

1 THE HONORABLE TIMOTHY W. DORE
2 Hearing Date: October 7, 2016
3 Hearing Time: 9:30 am
4 Hearing Location: Seattle
5 Response Date: September 30, 2016
6 Chapter 11

7
8 THE UNITED STATES BANKRUPTCY COURT FOR THE
9 WESTERN DISTRICT OF WASHINGTON AT SEATTLE

10 In re

11 NEAL C. COY,

12 Debtor.

Case No. 13-20960

MOTION TO SELL BIG ROCK 40 4.16
ACRE PARCEL

13 COMES NOW Neal C. Coy, the Debtor herein, by and through his attorneys of record,
14 Wells and Jarvis, P.S., and hereby moves the Court for entry of an order authorizing him to sell
15 a parcel of real estate, specifically the 4.16 acre lot which is one of two properties collectively
16 known as Big Rock 40, which is identified by King County tax assessor number 2926079051
17 (hereinafter, "the Property").

18
19 The proposed details of the sale are set forth in the accompanying declaration of Neal
20 Coy and the exhibits attached thereto, including the proposed purchase and sale agreement. As
21 detailed in the declaration, the property was marketed and listed, and the deal was negotiated at
22 arms-length with a previously unknown buyer.

23
24 As detailed on the declaration and accompanying proposed order, Debtor proposes to
25 pay, after payment of the various costs of sale, the sale proceeds to SMN, LLC, which holds a
26 deed of trust secured on both Big Rock 40 parcels. Because the proposed sale price of \$150,000

27 MOTION TO APPROVE SALE - 1

WELLS AND JARVIS, P.S.
502 Logan Building
500 Union Street
Seattle, WA 98101-2332
206-624-0088 Fax 206-624-0086

1 is less than the \$350,000 balance owed to SMN, LLC, there will be no funds available to pay
2 junior lienholders, i.e. the City of Duvall and the Internal Revenue Service. As detailed in
3 Debtor's plan, however, these lienholders are secured on other assets, including Debtor's two
4 other investment properties which are subject to annexation and a court-approved option and
5 sale agreement with Quadrant Homes. While the exact values to be generated from the Option
6 Agreements with Quadrant Homes are not yet known, it is anticipated that significant proceeds
7 will be generated to pay toward the junior lienholders.
8

9 Debtor's confirmed Chapter 11 plan retained jurisdiction over the real properties as
10 necessary "to enable the Debtor to consummate any and all proceedings which may be brought
11 prior to or subsequent to the Order of Confirmation," including "to avoid or set aside liens or
12 encumbrances." See page 15, lines 2-4 of the confirmed plan at docket number 118. The
13 confirmed plan also contemplated Debtor's ability to file motions to approve sale pursuant to
14 11 U.S.C. § 363(f). See page 12, line 17 of the confirmed plan at docket number 118.
15

16 Debtor's plan requires that the two Big Rock 40 parcels be sold within 2 years of the
17 effective date or else SMN, LLC or another secured lienholder may commence foreclosure
18 proceedings. See page 8, line 14 of the confirmed plan at docket number 118. This deadline
19 expires after March 26, 2017. Sale of the Property will benefit the junior lienholders by
20 allowing payment toward the balance of SMN, LLC, potentially freeing up some value in the
21 other Big Rock 40 parcel.
22

23 If Debtor does not sell this parcel before the deadline and SMN, LLC foreclosed, the
24 junior lienholders would most likely be extinguished due to lack of equity in the Property.
25 Where judicial and nonjudicial foreclosures are available to "clear junior lienholders'
26 interests," such that "their liens attach to proceeds in excess of the costs of sale and the
27

Form 25
Vacant Land Purchase & Sale
Rev. 7/15
Page 1 of 5

VACANT LAND PURCHASE AND SALE AGREEMENT SPECIFIC TERMS

©Copyright 2015
Northwest Multiple Listing Service
ALL RIGHTS RESERVED

- Date: August 30, 2016 MLS No.: 941143 Offer Expiration Date: 09/11/2016
- Buyer: Jay L. Vernon Lynn Vernon A married couple
Buyer Buyer Status
- Seller: Hurtt Coy Seller
Seller Seller
- Property: Tax Parcel No(s): 2926079051 (King County)
298xx NE Big Rock Rd Duvall Wa 98019
Address City State Zip
Legal Description: Attached as Exhibit A.
- Purchase Price: \$ 150,000.00 One Hundred Fifty Thousand Dollars
- Earnest Money: \$ 2,500.00 Check; Note; Other _____ (held by Selling Firm; Closing Agent)
- Default: (check only one) Forfeiture of Earnest Money; Seller's Election of Remedies
- Title Insurance Company: WFG National Title Company of WA
- Closing Agent: a qualified closing agent of Buyer's choice; CW Title
- Closing Date: 10/15/2016 Possession Date: on Closing; Other _____
- Services of Closing Agent for Payment of Utilities: Requested (attach NWMLS Form 22K); Waived
- Charges/Assessments Levied Before but Due After Closing: assumed by Buyer; prepaid in full by Seller at Closing
- Seller Citizenship (FIRPTA): Seller is; is not a foreign person for purposes of U.S. income taxation
- Subdivision: The Property: must be subdivided before _____; is not required to be subdivided
- Feasibility Contingency Expiration Date: _____ days after mutual acceptance; Other _____
- Agency Disclosure: Selling Broker represents: Buyer; Seller; both parties; neither party
Listing Broker represents: Seller; both parties
- Addenda: 22G(Farm Disclosure) 34(Addendum)

