconveniences or discomfort from normal, necessary Natural Resource Land operations when performed in compliance with Best Management Practices and local, State, and Federal law.

In the case of mineral lands, application might be made for mining-related activities including extraction, washing, crushing, stockpiling, blasting, transporting and recycling of minerals. If you are adjacent to designated NR Lands, you will have setback requirements from designated NR Lands.

Seller and Buyer authorize and direct the Closing Agent to record this Disclosure with the County Auditor's office in conjunction with the deed conveying the Property.

Buyer Date Seller Date

Buyer Date Seller Date

SKAGIT COUNTY SEPTIC ADDENDUM TO PURCHASE & SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated _____ 1
 between _____ ("Buyer") 2
Buyer Buyer
 and **Lake 16, LLC.** ("Seller") 3
Seller Seller
 concerning **20592 Limestone Lane** **Mount Vernon** **WA 98274** (the "Property"). 4
Address City State Zip

THIS ADDENDUM SUPERSEDES ANY OTHER PROVISIONS OF THIS AGREEMENT RELATING TO THE ON-SITE SEWAGE SYSTEM ("OSS") SERVING THE PROPERTY. 5 6

1. **Type of OSS.** The Property is served by: 7
 Private Septic System 8
 Shared Septic System 9

2. **Seller's Representations.** Seller represents that, to the best of Seller's knowledge, the OSS serving the Property (a) does not require repair other than pumping and normal maintenance; (b) does not currently violate any applicable local, state, and federal laws, standards, and regulations; and (c) has no material defects. 10 11 12

3. **Maintenance Records.** Seller shall deliver to Buyer the maintenance records, if available, of the OSS serving the Property within _____ days (10 days if not filled in) of mutual acceptance. 13 14

4. **Skagit County Requirements.** Skagit County Code § 12.05.160 requires that an operations and maintenance ("O/M") inspection of the OSS be completed within six months of any transfer of the Property by a certified O/M specialist, unless the Property has been vacant for more than two years. 15 16 17

5. **Inspection and Pumping of OSS.** Seller shall have the OSS inspected and, if the inspector determines necessary, pumped by a certified O/M specialist at Seller's expense. Seller shall provide Buyer with a copy of the inspection report within _____ days (10 days if not filled in) of mutual acceptance. If Seller had the OSS inspected and, if necessary, pumped within _____ months (6 months if not filled in) of the Closing Date by a certified O/M specialist and Seller provides Buyer with written evidence thereof, including an inspection report, Seller shall have no obligation to inspect and pump the system unless otherwise required by Buyer's lender or Skagit County. 18 19 20 21 22 23

Buyer's Right to Attend Inspection. If checked and if Seller has not already conducted an inspection, Buyer shall have the right to observe the inspection. Seller shall provide Buyer with 3 days notice of the date and time of the inspection. 24 25 26

6. **OSS Inspection Contingency.** This Agreement is conditioned on Buyer's subjective satisfaction of the inspection report from the certified O/M specialist. This contingency shall be deemed waived unless Buyer gives notice of disapproval of the inspection report within _____ days (5 days if not filled in) after receipt of the inspection report. If Buyer gives timely notice of disapproval, the Agreement shall terminate and the Earnest Money shall be refunded to Buyer. 27 28 29 30 31

7. **Other.** 32
New Septic System, no need to pump. 33

This addendum is Superseded by the Sellers addendum "SAPSA"

Form 35
Inspection Addendum
Rev. 7/23
Page 1 of 2

INSPECTION ADDENDUM TO PURCHASE AND SALE AGREEMENT

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The following is part of the Purchase and Sale Agreement dated _____ 1
 between _____ ("Buyer") 2
Buyer Buyer
 and **Lake 16, LLC.** ("Seller") 3
Seller Seller
 concerning **20592 Limestone Lane** **Mount Vernon** **WA 98274** (the "Property"). 4
Address City State Zip

1. **INSPECTION CONTINGENCY.** This Agreement is conditioned on Buyer's subjective satisfaction with inspections of the Property and the improvements on the Property. Buyer's inspections may include, at Buyer's option and without limitation, the structural, mechanical and general condition of the improvements to the Property, compliance with building and zoning codes, an inspection of the Property for hazardous materials, a pest inspection, and a soils/stability inspection. Buyer's general home inspection must be performed by Buyer or a person licensed under RCW 18.280. Buyer may engage specialists (e.g. plumbers, electricians, roofers, etc.) to conduct further inspections of the Property.
 - a. **Sewer Inspection.** Buyer's inspection of the Property may; may not (may, if not checked) include an inspection of the sewer system, which may include a sewer line video inspection and assessment and may require the inspector to remove toilets or other fixtures to access the sewer line.
2. **BUYER'S OBLIGATIONS.** All inspections are to be (a) ordered by Buyer, (b) performed by inspectors of Buyer's choice, and (c) completed at Buyer's expense. Buyer shall not alter the Property or any improvements on the Property without first obtaining Seller's permission. Buyer is solely responsible for interviewing and selecting all inspectors. Buyer shall restore the Property and all improvements on the Property to the same condition they were in prior to the inspection. Buyer shall be responsible for all damages resulting from any inspection of the Property performed on Buyer's behalf.
3. **BUYER'S NOTICE.** This inspection contingency shall conclusively be deemed waived and Seller shall not be obligated to make any repairs or modifications unless within _____ days (10 days if not filled in) after mutual acceptance of this Agreement (the "Initial Inspection Period"), Buyer gives notice (a) approving the inspection and waiving this contingency; (b) disapproving the inspection and terminating the Agreement; (c) that Buyer will conduct additional inspections; or (d) proposing repairs to the property or modifications to the Agreement. If Buyer disapproves the inspection and terminates the Agreement, the Earnest Money shall be refunded to Buyer. If Buyer proposes repairs to the property or modifications to the Agreement, including adjustments to the purchase price or credits for repairs to be performed after Closing, the parties shall negotiate as set forth in Paragraph 6, below. The parties may use NWMLS Form 35R to give notices required by this Addendum.
4. **INSPECTION REPORT.** Buyer shall not provide the inspection report, or portions of the report, to Seller, unless Seller requests otherwise in writing. Upon Seller's written request, Buyer shall provide to Seller the inspection report, portions of the report, or the inspector's recommendation for additional inspections, as requested by Seller.
 - a. **Waiver of Contingency by Buyer.** If Buyer provides any portion of the inspection report to Seller without Seller's prior written request or consent, the inspection contingency shall conclusively be deemed waived.
 - b. **Seller Request.** The selection of any checkbox below by Seller shall not be considered a counteroffer.
 - Seller requests that Buyer provide the inspection report to Seller.
 - If Buyer requests repairs or modifications to the Agreement, Seller requests that Buyer provide only the portions of the inspection report related to the requested repairs or modifications to Seller.
 - If Buyer provides notice of additional inspections pursuant to Paragraph 5, Seller requests that Buyer provide a copy of the inspector's recommendation for additional inspections to Seller.
5. **ADDITIONAL TIME FOR INSPECTIONS.** If an inspector so recommends, Buyer shall have additional time to obtain further evaluation of any item by a specialist at Buyer's option and expense if, on or before the end of the Initial Inspection Period, Buyer provides notice that Buyer will seek additional inspections and, upon Seller's request, a copy of the inspector's recommendation. If Buyer provides timely notice of additional inspections (and, if requested by Seller, a copy of the inspector's recommendation), Buyer shall have _____ (5 days if not

