

**SELLER DISCLOSURE STATEMENT †
UNIMPROVED PROPERTY**

SELLER: Saska Development, LLC

† To be used in transfers of unimproved residential real property, including property zoned for residential use that is not improved by residential dwelling units, a residential condominium, a residential timeshare or a mobile or manufactured home. See RCW Chapter 64.06 for further explanations.

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 write "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 LOT, Saska Hills Phase II

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

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

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

Seller is/ is not occupying the property.

I. SELLER'S DISCLOSURES:

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

1. TITLE

YES NO DON'T KNOW

A. Do you have legal authority to sell the property? If not, please explain.

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

(1) First right of refusal

(2) Option

(3) Lease or rental agreement

(4) Life estate

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

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

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

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

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

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

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

*J. Is there a boundary survey for the property?

*K. Are there any covenants, conditions, or restrictions which affect the property?

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.

SELLER'S INITIAL: [Signature] DATE: 7/2/06

SELLER'S INITIAL: _____ DATE: _____

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2. WATER

A. Household Water

- | | YES | NO | DON'T KNOW | 58 |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|--------------------------|----|
| (1) Does the property have potable water supply? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 59 |
| (2) If yes, the source of the water for the property is | | | | 60 |
| <input checked="" type="checkbox"/> Private or publicly owned water system | | | | 61 |
| <input type="checkbox"/> Private well serving only the subject property | | | | 62 |
| <input type="checkbox"/> Other water system | | | | 63 |
| *If shared, are there any written agreements? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 64 |
| * (3) Is there an easement (recorded or unrecorded) for access to and/or maintenance of the water source? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 65 |
| * (4) Are there any known problems or repairs needed? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 66 |
| (5) Is there a connection or hook-up charge payable before the property can be connected to the water main? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 67 |
| (6) Have you obtained a certificate of water availability from the water purveyor serving the property? (If yes, please attach a copy.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 68 |
| (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"/> | 69 |
| (a) If yes, has the water right permit, certificate, or claim been assigned, transferred, or changed? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 70 |
| (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 type="checkbox"/> | <input type="checkbox"/> | 71 |
| If yes, please explain: _____ | | | | 72 |
| (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"/> | 73 |
| * (8) Are there any defects in the operation of the water system (e.g. pipes, tank, pump, etc.)? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 74 |

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 checked="" type="checkbox"/> | <input type="checkbox"/> | 75 |
| (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"/> | 76 |
| *(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"/> | 77 |
| (2) Does the property receive irrigation water from a ditch company, irrigation district, or other entity? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 78 |
| If so, please identify the entity that supplies water to the property: | | | | 79 |
| <u>Entiat Irrigation District</u> | | | | 80 |

C. Outdoor Sprinkler System

- | | | | | |
|----------------------------------------------------------------------|--------------------------|-------------------------------------|--------------------------|----|
| (1) Is there an outdoor sprinkler system for the property? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 81 |
| (2) If yes, are there any defects in the system? _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 82 |
| * (3) If yes, is the sprinkler system connected to irrigation water? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 83 |

3. SEWER/SEPTIC SYSTEM

A. The property is served by:

- | | | | | |
|---------------------------------------------------------------------------------------------------------------------|--|--|--|----|
| <input checked="" type="checkbox"/> Public sewer system | | | | 84 |
| <input type="checkbox"/> On-site sewage system (including pipes, tanks, drainfields, and all other component parts) | | | | 85 |
| <input type="checkbox"/> Other disposal system | | | | 86 |
| Please describe: _____ | | | | 87 |

- | | | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------------|--------------------------|----|
| 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? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 88 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------------|--------------------------|----|

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

- | | | | | |
|-------------------------------------------------|--------------------------|--------------------------|--------------------------|----|
| * (1) Was a permit issued for its construction? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 89 |
|-------------------------------------------------|--------------------------|--------------------------|--------------------------|----|