[Signature] 9/8/16 Date
Buyer's Signature

[Signature] 9/8/16 Date
Buyer's Signature

7521 232nd Ave NE
Buyer's Address

Redmond Wa 98053
City, State, Zip

(425) 802-4103
Phone No.

lynn@lynnvernon.com
Buyer's E-mail Address

RE/MAX Integrity 2885
Selling Firm MLS Office No.

Janey Ullman 40080
Selling Broker (Print) MLS LAG No.

(425) 433-6434
Phone No.

office@remax-integrity.com
Selling Firm Document E-mail Address

janeyullman@remax.net
Selling Broker's E-mail Address

75121 24232
Selling Broker DOL License No. Selling Firm DOL License No.

Authentisign
Carl Hurtt 09/08/2016 Date
Seller's Signature

Neal Coy 09/08/2016 Date
Seller's Signature

Barbara Hurtt 09/08/2016 Date
Seller's Signature

Duvall Wa 98019
City, State, Zip

(425) 829-3876
Phone No.

katie@jcecs.com
Seller's E-mail Address

The Irwin Group 4926
Listing Firm MLS Office No.

katie@jcecs.com 13474
Listing Broker (Print) MLS LAG No.

(425) 788-3414 (425) 788-3488
Phone No. Firm Fax No.

info@theirwingroup.com
Listing Firm Document E-mail Address

katie@jcecs.com
Listing Broker's E-mail Address

2761 9467
Listing Broker DOL License No. Listing Firm DOL License No.

VACANT LAND PURCHASE AND SALE AGREEMENT
GENERAL TERMS

Continued

- 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.
 - b. **Earnest Money.** Buyer shall deliver the Earnest Money within 2 days after mutual acceptance to Selling Broker or to Closing Agent. If Buyer delivers the Earnest Money to Selling Broker, Selling Broker will deposit any check to be held by Selling Firm, or deliver any Earnest Money to be held by Closing Agent, within 3 days of receipt or mutual acceptance, whichever occurs later. If the Earnest Money is held by Selling Firm and is over \$10,000.00 it shall be deposited into an interest bearing trust account in Selling 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 Selling Firm for bank charges and fees in excess of the interest earned, if any. If the Earnest Money held by Selling Firm is over \$10,000.00 Buyer has the option to require Selling 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 Selling 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. Selling 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 Selling 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, 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 Selling Firm holding the Earnest Money. The parties authorize the party commencing an interpleader action to deduct up to \$500.00 for the costs thereof.
- c. **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. 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. If the Property has been short platted, the Short Plat number is in the Legal Description.
 - d. **Title Insurance.** Seller authorizes Buyer's lender or Closing Agent, at Seller's expense, to apply for the then-current ALTA form of standard form owner's policy of title insurance 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. The Title Insurance Company shall send a copy of the preliminary commitment to Seller, Listing Broker, Buyer and Selling Broker. The preliminary commitment, and the title policy to be issued, shall contain no exceptions other than the General Exclusions and Exceptions in said standard form 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.
 - e. **Closing and Possession.** This sale shall be closed by the Closing Agent on the Closing Date. "Closing" means the date on which all documents are recorded and the sale proceeds are available to Seller. 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

<u> </u>	<u>08/30/2016</u>	<u> </u>	<u>08/30/2016</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Buyer's Initials	Date	Buyer's Initials	Date	Seller's Initials	Date	Seller's Initials	Date

MCC 9/6/2016
 [Signature] 9/7/2016

VACANT LAND PURCHASE AND SALE AGREEMENT
GENERAL TERMS
Continued

©Copyright 2015
Northwest Multiple Listing Service
ALL RIGHTS RESERVED

county recording office is closed. 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 entitled to possession. 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.

f. **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.

g. **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 report, appraisal charge and lender's title insurance, unless provided otherwise in this Agreement. If any payments are 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 charges, including unbilled charges. Unless waived in Specific Term No. 11, 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 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, but becoming due after Closing shall be paid as agreed in Specific Term No.12.

h. **Sale Information.** Listing Broker and Selling 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 Selling Broker, on request, any and all information and copies of documents concerning this sale.

i. **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. 13 is correct. Seller shall execute a certification (NWMLS Form 22E or equivalent) under the Foreign Investment in Real Property Tax Act ("FIRPTA") at Closing and provide the certification to the Closing Agent. 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.