_____ Buyer's Initials	_____ Date	_____ Buyer's Initials	_____ Date	_____ Seller's Initials	_____ Date	_____ Seller's Initials	_____ Date
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**INSPECTION ADDENDUM TO
PURCHASE AND SALE AGREEMENT**

Continued

filled in) after giving the notice to obtain the additional inspection(s) as recommended by the inspector and the Initial Inspection Period shall be so extended. 46
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6. BUYER'S REQUESTS FOR REPAIRS OR MODIFICATIONS. If Buyer requests repairs or modifications pursuant to Paragraph 3, the parties shall negotiate as set forth in this Paragraph 6. Buyer's initial request and Seller's response made in accordance with the following procedures are irrevocable for the time period provided. 48
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a. Seller's Response to Request for Repairs or Modifications. Seller shall have _____ days (3 days if not filled in) after receipt of Buyer's request for repairs or modifications to give notice that Seller (i) agrees to the repairs or modifications proposed by Buyer; (ii) agrees to some of the repairs or modifications proposed by Buyer; (iii) rejects all repairs or modifications proposed by Buyer; or (iv) offers different or additional repairs or modifications. If Seller agrees to the terms of Buyer's request for repairs or modifications, this contingency shall be satisfied and Buyer's Reply shall not be necessary. If Seller does not agree to all of Buyer's repairs or modifications, Buyer shall have an opportunity to reply, as follows: 51
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b. Buyer's Reply. If Seller does not agree to all of the repairs or modifications proposed by Buyer, Buyer shall have _____ days (3 days if not filled in) from either the day Buyer receives Seller's response or, if Seller fails to timely respond, the day Seller's response period ends, whichever is earlier, to (i) accept the Seller's response at which time this contingency shall be satisfied; (ii) agree with the Seller on other remedies; or (iii) disapprove the inspection and terminate the Agreement, in which event, the Earnest Money shall be refunded to Buyer. 58
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ATTENTION BUYER: These time periods for negotiating repairs or modifications shall not repeat. The parties must either reach a written agreement or Buyer must terminate this Agreement by the Buyer's Reply deadline set forth in Paragraph 6(b). Buyer's inaction during Buyer's reply period shall result in waiver of this inspection condition, in which case Seller shall not be obligated to make any repairs or modifications whatsoever and this contingency shall be deemed waived. 64
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7. REPAIRS. If Seller agrees to make the repairs proposed by Buyer, then repairs shall be accomplished at Seller's expense in a commercially reasonable manner and in accordance with all applicable laws no fewer than _____ days (3 days if not filled in) prior to the Closing Date. In the case of hazardous materials, "repair" means removal or treatment (including but not limited to removal or, at Seller's option, decommissioning of any oil storage tanks) of the hazardous material at Seller's expense as recommended by and under the direction of a professional selected by Seller. Seller's repairs are subject to re-inspection and approval, prior to Closing, by the inspector or specialist who recommended the repair, if Buyer elects to order and pay for such re-inspection. If Buyer agrees to pay for any repairs prior to Closing, the parties are advised to seek the counsel of an attorney to review the terms of that agreement. 69
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8. OIL STORAGE TANKS. Any inspection regarding oil storage tanks or contamination from such tanks shall be limited solely to determining the presence or non-presence of oil storage tanks on the Property, unless otherwise agreed in writing by Buyer and Seller. 78
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9. ON-SITE SEWAGE DISPOSAL SYSTEMS ADVISORY. Buyer is advised that on-site sewage disposal systems, including "septic systems," are subject to strict governmental regulation and occasional malfunction and even failure. Buyer is advised to consider conducting an inspection of any on-site sewage system in addition to the inspection of the Property provided by this Form 35 by including an appropriate on-site sewage disposal inspection contingency such as NWMLS Form 22S (Septic Addendum). 81
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10. NEIGHBORHOOD REVIEW CONTINGENCY. If the box is checked, Buyer's inspection includes Buyer's subjective satisfaction that the conditions of the neighborhood in which the Property is located are consistent with the Buyer's intended use of the Property (the "Neighborhood Review"). The Neighborhood Review may include Buyer's investigation of the schools, proximity to bus lines, availability of shopping, traffic patterns, noise, parking and investigation of other neighborhood, environmental and safety conditions the Buyer may determine to be relevant in deciding to purchase the Property. If Buyer does not give notice of disapproval of the Neighborhood Review within _____ (3 days if not filled in) of mutual acceptance of the Agreement, then this Neighborhood Review condition shall conclusively be deemed satisfied (waived). If Buyer gives a timely notice of disapproval, then this Agreement shall terminate and the Earnest Money shall be refunded to Buyer. 86
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Lake 16, LLC

Seller's Addendum to Purchase and Sale Agreement ("SAPSA")

This agreement affects your legal rights. You are advised to seek legal advice before signing.

The following is an addendum to, and shall be included as part of the Purchase & Sale agreement dated _____, 20____ between Lake 16, LLC ("Seller/Builder") and _____ ("Buyer") for the purchase of Lot # **10**, in Lake Sixteen, a residential Single-Family development. Builder's Plan number # **3501-B**

Legally described as Lot **10**, of Lots 1 through 38, inclusive, and Tracts A through D, inclusive, of Plat of Cascade Highlands- Phase 1 and 3 – PL96-0058, according to the plat thereof recorded under Auditor's File No **201904190032**, records of Skagit County, Washington. Situate in Skagit County, Washington.

All parties understand that Lake 16, LLC (Seller) has hired Jake'sD Corporation (Builder) to manage the construction of the homes.

APPLICABILITY: In the event of a conflict between this Addendum and any other contract documents, this Addendum shall supersede, preempt, and control unless the other document specifically references this SAPSA and states that it supersedes the provisions of the Addendum.