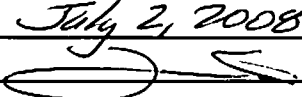
SELLER'S INITIAL: BJ DATE: 7/2/08

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	YES	NO	DON'T KNOW	
* (2) Was it approved by the local health department or district following its construction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	102
(3) Is the septic system a pressurized system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	103
(4) Is the septic system a gravity system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	104
* (5) Have there been any changes or repairs to the on-site sewage system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	105
(6) Is the on-site sewage system, including the drainfield, located entirely within the boundaries of the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	106
If no, please explain: _____				107
(7) Does the on-site sewage system require monitoring and maintenance services more frequently than once a year?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	108
If yes, please explain: _____				109
				110
4. ELECTRICAL/GAS				111
A. Is the property served by natural gas?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	112
B. Is there a connection charge for gas?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	113
C. Is the property served by electricity?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	114
D. Is there a connection charge for electricity?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	115
E. Are there any electrical problems on the property?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	116
If yes, please explain: _____				117
5. FLOODING				118
A. Are there any flooding, standing water, or drainage problems on the property or affecting access to the property? If yes, please explain: _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	119
				120
B. Is the property located in a governmental designated flood zone or floodplain?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	121
6. SOIL STABILITY				122
A. Are there any settlement, earth movement, slides, or similar soil problems on the property?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	123
If yes, please explain: _____				124
B. Does any part of the property contain fill dirt, waste, or other fill material?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	125
If yes, please explain: <u>Engineered subdivision with compaction tests taken</u>				126
				127
7. ENVIRONMENTAL				128
*A. Have there been any drainage problems on the property?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	129
*B. Does the property contain fill material? <i>(see above)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	130
*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"/>	131
				132
D. Are there any shorelines, wetlands, floodplains, or critical areas on the property?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	133
*E. Are there any substances, materials, or products 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 checked="" type="checkbox"/>	<input type="checkbox"/>	134
				135
*F. Has the property been used for commercial or industrial purposes?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	136
*G. Is there any soil or groundwater contamination?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	137
*H. Are there transmission poles, transformers, or other utility equipment installed, maintained, or buried on the property?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	138
				139
*I. Has the property been used as a legal or illegal dumping site?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	140
*J. Has the property been used as an illegal drug manufacturing site?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	141
*K. Are there any radio towers in the area that may cause interference with telephone reception?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	142
SELLER'S INITIAL: <u> <i>BL</i> </u> DATE: <u> 7/2/08 </u>				143
SELLER'S INITIAL: _____ DATE: _____				144
				145

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	YES	NO	DON'T KNOW	
8. HOMEOWNERS' ASSOCIATION/COMMON INTERESTS				147
A. Is there a Home Owners' Association?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	148
Name of Association <u>when complete there will be a Home Owner's Association</u>				149
B. Are there regular periodic assessments?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	150
_____ per <input type="checkbox"/> month <input type="checkbox"/> years				151
<input type="checkbox"/> Other _____				152
*C. Are there any pending special assessments?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	153
*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"/>	154
9. OTHER FACTS				155
A. Are there any disagreements, disputes, encroachments, or legal actions concerning the property?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	156
If yes, please explain: _____				157
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 checked="" type="checkbox"/>	<input type="checkbox"/>	158
C. Is the property classified or designated as forest land or open space?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	159
If so, please specify: _____				160
D. Do you have a forest management plan? If yes, attach.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	161
E. Have any development-related permit applications been submitted to any government agencies?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	162
If so, please specify: <u>part of a residential planned development</u>				163
If the answer to E is "yes", what is the status or outcome of those applications:				164
<u>an accepted RPD by the City of Entiat</u>				165
10. FULL DISCLOSURE BY SELLERS				166
A. Other conditions or defects:				167
*Are there any other existing material defects affecting the property that a prospective buyer should know about?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	168
B. Verification				169
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.				170
Date: <u>July 2, 2008</u>				171
Seller: 				172
Date: _____				173
Seller: _____				174
NOTICES TO THE BUYER				175
SEX OFFENDER REGISTRATION				176
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.				177
PROXIMITY TO FARMING				178
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.				179
SELLER'S INITIAL: <u>JS</u> DATE: <u>7/2/08</u>				180
SELLER'S INITIAL: _____ DATE: _____				181

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- II. BUYER'S ACKNOWLEDGEMENT** 191
- Buyer hereby acknowledges that: 192
- 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. 193
194
 - 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. 195
196
 - 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. 197
198
 - D. This information is for disclosure only and is not intended to be a part of the written agreement between Buyer and Seller. 199
 - 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). 200
201
 - F. If the house was built prior to 1978, Buyer acknowledges receipt of the pamphlet *Protect Your Family From Lead in Your Home*. 202

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. MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A SALE AGREEMENT. 203
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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. 209
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211

DATE: _____ DATE: _____ 212
BUYER: _____ BUYER: _____ 213

BUYER'S WAIVER OF RIGHT TO REVOKE OFFER 214

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. 215
216

DATE: _____ DATE: _____ 217
BUYER: _____ BUYER: _____ 218

BUYER'S WAIVER OF RIGHT TO RECEIVE COMPLETED SELLER DISCLOSURE STATEMENT 219

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. 220
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222

DATE: _____ DATE: _____ 223
BUYER: _____ BUYER: _____ 224

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). 225
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_____ 227
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SELLER'S INITIAL: BS DATE: 7/2/08 SELLER'S INITIAL: _____ DATE: _____ 231