j. **Notices.** In consideration of the license to use this and NWMLS's companion forms and for the benefit of the Listing Broker and the Selling Broker as well as the orderly administration of the offer, counteroffer or this agreement, the parties irrevocably agree that unless otherwise specified in this Agreement, any notice required or permitted in, or 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 given 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 given only when the notice is received by Buyer, by Selling Broker or at the licensed office of Selling Broker. Receipt by Selling Broker of a Form 17 or 17C (whichever is applicable), Public Offering Statement or Resale Certificate, homeowners' association documents provided pursuant to NWMLS Form 22D, or a preliminary commitment for title insurance provided pursuant to NWMLS Form 22T shall be deemed receipt by Buyer. Selling Broker and Listing Broker have no responsibility to advise of receipt of a notice beyond either phoning the party or causing a copy of the notice to be delivered to the party's address shown on this Agreement. Buyer and Seller must keep Selling Broker and Listing Broker advised of their whereabouts in order to receive prompt notification of receipt of a notice.

k. **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, 118

Buyer's Initials: AV Date: 08/30/2016
Buyer's Initials: EV Date: 08/30/2016

Seller's Initials: MCC Date: 9/16/2016
Seller's Initials: GA Date: 9-16-16
Seller's Initials: AA Date: 7/7/2016

VACANT LAND PURCHASE AND SALE AGREEMENT
GENERAL TERMS

Continued

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. 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.

- l. **Facsimile or E-mail Transmission.** Facsimile transmission of any signed original document, and retransmission of any signed facsimile transmission, shall be the same as delivery of an original. At the request of either party, or the Closing Agent, the parties will confirm facsimile transmitted signatures by signing an original document. E-mail transmission of any signed original document or a direct link to such document, and retransmission of any such e-mail, shall be the same as delivery of an original, provided that the e-mail is sent to both Selling Broker and Selling Firm or both Listing Broker and Listing Firm at the e-mail addresses on page one of this Agreement. At the request of either party, or the Closing Agent, the parties will confirm e-mail transmitted signatures by signing an original document.
- 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.
- 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.
- 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. 7, shall apply:
 - 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.
 - 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.
- 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 the prevailing party is entitled to reasonable attorneys' fees and expenses.
- q. **Offer.** Buyer shall purchase the Property under the terms and conditions of this Agreement. Seller shall have until 9:00 p.m. on the Offer Expiration Date to accept this offer, unless sooner withdrawn. Acceptance shall not be effective until a signed copy is received by Buyer, by Selling Broker or at the licensed office of Selling Broker. If this offer is not so accepted, it shall lapse and any Earnest Money shall be refunded to Buyer.
- r. **Counteroffer.** Any change in the terms presented in an offer or counteroffer, other than the insertion of the Seller's name and the 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. If the counteroffer is not so accepted, it shall lapse and any Earnest Money shall be refunded to Buyer.
- 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.
- t. **Agency Disclosure.** Selling Firm, Selling Firm's Designated Broker, Selling Broker's Branch Manager (if any) and Selling Broker's Managing Broker (if any) represent the same party that Selling Broker represents. Listing Firm, Listing 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. If Selling Broker and Listing Broker are different persons affiliated with the same Firm, then both Buyer and Seller confirm their consent to Designated Broker, Branch Manager (if any), and Managing Broker (if any) representing both parties as dual agents. If Selling Broker and Listing Broker are the same person representing both parties then both Buyer and Seller confirm their consent to that person and his/her Designated Broker, Branch Manager (if any), and Managing Broker (if any) representing both parties as dual agents. All parties acknowledge receipt of the pamphlet entitled "The Law of Real Estate Agency."

Buyer's Initials: lv Date: 08/30/2016

Buyer's Initials: lv Date: 08/30/2016

Seller's Initials: MCC Date: 9/6/2016
Seller's Initials: BA Date: 9-6-16
Seller's Initials: AA Date: 9/7/2016

VACANT LAND PURCHASE AND SALE AGREEMENT
GENERAL TERMS

Continued

u. **Commission.** Seller and Buyer shall pay a commission in accordance with any listing or commission agreement to which they are a party. The Listing Firm's commission shall be apportioned between Listing Firm and Selling Firm as specified in the listing. Seller and Buyer hereby consent to Listing Firm or Selling Firm receiving compensation from more than one party. Seller and Buyer hereby assign to Listing Firm and Selling Firm, as applicable, a portion of their funds in escrow equal to such commission(s) and irrevocably instruct the Closing Agent to disburse the commission(s) directly to the Firm(s). In any action by Listing or Selling 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.

v. **Feasibility Contingency.** It is the Buyer's responsibility to verify before the Feasibility Contingency Expiration Date identified in Specific Term No.15 whether or not the Property can be platted, developed and/or built on (now or in the future) and what it will cost to do this. Buyer should not rely on any oral statements concerning this made by the Seller, Listing Broker or Selling Broker. Buyer should inquire at the city or county, and water, sewer or other special districts in which the Property is located. Buyer's inquiry should include, but not be limited to: building or development moratoriums applicable to or being considered for the Property; any special building requirements, including setbacks, height limits or restrictions on where buildings may be constructed on the Property; whether the Property is affected by a flood zone, wetlands, shorelands or other environmentally sensitive area; road, school, fire and any other growth mitigation or impact fees that must be paid; the procedure and length of time necessary to obtain plat approval and/or a building permit; sufficient water, sewer and utility and any service connection charges; and all other charges that must be paid. Buyer and Buyer's agents, representatives, consultants, architects and engineers shall have the right, from time to time during and after the feasibility contingency, to enter onto the Property and to conduct any tests or studies that Buyer may need to ascertain the condition and suitability of the Property for Buyer's intended purpose. 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. If the Buyer does not give notice to the contrary on or before the Feasibility Contingency Expiration Date identified in Specific Term No. 15, it shall be conclusively deemed that Buyer is satisfied as to development and/or construction feasibility and cost. If Buyer gives notice this Agreement shall terminate and the Earnest Money shall be refunded to Buyer, less any unpaid costs.