1. **TITLE INSURANCE:** *At closing Seller shall provide a Standard Title Insurance policy through **Chicago Title Insurance Company**, located at 3002 Colby Ave, Everett WA 98201. Title Officer is Gary Kruick - (425) 258-3683 / gary.kruick@ctt.com. Buyer understands that Seller will receive a discounted Builder's rate for said policy. It is the Buyer's responsibility to review the title report and investigate any questions they may have until questions are deemed satisfied. Seller does not authorize Buyer's lender or Closing Agent to apply for the additional coverage provided with the "Homeowner's Policy of Title Insurance (ALTA 1998) unless Buyer agrees to pay for the additional cost.*

2. **CLOSING AGENT:** *The Closing Agent for this transaction shall be **Chicago Title Insurance Company** located at 3002 Colby Ave, Everett WA 98201. Escrow Officer is Katie Brazel 425-258-3683 / Katie.Brazel@ctt.com. Buyer understands that the Seller shall receive a Builder's discounted Escrow rate. Buyer will pay the Buyer's normal Escrow fee.*

3. **BUYER BONUS/LOAN COST PROVISIONS:** *Buyer may use lender of Buyer's choice. Should Buyer, however, choose to obtain their mortgage financing through **Seller's Trusted Lender, Movement Mortgage, Inc., Jolene Messmer**, then Buyer will receive a "BUYER BONUS" in the amount of \$2,500.00 from the Seller's Trusted Lender to be used towards Buyer's Settlement cost as described above.*

_____	Buyer	_____	Date	_____	Seller	_____	Date
_____	Buyer	_____	Date	_____	Seller	_____	Date

4. BUYER MUST BE PREQUALIFIED WITH ONE OF SELLER’S PREFERRED LENDERS:

Regardless of which lender Buyer may choose, *all Buyers must apply for a pre-qualification certificate from one of Seller’s Preferred Lenders within 5 days of mutual acceptance. There will be no cost to the Buyer for this service.*

Seller’s Preferred Lender: Movement Mortgage, Inc., NMLS 379952
11900 NE 1st ST
Bellevue, WA 98005
Attn: **Jolene Messmer**, Sales Manager
Direct: (425) 445-1945
Jolene.Messmer@movement.com

5. NOTICE TO BUYER’S LENDER*: *Lender shall submit written Pre-Approval documentation to Seller, via Seller’s Broker, based on but not limited to the following: lender’s in-house credit report, year to date pay stubs, the availability and verification of funds to close. Lender shall disclose to Seller, via Seller’s broker, the Buyer’s qualifying ratios, credit worthiness and whether any contingent funds (i.e. release of pensions and/or retirement funds or receipt of gift funds etc.) are needed to close. This contract is contingent upon the Seller’s review and written disapproval of said documentation. Should the Seller issue such disapproval, this agreement shall become immediately null and void and Seller shall refund any refundable earnest money to Buyer, subject to all terms of this agreement. In the event no disapproval notice is given, then this contingency shall be deemed satisfied. Lender and selling firm agree to inform Seller via Seller’s broker, immediately of any change in Buyer’s ability to qualify and *prior to any change in Buyer’s Lender*. All parties understand and agree that the Financing Contingency shall be automatically waived **25 (Twenty-Five)** days after mutual acceptance and all earnest money shall be non-refundable for any reason. Seller shall have neither liability nor responsibility of any sort regarding Buyer’s interest rate lock.*

Note: the term “Lender” shall refer to the institution, **which will actually fund the loan (not, for instance, the lender acting as Broker for the loan).*

6. NOTICE TO BUYER REGARDING LOAN COMMITMENTS: Seller shall not be responsible for Buyer’s commitment, nor any losses resulting from the expiration of any commitment or special interest rates or points which may be subject to expiration. Builder and Seller shall not be responsible for Buyer’s housing or storage requirement if completion is delayed for any reason. Seller’s sole liability in this contract shall be the refund of any earnest monies remaining owed Buyer, subject to all terms within this agreement. *Neither Builder nor Seller shall incur other liability for any reason whatsoever.*

7. EARNEST MONEY: In the event of default by Buyer, Seller elects to retain Earnest Money as liquidated damages; the total sum of the earnest money shall be forfeited to Seller. Any claim by the Buyer’s broker against the earnest money must be paid by Buyer for the amount of such claim.

_____ Buyer _____ Date _____ Seller _____ Date
_____ Buyer _____ Date _____ Seller _____ Date`

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- 8. **COMMISSION:** No real estate commissions shall be paid on Buyer’s closing costs, upgrades, and/or Seller concessions.

- 9. **COMPLETION DATE/CLOSING DATE:** Seller shall make every reasonable effort to complete the home on or prior to the closing date stated in the Purchase and Sale Agreement. Due to the nature of “New Construction”, the Seller will not be held responsible for delays due to plat recordation, materials availability, subcontractor scheduling, weather conditions or other factors beyond Seller’s control. In the event closing is delayed, the *Closing Date may be extended by a period not to exceed 20 business days, at Seller’s sole discretion.* If Buyer does not close within said time frame, Seller may extend Closing Date or rescind this Purchase and Sale Agreement and retain all earnest monies per this Purchase and Sale Agreement, at Seller’s sole option. In the event closing must be delayed (through no fault of Buyer or Buyer’s Lender, etc.) beyond said timeframe, then Buyers may, at Buyer’s option, rescind this contract within 3 days of notification of additional delay. All earnest monies will remain refundable and shall be returned to Buyer. Closing shall not be deemed to have occurred until Buyer’s funds are available for immediate disbursement to Seller; at that time, keys will be turned over to Buyer. Seller reserves the right to show the Property to third parties before the Closing Date.

SPECIAL NOTE: In the event that Buyer is unable or unwilling to close on the Closing Date, due to no fault of the Builder or Seller, Seller, at Seller’s sole discretion, may agree to extend the Closing Date and may impose a late fee to Buyer amounting to **\$300.00** per day for each day closing is delayed. Said late fee is due to Seller at Closing.

Buyer’s Initials

Buyer’s Initials

- 10. **FINISH SELECTIONS AND UPGRADE CHANGES:** Depending upon the stage of construction at the time of Mutual Acceptance, an appointment will be arranged with Buyer to meet with the Options (Selections) & Upgrades Coordinator to review finishes and select any of the available Upgrades from the Lake 16 Upgrade sheet that Buyer may be interested in adding at additional expense to *Buyer*. This appointment will be scheduled during normal business hours and within 5 days of Mutual Acceptance. Any upgrade selections must be made and paid for within 3 days following appointment with the Coordinator. In any case, construction will not be held up for any reason whatsoever due to Buyer’s upgrades. Any costs for upgrades are to be paid directly to Escrow at the time of selection. All upgrade monies will be deemed non-refundable.

_____	Buyer	_____	Date	_____	Seller	_____	Date
_____	Buyer	_____	Date	_____	Seller	_____	Date

11. 2-10 HOME BUYERS WARRANTY (HBW):

- a. Seller will purchase and provide at no cost to Buyer, a home warranty from 2-10 Home Buyers Warranty Corporation as described in 2-10 Warranty Booklet version US_W.DS.Sv1_12_2018 provided by the listing Agent at www.lake16.com.
- b. 2-10 HBW is administered by Home Buyers Warranty Corporation. The 2-10 HBW is a limited warranty that provides one-year workmanship, two years systems and ten-year qualifying structural defect coverage for certain construction defects in the subject home. As consideration for the 2-10 HBW, Buyer agrees to the provisions of this Addendum, which supersede any different or inconsistent provisions in the Purchase Contract. Buyer represents that they have been furnished with a copy of the 2-10 HBW and has had an opportunity to read and understand it, including the binding Arbitration Agreement contained in it, before signing this Addendum.