Seller shall cooperate with Buyer in obtaining permits or other approvals Buyer may reasonably require for Buyer's intended use of the Property; provided that Seller shall not be required to incur any liability or expenses in doing so.

w. **Subdivision.** If the Property must be subdivided, Seller represents that there has been preliminary plat approval for the Property and this Agreement is conditioned on the recording of the final plat containing the Property on or before the date specified in Specific Term No. 14. If the final plat is not recorded by such date, this Agreement shall terminate and the Earnest Money shall be refunded to Buyer.

x. **Information Verification Period and Property Condition Disclaimer.** Buyer shall have 10 days after mutual acceptance to verify all information provided from Seller or Listing Firm related to the Property. This contingency shall be deemed satisfied unless Buyer gives notice identifying the materially inaccurate information within 10 days of mutual acceptance. If Buyer gives timely notice under this section, then this Agreement shall terminate and the Earnest Money shall be refunded to Buyer.

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. Brokers do not have the expertise to identify or assess defective 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 materials and evaluate the condition of the Property as there may be defects that may only be revealed by careful inspection. Buyer is advised to investigate whether there is a sufficient water supply to meet Buyer's needs. Buyer is advised to investigate the cost of insurance for the Property, including, but not limited to homeowner's, flood, earthquake, landslide, and other available coverage. 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.

Buyer's Initials: [Signature] Date: 08/30/2016

Buyer's Initials: [Signature] Date: 08/30/2016

Seller's Initials: [Signature] Date: 9-6-16
Seller's Initials: [Signature] Date: 9-7-2016

OPTIONAL CLAUSES ADDENDUM TO
PURCHASE & SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated August 30, 2016

between Jay L. Vernon Buyer Lynn Vernon Buyer ("Buyer")
and Hurt Seller Coy 206-406-9282 Seller ("Seller")
concerning 298-xxx NE Big Rock Road Address Duvall City WA 98019 State Zip (the "Property").

CHECK IF INCLUDED:

1. **Square Footage/Lot Size/Encroachments.** The Listing Broker and Selling 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 within the inspection contingency period.
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:
 - Standard Owner's Policy.** 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.
 - Extended Policy.** 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.
3. **Systems/Appliances.** If a system or appliance (including, but not limited to plumbing, heat, electrical, and all included items) becomes inoperative or malfunctions prior to Closing, Seller shall either repair, or replace the same with a system or appliance of at least equal quality. Buyer reserves the right to reinspect the Property within 5 days prior to Closing to verify that Seller has complied with this Paragraph 3. Buyer and Seller understand and agree that the Listing Broker and Selling Broker shall not be liable for the foregoing or Seller's breach of this Paragraph 3.
4. **Items Left by Seller.** Any personal property, fixtures or other items remaining on the Property when possession is transferred to Buyer shall thereupon become the property of the Buyer, and may be retained or disposed of as Buyer determines. However, Seller shall clean the interiors of any structures and remove all trash, debris and rubbish on the Property prior to Buyer taking possession.
5. **Utilities.** To the best of Seller's knowledge, Seller represents that the Property is connected to a:
 - public water main; public sewer main; septic tank; well (specify type) _____; irrigation water (specify provider) _____; natural gas; telephone; cable; electricity; other _____.
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:
 - WALL INSULATION: TYPE: _____ THICKNESS: _____ R-VALUE: _____
 - CEILING INSULATION: TYPE: _____ THICKNESS: _____ R-VALUE: _____
 - OTHER INSULATION DATA: _____

JL 08/30/2016 Buyer's Initials Date
LV 08/30/2016 Buyer's Initials Date

mcc 9/16/2016 Seller's Initials Date
BT 9-6-16 Seller's Initials Date
[Signature] 9/2/2016 Seller's Initials Date

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 _____ 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 _____ 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.
9. **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): _____
10. **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: _____
11. **Other.** _____

BY 08/30/2016 **EV** 08/30/2016
Buyer's Initials Date Buyer's Initials Date

MCC 9/6/2016
STB 9-6-16 **9/7/2016**
Seller's Initials Date Seller's Initials Date

ADDENDUM / AMENDMENT TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated August 30, 2016 1

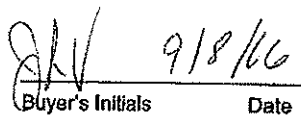
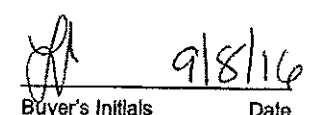
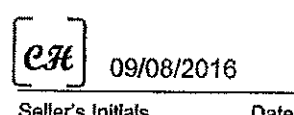
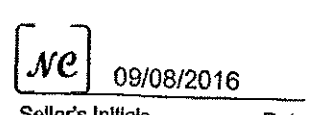
between Vernon Vernon ("Buyer") 2
Buyer Buyer

and Hurt Coy ("Seller") 3
Seller Seller


concerning 298xxx NE Big Rock Rd Duvall Wa 98019 (the "Property"). 4
Address City State Zip

- IT IS AGREED BETWEEN THE SELLER AND BUYER AS FOLLOWS: 5
1. Seller to remove stacked metal and construction material and garbage from property prior to closing. 6
 2. Buyer to deposit earnest money check with in 3 days after court approval. 7
 3. Seller to provide proof that no liens, late taxes, or any other fees/penalties are held against property. 8
 4. Buyer must provide proof of non-contingent funds with in 5 days of mutual acceptance 9
 5. Seller to provide all documents on land including preliminary septic plan. 10
- 11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

ALL OTHER TERMS AND CONDITIONS of said Agreement remain unchanged. 31

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



FEASIBILITY CONTINGENCY ADDENDUM

The following is part of the Purchase and Sale Agreement dated August 30, 2016

between Jay L Vernon Buyer Lynn Vernon Buyer ("Buyer")

and Hurt Seller Coy 206-406-9282 Seller ("Seller")

concerning 298-xxx Address NE Big Rock Road Duvall City WA State 98019 Zip (the "Property").

*10/24
12-6-16
acc 9/16/16*

Feasibility Contingency. Buyer shall verify within 10 days (10 days if not filled in) after mutual acceptance (the "Feasibility Contingency Expiration Date") the suitability of the Property for Buyer's intended purpose including, but not limited to, whether the Property can be platted, developed and/or built on (now or in the future) and what it will cost to do this. This Feasibility Contingency SHALL CONCLUSIVELY BE DEEMED WAIVED unless Buyer gives notice of disapproval on or before the Feasibility Contingency Expiration Date. If Buyer gives a timely notice of disapproval, then this Agreement shall terminate and the Earnest Money shall be refunded to Buyer. Buyer should not rely on any oral statements concerning feasibility made by the Seller, Listing Broker or Selling Broker. Buyer shall inquire at the city or county, and water, sewer or other special districts in which the Property is located. Buyer's inquiry shall include, but not be limited to: building or development moratoria applicable to or being considered for the Property; any special building requirements, including setbacks, height limits or restrictions on where buildings may be constructed on the Property; whether the Property is affected by a flood zone, wetlands, shorelands or other environmentally sensitive area; road, school, fire and any other growth mitigation or impact fees that must be paid; the procedure and length of time necessary to obtain plat approval and/or a building permit; sufficient water, sewer and utility and any services connection charges; and all other charges that must be paid.

Buyer and Buyer's agents, representatives, consultants, architects and engineers shall have the right, from time to time during the feasibility contingency, to enter onto the Property and to conduct any tests or studies that Buyer may need to ascertain the condition and suitability of the Property for Buyer's intended purpose. 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.

AGREEMENT TERMINATED IF NOTICE OF SATISFACTION NOT TIMELY PROVIDED. If checked, this Agreement shall terminate and Buyer shall receive a refund of the Earnest Money unless Buyer gives notice to Seller on or before the Feasibility Contingency Expiration Date that the Property is suitable for Buyer's intended purpose.

LV 08/30/2016 LV 08/30/2016
Buyer's Initials Date Buyer's Initials Date

ACC 9/16/2016
LV a-l-16 LV 9/7/2016
Seller's Initials Date Seller's Initials Date

**SELLER DISCLOSURE STATEMENT
 UNIMPROVED PROPERTY**

SELLER: Hurt Coy
Seller Seller 1

To be used in transfers of unimproved residential real property, including property zoned for residential use that is not improved by 2
 one or more residential dwelling units, a residential condominium, a residential timeshare or a mobile or manufactured home. 3
 Unimproved residential real property does not include commercial real estate as defined in RCW 60.42.005 or property defined as 4
 "timber land" under RCW 84.34.020. See RCW Chapter 64.06 for further information. 5

INSTRUCTIONS TO THE SELLER 6
 Please complete the following form. Do not leave any spaces blank. If the question clearly does not apply to the property check 7
 "NA." If the answer is "yes" to any asterisked (*) item(s), please explain on attached sheets. Please refer to the line number(s) of 8
 the question(s) when you provide your explanation(s). For your protection you must date and initial each page of this disclosure 9
 statement and each attachment. Delivery of the disclosure statement must occur not later than five (5) business days, unless 10
 otherwise agreed, after mutual acceptance of a written purchase and sale agreement between a Buyer and Seller. 11

NOTICE TO THE BUYER 12
 THE FOLLOWING DISCLOSURES ARE MADE BY THE SELLER ABOUT THE CONDITION OF THE PROPERTY LOCATED 13
 AT 298xx NE Big Rock Rd -Tax ID: 2926079051, CITY King 14
 STATE WA, ZIP 98019, COUNTY King (THE PROPERTY) OR AS 15
 LEGALLY DESCRIBED ON THE ATTACHED EXHIBIT A. 16