Any and all claims or disputes between Seller, Buyer, HBW and/or the Warranty insurer arising from or relating to the 2-10 HBW, for the subject home, including the real property on which it is situated, any common elements that the Buyer has an interest, or to the sale of the home, shall be submitted to binding arbitration with your choice of two different arbitration services, Construction Dispute Resolutions Services, LLC, or DeMars & Associates, Ltd., or some other mutually agreeable service. Any person in contractual privity with the Builder whom the Buyer contends is responsible for any construction defect in the Home shall be entitled to enforce this arbitration agreement. The Builder and Buyer agree that this agreement and arbitration provision involve and concern interstate commerce and are governed by the provisions of the Federal Arbitration Act (9 U.S.C. §§ 1-16), to the exclusion of any different or inconsistent state or local law, ordinance or judicial rule. The arbitration agreement in the 2-10 HBW booklet is incorporated in full herein. By signing this Addendum, Buyer(s) agrees to all terms of the arbitration agreement.

The foregoing warranties are in lieu of all other warranties, express or implied, including, but not limited to, warranties of merchantability and fitness for a particular purpose. Seller shall not be liable under any circumstances for any incidental, consequential or other damages arising from or on account of, such defects for the work, and the remedies herein are expressly agreed to be exclusive. Interior decorations, furnishings, and any other model units are displayed for illustration only and are excluded from this Agreement unless otherwise set forth in the plans and specifications.

_____ Buyer _____ Date _____ Seller _____ Date
 _____ Buyer _____ Date _____ Seller _____ Date`

12. NOTICE REQUIRED BY RCW 64.50.050. Under state law (RCW Section 64.50.050) Seller is required to provide Buyer with a specified notice. That notice is printed below:

CHAPTER 64.50 RCW CONTAINS IMPORTANT REQUIREMENTS YOU MUST FOLLOW BEFORE YOU MAY FILE A LAWSUIT FOR DEFECTIVE CONSTRUCTION AGAINST THE SELLER OR BUILDER OF YOUR HOME. FORTY-FIVE DAYS BEFORE YOU FILE YOUR LAWSUIT, YOU MUST DELIVER TO THE SELLER OR BUILDER A WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS YOU ALLEGE ARE DEFECTIVE AND PROVIDE YOUR SELLER OR BUILDER THE OPPORTUNITY TO MAKE AN OFFER TO REPAIR OR PAY FOR THE DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY THE BUILDER OR SELLER. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER STATE LAW, AND FAILURE TO FOLLOW THEM MAY AFFECT YOUR ABILITY TO FILE A LAWSUIT.

13. REGARDING WARRANTY COMMUNICATION: All warranty questions or requests shall be submitted to 2-10 HBW "Frontline Warranty Service", through the 2-10 HBW Portal. Portal information will be supplied at or about closing. This includes all 1-Year Workmanship, 2-Year Systems and 10-Year Structural inquires. The warranty team will answer all questions regarding warranty coverage and provide enhanced coordination to resolve any warranty issues requested by the Buyer.

14. MOLD/MILDEW: Buyer acknowledges that Seller has endeavored to prevent mold and mildew in the home as of the date of completion. Buyer has also been advised that it will be Buyer's sole responsibility to protect the Property from mold and mildew after Buyer occupies the Property. Buyer agrees Seller will have no control over use or care of the Property, nor levels of humidity and moisture that may be allowed to exist in the Property following transfer of possession to Buyer. Accordingly, Buyer agrees Seller will not be liable for any actual, special, incidental or consequential damages based on any legal theory whatsoever, including, but not limited to, strict liability, breach of express or implied warranty, negligence or any other legal theory with respect to the presence and/or existence of molds, mildew and/or microscopic spores unless existing at the time Buyer obtains possession of the Property or unless caused by the sole negligence or willful misconduct of Seller. Except as provided in the preceding sentence, Buyer, on behalf of itself and its family members, tenant, invitees, and licensees, hereby releases Seller and Seller's officers, directors, partners, members, successors and assigns from and against any and all claims, actions, damages, causes of action, liabilities and expenses (including without limitation attorneys' fees and costs of enforcing this indemnity) for the property damage, injury or death resulting from the exposure to microscopic spores, mold and/or mildew and from any loss of resale value due to the presence and/or existence of mold, mildew and/or microscopic spores.

_____ Buyer _____ Date _____ Seller _____ Date
_____ Buyer _____ Date _____ Seller _____ Date'

15. REPRESENTATIONS AND MATERIALS AND SITE CONSIDERATIONS: Seller and Seller’s broker make no representations as to the accuracy of Lot size or the exact square footage of the home. Seller will complete the home in a professional, workman-like manner according to Standard Building Practices and Local Codes. Seller reserves the right to modify elements such as pony walls, foundation walls, footing elevations and materials depending on material availability and individual site requirements without prior written notice, and this shall not constitute a breach of this agreement. Any substituted materials will be of equal or better quality. The specification of the model home may differ from the home being purchased. Buyer acknowledges that the information on the plans and renderings represent only an approximation of the scale and dimensions designated therein. The residence as built will be substantially similar to the plan, but the residence may differ to an extent consistent with Seller’s normal practices and tolerances. Seller makes no warranties or representations relating to any work to the property prior to Seller’s ownership and does not warrant any of the subdivision conditions such as, but not limited to, roads, curbs, drainage, sewer, cable availability, internet access, telephone access, mailboxes, etc. Seller shall have sole discretion to locate the home on the homesite observing curb appeal, driveway location, drainage considerations, existing trees, utilities and topography. The area within the clearing limit shall be graded for proper drainage to an approximate finished grade using materials available on site. In clearing the homesite, it is Seller’s normal policy to save as many trees as is reasonably possible. In some cases, however, trees will be removed due to their proximity to the home, their grade relationships to the home or their undue interference with construction of the home. Seller shall have sole discretion in such matters. Seller shall have the sole discretion regarding whether wood decking or concrete is used for any front porch and/or back patio/deck. Seller shall make this determination no sooner than after the foundation is completed and the “decking” of the first floor has been built or until such time as grading work can be completed, depending on the individual Lot topography.

Insulation Values per FTC Regulations:

Wall Insulation	R-Value	R-21
Vaulted Ceiling Insulation	R-Value	R-38
Attic Insulation	R-Value	R-30

16. NO VERBAL REPRESENTATIONS: It is natural during the course of a transaction for Buyer to have questions regarding their new home. In order for Buyer to receive responsible and authoritative answers, questions shall be presented only to Seller via Seller’s broker for answers. Buyer understands and agrees that field superintendents, subcontractors, suppliers and/or Real Estate Brokers are *not authorized to make representations for Seller*. Buyer is prohibited from asking questions or giving direction on site of/to ANY of the sub-contractors, workers or employees unless prior permission has been granted by Seller or Builder. All parties hereto agree that no verbal communication shall modify the written agreement and that the full understanding shall be limited to the written agreement together with any clarification made by Seller in writing.