SELLER MAKES THE FOLLOWING DISCLOSURES OF EXISTING MATERIAL FACTS OR MATERIAL DEFECTS TO BUYER BASED 17
 ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE 18
 STATEMENT. UNLESS YOU AND SELLER OTHERWISE AGREE IN WRITING, YOU HAVE THREE (3) BUSINESS DAYS FROM 19
 THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO YOU TO RESCIND THE AGREEMENT 20
 BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. IF THE 21
 SELLER DOES NOT GIVE YOU A COMPLETED DISCLOSURE STATEMENT, THEN YOU MAY WAIVE THE RIGHT TO RESCIND 22
 PRIOR TO OR AFTER THE TIME YOU ENTER INTO A PURCHASE AND SALE AGREEMENT. 23

THE FOLLOWING ARE DISCLOSURES MADE BY SELLER AND ARE NOT THE REPRESENTATIONS OF ANY REAL ESTATE 24
 LICENSEE OR OTHER PARTY. THIS INFORMATION IS FOR DISCLOSURE ONLY AND IS NOT INTENDED TO BE A PART OF ANY 25
 WRITTEN AGREEMENT BETWEEN BUYER AND SELLER. 26

FOR A MORE COMPREHENSIVE EXAMINATION OF THE SPECIFIC CONDITION OF THIS PROPERTY YOU ARE ADVISED TO 27
 OBTAIN AND PAY FOR THE SERVICES OF QUALIFIED EXPERTS TO INSPECT THE PROPERTY, WHICH MAY INCLUDE, 28
 WITHOUT LIMITATION, ARCHITECTS, ENGINEERS, LAND SURVEYORS, PLUMBERS, ELECTRICIANS, ROOFERS, BUILDING 29
 INSPECTORS, ON-SITE WASTEWATER TREATMENT INSPECTORS, OR STRUCTURAL PEST INSPECTORS. THE 30
 PROSPECTIVE BUYER AND SELLER MAY WISH TO OBTAIN PROFESSIONAL ADVICE OR INSPECTIONS OF THE PROPERTY 31
 OR TO PROVIDE APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN THEM WITH RESPECT TO ANY ADVICE, 32
 INSPECTION, DEFECTS OR WARRANTIES. 33

SELLER IS/ IS NOT OCCUPYING THE PROPERTY. 34

I. SELLER'S DISCLOSURES: 35

* If you answer "Yes" to a question with an asterisk (*), please explain your answer and attach documents, if available and not 36
 otherwise publicly recorded. If necessary, use an attached sheet. 37

1. TITLE	YES	NO	DONT KNOW	NA	38
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"/>	39
*B. Is title to the property subject to any of the following?					40
(1) First right of refusal	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	41
(2) Option	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	42
(3) Lease or rental agreement	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	43
(4) Life estate?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	44
*C. Are there any encroachments, boundary agreements, or boundary disputes?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	45
*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"/>	46
*E. Are there any rights-of-way, easements, or access limitations that affect the Buyer's use of the property?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	47

[Signature] 05/05/2016
 SELLER'S INITIALS Date
BTB 9-6-2016

[Signature] 9/6/2016
 SELLER'S INITIALS Date
[Signature] 9/7/2016

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

©Copyright 2016
 Northwest Multiple Listing Service
 ALL RIGHTS RESERVED

- | | YES | NO | DONT
KNOW | NA | |
|---|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------|----------------------|
| *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"/> | 50
51 |
| *G. Is there any study, survey project, or notice that would adversely effect the property? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 52 |
| *H. Are there any pending or existing assessments against the property? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 53
54 |
| *I. Are there any zoning violations, nonconforming uses, or any unusual restrictions on the property that effect future construction or remodeling? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 55
56 |
| *J. Is there a boundary survey for the property? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 57
58 |
| *K. Are there any covenants, conditions, or restrictions recorded against title to the property? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 59
60
61
62 |

PLEASE NOTE: Covenants, conditions, and restrictions which purport to forbid or restrict the conveyance, encumbrance, occupancy, or lease of real property to individuals based on race, creed, color, sex, national origin, familial status, or disability are void, unenforceable, and illegal. RCW 49.60.224.