_____	Buyer	_____	Date	_____	Seller	_____	Date
_____	Buyer	_____	Date	_____	Seller	_____	Date

17. PRE-CLOSING ORIENTATION:

- a. **BUYER’S INSPECTION:** If this agreement is conditioned upon an inspection performed by an inspector of Buyer’s choice, then NWMLS 35 is attached. Buyer’s inspection shall be performed and any requests for action by the Seller must be presented to the Seller’s Broker no fewer than 4 days prior to the “CUSTOMER ORIENTATION MEETING.”
If the inspection identifies code deficiencies, then Seller shall have the opportunity to correct the deficiencies at Seller’s expense. Inspection results shall not constitute a legal reason to allow Buyer to void or cancel this Agreement except for code deficiencies, as defined by the *Uniform Building Code adopted by the local governmental jurisdiction and which Seller cannot or will not correct*. Although every effort will be made to complete items related to corrective action prior to closing, there are some occasions where it is not reasonably possible. However, barring any circumstances from scheduling issues beyond the Seller’s control, walk through items and/or inspection items will be taken care of within 30 days after closing. The completion of items related to corrective action (from either Buyer’s inspection or Customer Orientation) shall not affect or delay closing of this transaction.
- b. **CUSTOMER ORIENTATION MEETING:** Prior to closing, a meeting shall be scheduled (*within normal business hours*) between Buyer and Seller or Seller’s representative or Builder. This meeting should occur at least 10 business days before closing. The purpose of this orientation meeting is to familiarize the Buyer with mechanical systems, to review Warranty information and to examine and record any items that need to be repaired or completed. As an accommodation to Buyer any independent inspection performed on behalf of Buyer shall be reviewed in connection with the orientation meeting.

Selling Broker Initials _____ Buyer’s Initials _____ Buyer’s Initials

18. KEYS: Closing shall occur no earlier than five business days after customer orientation meeting unless waived by Seller, and be the date the sale has been recorded and proceeds are available to Seller. Keys will be available for Buyer to pick up after Closing Agent’s notification to Listing Agent, Seller and Builder that closing has been accomplished.

NOTE that under no circumstances does Seller grant occupancy prior to closing.

Buyer _____ Date _____ Seller _____ Date

Buyer _____ Date _____ Seller _____ Date

19. UTILITIES: Upon closing, Buyer shall assume responsibility for all utility fees and use charges of the property (from closing date forward), including but not limited to electricity, water, sewer, gas, cable, and garbage. Current vendors are:

Water:	PUD	(360) 424-7104
Garbage:	WASTE MANAGEMENT	(800) 592-9995
Recycling/Yard Waste:	WASTE MANAGEMENT	(800) 592-9995
Electricity:	PUGET SOUND ENERGY	(888) 225-5773
Propane:	SKAGIT FARMERS SUPPLY CO-OP	(888) 757-6053
Cable, TV, Internet and Phone:	WAVE	(866) 928-3123

20. BUYER ON SITE: Due to Safety Codes and concerns. *Buyer may visit the home under construction only if they are accompanied by their Real Estate Broker. Builder and Seller request that Buyers visit the home after 5:00 p.m. or on the weekend when construction is not actually in progress.* Builder, Seller and Seller’s Broker or representatives are hereby held harmless for any injuries sustained by Buyer and/or Buyer’s representatives and/or guests while on the property. In addition, Buyer shall be responsible for any damage done or loss of property and/or material during visit.

21. NWMLS FORM NO. 17: State law (RCW Chapter 64.06) requires that the Seller provide a Real Property Transfer Disclosure Statement (commonly known as a Form 17) to the Buyer. Seller’s Real Property Transfer Disclosure Statement (the “Statement”) may reflect that Seller doesn’t know the answers to some of the questions on that Statement. In any case, Buyer should investigate, to Buyer’s complete satisfaction, all issues addressed in the Statement and all other issues that may be of interest to Buyer regarding the Improvements, the Property, and its surroundings. These issues may include, among others, pending or future building or other land use actions in the area, zoning laws, environmental and neighborhood issues, condition of the Property and all Improvements to the parcel on which the Property sits, Improvements and any other issues which may affect Buyer’s interest in, purchase of and/or intended use of the Improvements and/or Property. Buyer agrees to use the three day right of rescission period contained within RCW Chapter 64.06 to investigate all of these matters. Buyer further agrees that, upon Buyer’s waiver of the right to rescind this transaction consistent with RCW Chapter 64.06, Buyer will be conclusively deemed to have investigated and accepted all of these matters to Buyer’s satisfaction.

22. ADJACENT PROPERTY: Seller owns the land to the west of the Plat of Cascade Highlands-Phase 1 and 3 –PL96-0058. More specifically, west of lots 1, 2, 3 and 38. This property consists of 6 individual building lots. Seller intends to build homes on these lots or sell the lots for purposes of new home construction.

_____	Buyer	_____	Date	_____	Seller	_____	Date
_____	Buyer	_____	Date	_____	Seller	_____	Date

23. FUTURE DEVELOPMENT: Seller owns the property referred to as Tract C within the Plat of Cascade Highlands-Phase 1 and 3- PL96-0058. More specifically, west of lots 24-27, 29 30 and north of lots 31-38. Tract C is reserved for future development and Seller intends to complete permitted construction of the extension of Horizon View Dr and 17 additional building lots. Buyer acknowledges Seller’s plans to continue development within the Plat of Cascade Highlands-Phase 1 and 3 –PL96-0058, specifically Tract C, and agrees not to interfere in Seller’s construction efforts or processing and recording of planned building lots through Skagit County.

24. FACSIMILE AND E-MAIL TRANSMISSION: All parties agree the email and/or facsimile transmission of any signed original document, and retransmission of any signed email or facsimile transmission, shall be the same as delivery of an original.

Seller’s (Listing) Broker: **Bruce Lystad** / John L Scott Mill Creek Town Center
Homes NW Inc
15522 Main Street, Suite P104
Mill Creek, WA 98012

Contact: *Bruce Lystad*, Cell: (206) 750-7006 / Brucelystad@gmail.com

25. REGARDING THE “COVENANTS, CONDITIONS, AND RESTRICTIONS, for Plat of Cascade Highlands-Phase 1 and 3 – PL96-0058 Auditors File 201904190033, 201908020044 and 202201210110:

Prior to, or upon Mutual Acceptance of this agreement, Buyer is advised to review these and other documents, including but not limited to survey maps, Covenant, Conditions, Restrictions, Reservations, and Reciprocal Access and Utilities Easement, which may be recorded against the title of this property. It is Buyer’s sole responsibility to obtain copies of these documents (available from *Chicago Title Insurance Company* see page 1, #1]) and may be provided by Listing Broker. Buyer hereby acknowledges receipt of a copy of the Amended and Restated Covenants, Conditions, and Restrictions.

- a. Working Capital Assessment – Buyer will be required to pay a one-time Working Capital Assessment at closing of \$250.00.
- b. Initial Reserve Account Contribution – Buyer will be required to pay a one-time Initial Reserve Account Contribution at closing of \$500.00.

_____	Buyer	_____	Date	_____	Seller	_____	Date
_____	Buyer	_____	Date	_____	Seller	_____	Date

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All parties certify that this original document has not been modified or changed from the original, as published by Seller, Builder or Listing Broker except as may be handwritten, specifically referenced, and agreed upon by all parties.

Buyer's Signature Date

Buyer's Signature Date

Seller's Signature Date
Lake 16, LLC

Authentisign
Bruce D Lystad BDL
Authentisign
01/23/24

Selling Broker Date

Listing Broker Date

_____ Buyer _____ Date _____ Seller _____ Date
_____ Buyer _____ Date _____ Seller _____ Date

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Exhibit A

2-10 HOME BUYERS WARRANTY BOOKLET

Warranty booklet is at www.lake16offer.com

____ Buyer _____ Date _____ Seller _____ Date
____ Buyer _____ Date _____ Seller _____ Date



Exhibit "A" - Legal Description

Legally described as Lot 10 of Lots 1 through 38, inclusive, and Tracts A through D, inclusive, of Plat of Cascade Highlands-Phase 1 and 3 - PL96-0058, according to the plat thereof recorded under Auditor's File No 201904190032, records of Skagit County, Washington. Situate in Skagit County, Washington

Buyer

Date

Buyer

Date

Seller

Date

Seller

Date



Landscape Maintenance Orientation

As part of my home inspection walk, I have reviewed my landscaping and understand the following:

- *Natural Concepts Landscape Co., Inc.* (“Landscape Contractor”) installed the landscaping to your unit. Warranty for your landscaping will be provided by the Landscape Contractor for period of (30) days from occupancy/closing date. You will be responsible for maintenance of the landscaping to your unit in accordance the “*Landscape Rules*” adopted by the Homeowners Association upon closing.
- The Buyer accepts the landscaping at the time of the “*Homeowners Orientation Inspection*”. Any dead or sickly plants, must me noted in writing, at this time.
- The Buyer must provide the Landscape Contractor a list, *in writing*, of any other dead or sickly plants at the end of the (30) day warranty period. The Landscape Contractor does not warranty the landscaping after the warranty period, nor does he warranty any unforeseen natural earth conditions, i.e. abnormal soils conditions, land erosion, native trees, etc.

Natural Concepts Landscape Company, Inc.
 5019 156th St. SE
 Bothell, WA 98012

Attn: _____
 (425) 743-2942

- Irrigation is not provided to the individual homes of Lake 16. You are responsible for watering all plants, lawns, and hydro seeded areas upon closing.

		Distribution: Homeowner
Buyer/ Homeowner Signature	Date	

		Natural Concepts Builder Lot File
Lake 16, LLC Representative	Date	



EXHIBIT "C" - AGENCY LAW

This 4 page pamphlet describes your legal rights in dealing with a real estate firm or broker.



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 discusses a real estate broker's duties to the seller/buyer and a buyer/seller. Detailed and complete information about real estate brokerage relationships is available in Chapter 18.06 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 18.06 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.

Agency Relationship

In an agency relationship, a broker is referred to as an "agent" and the seller/buyer and buyer/seller is referred to as the "principal." For simplicity, this pamphlet often includes landlord and tenant relationships.

For Sellers

A real estate firm and broker must enter into a written services agreement with a seller to establish an agency relationship. The firm will then appoint one or more brokers to be agents of the seller. The firm's designated broker, and any managing broker, and any managing broker responsible for the supervision of those brokers are also agents of the seller.

For Buyers

A real estate firm and broker(s) who perform real estate brokerage services for a buyer establish an agency relationship by performing those services. The firm's designated broker and any managing broker responsible for the supervision of that broker are also agents of the buyer. If a written services agreement between the buyer and the firm must be entered into before, or as soon as reasonably practical after, a broker begins rendering real estate brokerage services to the buyer.

For both Buyer and Seller - as a Limited Dual Agent

A limited dual agent provides limited representation to both the buyer and the seller in a transaction. Limited dual agents receive the consent of each principal in a written services agreement and may occur in two situations: (1) when the buyer and the seller are represented by the same broker, or when the broker, designee and broker, and any managing broker responsible for the supervision of that broker are also limited dual agents; and (2) when the buyer and the seller are represented by different brokers in the same firm, in which case each broker solely represents the principal the broker was appointed to represent, but the broker's designated broker and any managing broker responsible for the supervision of those brokers are limited dual agents.

Duration of Agency Relationship

Once established, an agency relationship continues until the earliest of the following:

1. Completion of performance by the broker;
2. Expiration of the terms agreed upon by the parties;
3. Termination of the relationship by mutual agreement of the parties; or
4. Termination of the relationship by notice from either party to the other. However, such a termination does not affect the contractual rights of either party.

Written Services Agreement

A written services agreement between the firm and principal must contain the following:

1. The term (duration) of the agreement;
2. Name of the broker(s) appointed to act as an agent for the principal;
3. Whether the agency relationship is exclusive (which does not allow the principal to enter into an agency relationship with another firm during the term) or nonexclusive (which allows the principal to enter into an agency relationship with multiple firms at the same time);
4. Whether the principal consents to limited dual agency;
5. The terms of compensation;
6. An agreement with a buyer, whether the broker agrees to show a property when there is no agreement of offer by any party or firm to pay compensation to the broker's firm, and
7. Any other agreements between the parties.

A Broker's Duties to All Parties

A broker owes the following duties to all parties in a transaction:

1. To exercise reasonable skill and care;
2. To deal honestly and in good faith;
3. To timely present all written offers, written notices, and other written communications to and from either party;
4. To disclose all existing material facts known by the broker and not apparent or readily ascertainable by a party. A material fact includes information that substantially adversely affects the value of the property or a party's ability to perform its obligations in a transaction, or appears to materially impact or defeat the purpose of the transaction. However, a broker does not have any duty to investigate matters that the broker has not agreed to investigate;
5. To account in a timely manner for all money and property received from or on behalf of either party;
6. To provide this pamphlet to all parties to which the broker renders real estate brokerage services and to any unrepresented party;
7. To disclose in writing who the broker represents; and
8. To disclose in writing any terms of compensation offered by a party to a real estate firm's real estate firm representing another party.

A Broker's Duties to the Buyer or Seller

A broker owes the following duties to their principal (either the buyer or seller):

1. To be loyal to their principal by being to act in their best interest or detriment to the other principal in a transaction;
2. To timely disclose to their principal any conflicts of interest;
3. To advise their principal to seek expert advice on matters relating to the transaction that are beyond the broker's expertise;
4. To not disclose any confidential information from or about their principal; and
5. To make a good faith and continuous effort to find a property for the buyer or to find a buyer for the seller's property, until the principal has entered a contract for the purchase or sale of property or as agreed otherwise in writing.