2. WATER

A. Household Water

- | | | | | | |
|---|--------------------------|-------------------------------------|--------------------------|-------------------------------------|----------------|
| (1) Does the property have potable water supply? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 63
64 |
| (2) If yes, the source of water for the property is: <input type="checkbox"/> Private or publicly owned water system
<input type="checkbox"/> Private well serving only the property <input checked="" type="checkbox"/> Other water system
*If shared, are there any written agreements? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 65
66
67 |
| (3) Is there an easement (recorded or unrecorded) for access to and/or maintenance of the water source? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 68
69 |
| (4) Are there any problems or repairs needed? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 70
71 |
| (5) Is there a connection or hook-up charge payable before the property can be connected to the water main? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 72
73 |
| (6) Have you obtained a certificate of water availability from the water purveyor serving the property? (If yes, please attach a copy.) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 74
75 |
| (7) Is there a water right permit, certificate, or claim associated with household water supply for the property? (If yes, please attach a copy.) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 76
77 |
| (a) If yes, has the water right permit, certificate, or claim been assigned, transferred, or changed? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 78
79 |
| (b) If yes, has all or any portion of the water right not been used for five or more successive years? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 80
81 |
| (c) If no or don't know, is the water withdrawn from the water source less than 5,000 gallons a day? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 82
83 |
| (8) Are there any defects in the operation of the water system (e.g. pipes, tank, pump, etc.)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 84 |

B. Irrigation Water

- | | | | | | |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|----------------|
| (1) Are there any irrigation water rights for the property, such as a water right permit, certificate, or claim? (If yes, please attach a copy.) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 85
86 |
| (a) If yes, has all or any portion of the water right not been used for five or more successive years? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 87
88 |
| (b) If yes, has the water right permit, certificate, or claim been assigned, transferred, or changed? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 89
90
91 |

SELLER'S INITIALS *BTB* Date 05/05/2016
 9-6-16

SELLER'S INITIALS *MCC* Date 9/6/2016
 05/05/2016
9/7/2016

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

eCopyright 2016
 Northwest Multiple Listing Service
 ALL RIGHTS RESERVED

* (2) Does the property receive irrigation water from a ditch company, irrigation district, or other entity? YES NO DON'T KNOW N/A 02
 If so, please identify the entity that supplies irrigation water to the property: _____ 03
 _____ 04
 _____ 05
 _____ 06

C. Outdoor Sprinkler System
 (1) Is there an outdoor sprinkler system for the property? YES NO DON'T KNOW N/A 07
 * (2) If yes, are there any defects in the system? YES NO DON'T KNOW N/A 08
 * (3) If yes, is the sprinkler system connected to irrigation water? YES NO DON'T KNOW N/A 09
 _____ 100

3. SEWER/SEPTIC SYSTEM

A. The property is served by:
 Public sewer system 101
 On-site sewage system (including pipes, tanks, drainfields, and all other component parts) 102
 Other disposal system 103
 Please describe: Neud Super 104
 _____ 105
 _____ 106

B. 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? YES NO DON'T KNOW N/A 107
 _____ 108

C. If the property is connected to an on-site sewage system:
 * (1) Was a permit issued for its construction? YES NO DON'T KNOW N/A 109
 * (2) Was it approved by the local health department or district following its construction? YES NO DON'T KNOW N/A 110
 (3) Is the septic system a pressurized system? YES NO DON'T KNOW N/A 111
 (4) Is the septic system a gravity system? YES NO DON'T KNOW N/A 112
 * (5) Have there been any changes or repairs to the on-site sewage system? YES NO DON'T KNOW N/A 113
 (6) Is the on-site sewage system, including the drainfield, located entirely within the boundaries of the property? YES NO DON'T KNOW N/A 114
 If no, please explain: _____ 115
 _____ 116
 * (7) Does the on-site sewage system require monitoring and maintenance services more frequently than once a year? YES NO DON'T KNOW N/A 117
 _____ 118
 _____ 119

4. ELECTRICAL/GAS

A. Is the property served by natural gas? In Street YES NO DON'T KNOW N/A 120
 B. Is there a connection charge for gas? YES NO DON'T KNOW N/A 121
 C. Is the property served by electricity? In Street YES NO DON'T KNOW N/A 122
 D. Is there a connection charge for electricity? YES NO DON'T KNOW N/A 123
 * E. Are there any electrical problems on the property? YES NO DON'T KNOW N/A 124
 _____ 125

6. FLOODING

A. Is the property located in a government designated flood zone or floodplain? YES NO DON'T KNOW N/A 126
 _____ 127

[Signature]
 SELLER'S INITIALS Date
BTB 9-6-2016

[Signature]
 SELLER'S INITIALS Date
ncc 9/6/2016
[Signature]

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

©Copyright 2016
 Northwest Multiple Listing Service
 ALL RIGHTS RESERVED

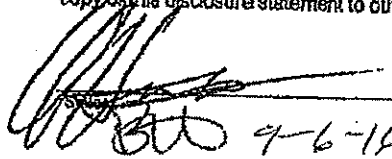
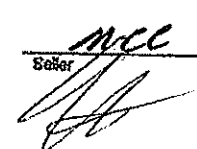
	YES	NO	DONT KNOW	N/A	128 129 130
6. SOIL STABILITY					
*A. Are there any settlement, earth movement, slides, or similar soil problems on the property?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	131
7. ENVIRONMENTAL					
*A. Have 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"/>	132 133
*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"/>	134
*C. Is there any material damage to the property from fire, wind, floods, beach movements, earthquake, expansive soils, or landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	135 136
*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"/>	137
*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"/>	138 139 140
*F. Has the property been used for commercial or industrial purposes?.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	141
*G. Is there any soil or groundwater contamination?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	142
*H. Are there transmission poles or other electrical utility equipment installed, maintained, or buried on the property that do not provide utility service to the structures on the property?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	143 144
*I. Has the property been used as a legal or illegal dumping site?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	145
*J. Has the property been used as an illegal drug manufacturing site?.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	146
*K. Are there any radio towers that cause interference with cellular telephone reception?.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	147
8. HOMEOWNERS' ASSOCIATION/COMMON INTERESTS					
A. Is there a homeowners' association?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	148
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, firing policy, and other information that is not publicly available:					149 150 151 152
B. Are there regular periodic assessments?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	153 154 155
\$ _____ per <input type="checkbox"/> month <input type="checkbox"/> year					
<input type="checkbox"/> Other:					
*C. Are there any pending special assessments?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	156
*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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	157 158 159
9. OTHER FACTS					
*A. Are there any disagreements, disputes, encroachments, or legal actions concerning the property?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	160
*B. Does the property have any plants or wildlife that are designated as species of concern, or listed as threatened or endangered by the government?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	161 162 163

SELLER'S INITIALS 05/05/2016 Date
 [Signature] 9-6-16

SELLER'S INITIALS 9/6/2016 Date
 [Signature] 9/7/2016

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

- | | YES | NO | DON'T
KNOW | N/A | 164
165 |
|---|-------------------------------------|--------------------------|-------------------------------------|--------------------------|---------------------------------|
| *C. Is the property classified or designated as forest land or open space? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 166 |
| D. Do you have a forest management plan? if yes, attach. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 167 |
| *E. Have any development-related permit applications been submitted to any government agencies? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 168 |
| If the answer to E is "yes," what is the status or outcome of those applications? | | | | | 169 |
| _____ | | | | | 170 |
| F. 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 checked="" type="checkbox"/> | <input type="checkbox"/> | 171
172 |
| 10. FULL DISCLOSURE BY SELLERS | | | | | |
| A. Other conditions or defects: | | | | | |
| *Are there any other existing material defects affecting the property that a prospective
buyer should know about? | | | | | |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 173
174
175
176 |
| B. Verification | | | | | |
| The foregoing answers and attached explanations (if any) are complete and correct to the best of Seller's knowledge and
Seller has received a copy hereof. Seller agrees to defend, indemnify and hold real estate licensees harmless from and
against any and all claims that the above information is inaccurate. Seller authorizes real estate licensees, if any, to deliver a
copy of this disclosure statement to other real estate licensees and all prospective buyers of the property. | | | | | |
| | | | | | 177
178
179
180
181 |

	05/05/2016		9/16/2016
Date		Seller	Date
			05/05/2016
			9/20/2016

If the answer is "Yes" to any asterisked (*) items, please explain below (use additional sheets if necessary). Please refer to the line number(s) of the question(s).

184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210

**SELLER DISCLOSURE STATEMENT
UNIMPROVED 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.

211
212
213
214
215

2. PROXIMITY TO FARMING

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

216
217
218
219

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. 220
- 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. 221
- 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. 222
- D. This information is for disclosure only and is not intended to be a part of the written agreement between the Buyer and Seller. 223
- 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). 224

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.

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.

Buyer: [Signature] 8/30/2016 Date 231

Authentification: Lynn Vernon 8/30/2016 Date 232

Buyer: [Signature] 8/30/2016 Date 233

Buyer: [Signature] 8/30/2016 Date 234

Buyer: [Signature] 8/30/2016 Date 235

Buyer: [Signature] 8/30/2016 Date 236

Buyer: [Signature] 8/30/2016 Date 237

Buyer: [Signature] 8/30/2016 Date 238

Buyer: [Signature] 8/30/2016 Date 239

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.

242
243
244

Buyer: [Signature] Date 245

Buyer: [Signature] Date 246

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.

247
248
249
250

Buyer: [Signature] Date 251

Buyer: [Signature] Date 252

[Signature] 05/05/2016
SELLER'S INITIALS Date
BH 9-6-2016

[Signature] 9/16/2016
SELLER'S INITIALS Date
[Signature] 9/17/2016

EXHIBIT "A"

~~PARCEL A:~~

~~LOT 1 OF KING COUNTY BOUNDARY LINE ADJUSTMENT NO. L09L0011, AS RECORDED MAY 14, 2009 UNDER RECORDING NO. 20090514900011, RECORDS OF KING COUNTY AUDITOR, BEING A PORTION OF THE NORTHWEST QUARTER OF SECTION 29, TOWNSHIP 26 NORTH, RANGE 7 EAST, W.M.;~~

NCC 9/6/2016

[Signature]

PARCEL B:

LOT 2 OF KING COUNTY BOUNDARY LINE ADJUSTMENT NO. L09L0011, AS RECORDED MAY 14, 2009 UNDER RECORDING NO. 20090514900011, RECORDS OF KING COUNTY AUDITOR, BEING A PORTION OF THE NORTHWEST QUARTER OF SECTION 29, TOWNSHIP 26 NORTH, RANGE 7 EAST, W.M.;

SITUATE IN THE COUNTY OF KING, STATE OF WASHINGTON.

[*ev*] 8/30/2016

BH 2-6-16

[*ev*] 8/30/2016