Limited Dual Agent Duties

A limited dual agent may not disclose terms favorable to one principal to the detriment of the other principal. A broker acting as a limited dual agent, owes the following duties to both the buyer and seller:

1. To take no action that is adverse or detrimental to either principal's interest in a transaction;
2. To timely disclose to both principals any conflicts of interest;
3. To advise both principals to seek expert advice on matters relating to the transaction that are beyond the limited dual agent's expertise;
4. To not disclose any confidential information from or about either principal; and
5. To make a good faith and continuous effort to find a property for the buyer and to find a buyer for the seller's property, until the principals have entered a contract for the purchase or sale of property or as agreed otherwise in writing.

Compensation

In any real estate transaction, a firm's compensation may be paid by the seller, the buyer, a third party, or by sharing the compensation between firms. To receive compensation from any party, a firm must have a written services agreement with that party for firm's services to provide a "Compensation Disclosure" to the buyer in a transaction for commercial real estate.

A written agreement must contain the following regarding compensation:

1. The amount the principal agrees to compensate the firm for broker's services as an agent or limited dual agent;
2. The principal's consent, if any, and any terms of such consent, to compensation sharing between firms and parties; and
3. The principal's consent, if any, and any terms of such consent, to compensation of the firm by more than one party.

Short Sales

A "short sale" is a transaction where the seller's proceeds from the sale are insufficient to cover seller's obligations on closing (e.g., the seller's outstanding mortgage is greater than the sale price). If a sale is a short sale, the seller's real estate firm must disclose to the seller that the decision by any beneficiary of mortgage to release its interest in the property for less than the amount the seller owes to allow the sale to proceed, does not automatically relieve the seller of the obligation to pay any debt of costs resulting or accruing, including real estate firm's compensation.



Buyer: _____ Date: _____

Buyer: _____ Date: _____

**SELLER DISCLOSURE STATEMENT
IMPROVED PROPERTY**

SELLER: Lake 16 LLC.

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 Lots 1-38 Phase I, CITY Mount Vernon,

STATE WA, ZIP 98274, COUNTY Skagit ("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.

	YES	NO	DON'T KNOW	N/A
1. TITLE				
A. Do you have legal authority to sell the property? If no, please explain.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*B. Is title to the property subject to any of the following?				
(1) First right of refusal	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) Option	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(3) Lease or rental agreement	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(4) Life estate?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*C. Are there any encroachments, boundary agreements, or boundary disputes?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*D. Is there a private road or easement agreement for access to the property?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*E. Are there any rights-of-way, easements, or access limitations that may affect the Buyer's use of the property?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*F. Are there any written agreements for joint maintenance of an easement or right-of-way?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*G. Is there any study, survey project, or notice that would adversely affect the property?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*H. Are there any pending or existing assessments against the property?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*I. Are there any zoning violations, nonconforming uses, or any unusual restrictions on the property that would affect future construction or remodeling?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



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SELLER'S INITIALS

Date

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SELLER DISCLOSURE STATEMENT IMPROVED PROPERTY

(Continued)

YES NO DON'T KNOW N/A 54

- *J. Is there a boundary survey for the property? 55
- *K. Are there any covenants, conditions, or restrictions recorded against the property? 56

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. 58
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2. WATER 63

A. Household Water 64

- (1) The source of water for the property is: Private or publicly owned water system 65
 Private well serving only the subject 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
69
- *(3) Are there any problems or repairs needed? 70
- (4) During your ownership, has the source provided an adequate year-round supply of potable water? .. 71
If no, please explain: _____ 72
- *(5) Are there any water treatment systems for the property? 73
If yes, are they: Leased Owned 74
- *(6) Are there any water rights for the property associated with its domestic water supply, such as a water right permit, certificate, or claim? 75
76
(a) If yes, has the water right permit, certificate, or claim been assigned, transferred, or changed? 77
*(b) If yes, has all or any portion of the water right not been used for five or more successive years? 78
- *(7) Are there any defects in the operation of the water system (e.g. pipes, tank, pump, etc.)? 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
82
- *(a) If yes, has all or any portion of the water right not been used for five or more successive years? 83
84
- *(b) If so, is the certificate available? (If yes, please attach a copy.) 85
- *(c) If so, has the water right permit, certificate, or claim been assigned, transferred, or changed? ... 86
- *(2) Does the property receive irrigation water from a ditch company, irrigation district, or other entity? 87
If so, please identify the entity that supplies water to the property: _____ 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
_____ 101



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**SELLER DISCLOSURE STATEMENT
IMPROVED PROPERTY**

(Continued)

	YES	NO	DON'T KNOW	N/A	
*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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	102 103 104
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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	106 107
(2) When was it last pumped? <u>New System</u>					108
*(3) Are there any defects in the operation of the on-site sewage system?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	109
(4) When was it last inspected?			<input type="checkbox"/>	<input checked="" type="checkbox"/>	110
By whom: <u>New Septic System</u>					111
(5) For how many bedrooms was the on-site sewage system approved? <u>4 +/-</u> bedrooms			<input type="checkbox"/>	<input type="checkbox"/>	112
E. Are all plumbing fixtures, including laundry drain, connected to the sewer/on-site sewage system?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	113 114
If no, please explain:					115
*F. Have there been any changes or repairs to the on-site sewage system?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	116
G. Is the on-site sewage system, including the drainfield, located entirely within the boundaries of the property?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	117 118
If no, please explain: <u>See Site Plan. Some are within the boundries, some are not</u>					119
*H. Does the on-site sewage system require monitoring and maintenance services more frequently than once a year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	120 121

NOTICE: IF THIS RESIDENTIAL REAL PROPERTY DISCLOSURE IS BEING COMPLETED FOR NEW CONSTRUCTION WHICH HAS NEVER BEEN OCCUPIED, SELLER IS NOT REQUIRED TO COMPLETE THE QUESTIONS LISTED IN ITEM 4 (STRUCTURAL) OR ITEM 5 (SYSTEMS AND FIXTURES). 122
123
124

4. STRUCTURAL 125

*A. Has the roof leaked within the last 5 years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	126
*B. Has the basement flooded or leaked?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	127
*C. Have there been any conversions, additions or remodeling?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	128
*(1) If yes, were all building permits obtained?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	129
*(2) If yes, were all final inspections obtained?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	130
D. Do you know the age of the house?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	131
If yes, year of original construction:					132
*E. Has there been any settling, slippage, or sliding of the property or its improvements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	133
*F. Are there any defects with the following: (If yes, please check applicable items and explain)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	134
<input type="checkbox"/> Foundations	<input type="checkbox"/> Decks	<input type="checkbox"/> Exterior Walls			135
<input type="checkbox"/> Chimneys	<input type="checkbox"/> Interior Walls	<input type="checkbox"/> Fire Alarms			136
<input type="checkbox"/> Doors	<input type="checkbox"/> Windows	<input type="checkbox"/> Patio			137
<input type="checkbox"/> Ceilings	<input type="checkbox"/> Slab Floors	<input type="checkbox"/> Driveways			138
<input type="checkbox"/> Pools	<input type="checkbox"/> Hot Tub	<input type="checkbox"/> Sauna			139
<input type="checkbox"/> Sidewalks	<input type="checkbox"/> Outbuildings	<input type="checkbox"/> Fireplaces			140
<input type="checkbox"/> Garage Floors	<input type="checkbox"/> Walkways	<input type="checkbox"/> Siding			141
<input type="checkbox"/> Wood Stoves	<input type="checkbox"/> Elevators	<input type="checkbox"/> Incline Elevators			142
<input type="checkbox"/> Stairway Chair Lifts	<input type="checkbox"/> Wheelchair Lifts	<input type="checkbox"/> Other _____			143
*G. Was a structural pest or "whole house" inspection done?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	147
I. Is the attic insulated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	148
J. Is the basement insulated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	149

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SELLER'S INITIALS

Date


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**SELLER DISCLOSURE STATEMENT
IMPROVED PROPERTY**

(Continued)

	YES	NO	DON'T KNOW	N/A	150
5. SYSTEMS AND FIXTURES					151
*A. If any of the following systems or fixtures are included with the transfer, are there any defects? If yes, please explain: _____					152 153
Electrical system, including wiring, switches, outlets, and service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	154
Plumbing system, including pipes, faucets, fixtures, and toilets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	155
Hot water tank	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	156
Garbage disposal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	157
Appliances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	158
Sump pump	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	159
Heating and cooling systems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	160
Security system: <input type="checkbox"/> Owned <input type="checkbox"/> Leased	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	161
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	162
*B. If any of the following fixtures or property is included with the transfer, are they leased? (If yes, please attach copy of lease.)					163 164
Security System: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	165
Tanks (type): _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	166
Satellite dish: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	167
Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	168
*C. Are any of the following kinds of wood burning appliances present at the property?					169
(1) Woodstove?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	170
(2) Fireplace insert?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	171
(3) Pellet stove?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	172
(4) Fireplace?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	173
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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	174 175
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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	176 177
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.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	178 179
F. Is the property equipped with smoke detection devices?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	180
(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.)					181 182
G. Does the property currently have internet service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	183
Provider: _____					184
6. HOMEOWNERS' ASSOCIATION/COMMON INTERESTS					185
A. Is there a Homeowners' Association?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	186
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: <u>CascadeHighlands@Lake16 HOA</u>					187 188 189
B. Are there regular periodic assessments?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	190
\$ <u>101.00</u> per <input checked="" type="checkbox"/> month <input type="checkbox"/> year					191
<input checked="" type="checkbox"/> Other: <u>Blue Mountain Management (503) 332-2047</u>					192
*C. Are there any pending special assessments?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	193
*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)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	194 195 196
7. ENVIRONMENTAL					197
*A. Have there been any flooding, standing water, or drainage problems on the property that affect the property or access to the property?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	198 199
*B. Does any part of the property contain fill dirt, waste, or other fill material?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	200
*C. Is there any material damage to the property from fire, wind, floods, beach movements, earthquake, expansive soils, or landslides?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	201 202
D. Are there any shorelines, wetlands, floodplains, or critical areas on the property?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	203
*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?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	204 205 206
*F. Has the property been used for commercial or industrial purposes?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	207

 03/06/23
SELLER'S INITIALS Date

SELLER'S INITIALS Date

**SELLER DISCLOSURE STATEMENT
IMPROVED PROPERTY**

(Continued)

II. NOTICES TO THE BUYER

1. SEX OFFENDER REGISTRATION

INFORMATION REGARDING REGISTERED SEX OFFENDERS MAY BE OBTAINED FROM LOCAL LAW ENFORCEMENT AGENCIES. THIS NOTICE IS INTENDED ONLY TO INFORM YOU OF WHERE TO OBTAIN THIS INFORMATION AND IS NOT AN INDICATION OF THE PRESENCE OF REGISTERED SEX OFFENDERS.

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2. PROXIMITY TO FARMING/WORKING FOREST

THIS NOTICE IS TO INFORM YOU THAT THE REAL PROPERTY YOU ARE CONSIDERING FOR PURCHASE MAY LIE IN CLOSE PROXIMITY TO A FARM OR WORKING FOREST. THE OPERATION OF A FARM OR WORKING FOREST INVOLVES USUAL AND CUSTOMARY AGRICULTURAL PRACTICES OR FOREST PRACTICES, WHICH ARE PROTECTED UNDER RCW 7.48.305, THE WASHINGTON RIGHT TO FARM ACT.

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3. OIL TANK INSURANCE

THIS NOTICE IS TO INFORM YOU THAT IF THE REAL PROPERTY YOU ARE CONSIDERING FOR PURCHASE UTILIZES AN OIL TANK FOR HEATING PURPOSES, NO COST INSURANCE MAY BE AVAILABLE FROM THE POLLUTION LIABILITY INSURANCE AGENCY.

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III. BUYER'S ACKNOWLEDGEMENT

1. BUYER HEREBY ACKNOWLEDGES THAT:

- 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 utilizing diligent attention and observation.
- B. The disclosures set forth in this statement and in any amendments to this statement are made only by the Seller and not by any real estate licensee or other party.
- C. Buyer acknowledges that, pursuant to RCW 64.06.050(2), real estate licensees are not liable for inaccurate information provided by Seller, except to the extent that real estate licensees know of such inaccurate information.
- D. This information is for disclosure only and is not intended to be a part of the written agreement between the Buyer and Seller.
- E. Buyer (which term includes all persons signing the "Buyer's acceptance" portion of this disclosure statement below) has received a copy of this Disclosure Statement (including attachments, if any) bearing Seller's signature(s).
- F. If the house was built prior to 1978, Buyer acknowledges receipt of the pamphlet *Protect Your Family From Lead in Your Home*.

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DISCLOSURES CONTAINED IN THIS DISCLOSURE STATEMENT ARE PROVIDED BY SELLER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE. UNLESS BUYER AND SELLER OTHERWISE AGREE IN WRITING, BUYER SHALL HAVE THREE (3) BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A SALE AGREEMENT.

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BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS DISCLOSURE STATEMENT AND ACKNOWLEDGES THAT THE DISCLOSURES MADE HEREIN ARE THOSE OF THE SELLER ONLY, AND NOT OF ANY REAL ESTATE LICENSEE OR OTHER PARTY.

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Buyer Date Buyer Date

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2. BUYER'S WAIVER OF RIGHT TO REVOKE OFFER

Buyer has read and reviewed the Seller's responses to this Seller Disclosure Statement. Buyer approves this statement and waives Buyer's right to revoke Buyer's offer based on this disclosure.

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Buyer Date Buyer Date

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3. BUYER'S WAIVER OF RIGHT TO RECEIVE COMPLETED SELLER DISCLOSURE STATEMENT

Buyer has been advised of Buyer's right to receive a completed Seller Disclosure Statement. Buyer waives that right. However, if the answer to any of the questions in the section entitled "Environmental" would be "yes," Buyer may not waive the receipt of the "Environmental" section of the Seller Disclosure Statement.

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Buyer Date Buyer Date

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Authentisign
LH 03/06/23

SELLER'S INITIALS Date SELLER'S INITIALS Date