

ENCORE

At Columbia Station

Home (Unit): _____

Priority: _____

Reservation Holder: _____

Home Price Range: \$ _____ to \$ _____

Storage Price Range: \$ _____ to \$ _____

Parking Price Range: \$ _____ to \$ _____

Reference Date: _____, 2019.

RESERVATION PRIORITY AGREEMENT – ENCORE CONDOMINIUM

THIS RESERVATION PRIORITY AGREEMENT (this "**Reservation**") is made by and between BDR Sonata West LLC, a Washington limited liability company ("**Developer**") and the Reservation Holder identified above, hereinafter collectively known as the "Parties."

1. **Reservation.** Developer is proposing to market homes in the residential community commonly known as "Encore Condominium" (the "**Community**"). Subject to the terms and conditions stated herein, Developer hereby grants to Reservation Holder a priority reservation for the home identified above (the "**Home**"). Developer may accept multiple reservations on the Home of different priorities; Reservation Holder's priority is stated above and was determined as provided in Paragraph 5 below. Developer anticipates offering the Home for sale on a future date referenced herein (the "**Release Date**") as provided in Paragraph 6 below. Developer's offer to sell the Home will be on Developer's form of purchase and sale agreement and related addenda (collectively, the "**Purchase Agreement**"), and will be subject to the conditions and limitations stated herein, and will contain no contingencies, including any contingencies for financing, inspection, or sale of Reservation Holder's existing home, other than the opportunity to conduct a punch list inspection prior to closing. Additionally, if Home is to include any additional Limited Common Elements ("**LCE**") including a storage locker ("**Storage**"), a parking stall ("**Parking**") or a parking stall with an adjacent storage locker ("**Parking/Storage**"), then these will be identified in this Reservation above and include said price ranges and shall be added to the Home as assigned LCE in the final Survey Map and Plans with the Purchase Agreement. Developer reserves the right to add, remove and assign any LCE in its unilateral discretion.

2. **Deposit.** Reservation Holder shall deliver to Seller's representative (Listing Broker) at the time of signing this Reservation a \$2,500 deposit payable to First American Title Insurance Company ("**Deposit**"). Seller's representative shall deliver the Deposit to First American Title Insurance Company, located at 818 Stewart Street, Suite 800, Seattle, WA 98101, attention Sara Levien, phone number (206) 615-3252, email: slevien@firstam.com ("**Escrow Agent**"), within three (3) days of mutual acceptance of this Reservation. The Deposit is in the form of a:

Personal check Other _____

The Deposit shall be held by Escrow Agent during the term of this Reservation and shall not accrue interest. The Deposit will be credited against the earnest money specified in the Purchase Agreement or returned to Reservation Holder if this Reservation is canceled. Reservation Holder and Developer shall sign additional instructions with regard to the Deposit if requested by Escrow Agent. This Reservation shall be void if Reservation Holder has not delivered the Deposit or if any check or other instrument representing the Deposit is not honored.

3. **Occupancy Representation.** Reservation Holder represents the Home will be its **(initial one)**:

_____/_____
Primary Residence.

_____/_____
Second Home.

_____/_____
Investment Property.

Developer is accepting only a limited number of reservations from Reservation Holders who are purchasing for investment purposes (e.g., with the intent to either rent or sell their Home within one year after closing) and may prioritize the sale to a non-investor Reservation Holder upon issuing such notice of intent at the time of Reservation. Reservation Holder shall notify Developer in writing within three (3) days of any change in Reservation Holder's intended occupancy of the Home. Developer may terminate this Reservation in Developer's sole discretion if Reservation Holder changes its intended occupancy from "Primary Residence."

4. **Pre-Qualification for Financing.** Developer has selected Caliber Home Loans, located at 617 Eastlake Ave East, Suite 300, Seattle, WA 98109, attn.: Keith Lashley, phone (206) 356-1609 or Whitney Paul, phone (206) 406-8430, as its designated lender ("Preferred Lender"). Reservation Holder must submit all requested information to Preferred Lender for pre-approval for financing not later than five (5) business days after the mutual approval of this Reservation and conclude said pre-approval within 25 days total of said date. Developer will determine if Reservation Holder has been approved by Preferred Lender in Developer's sole discretion. Reservation Holder must be approved by Preferred Lender even if Reservation Holder does not intend to obtain financing for the purchase of the Home or if Reservation Holder intends to obtain financing from another source. Reservation Holder must maintain its approved status during the term of this Reservation and must report material changes in income, assets, employment and other factors to Preferred Lender for that purpose. If Reservation Holder does not obtain or maintain approval from Preferred Lender within the time required by this Paragraph, Developer may terminate this Reservation in Developer's sole discretion by delivering notice of termination to Reservation Holder. Reservation Holder is not required to use Preferred Lender to finance its purchase of the Home. Reservation Holder is solely responsible for obtaining its financing in connection with any purchase of the Home including any financing from a lender selected by Reservation Holder.

5. **Determination of Priority.** Developer determined the priority of this Reservation stated above as among any other parties submitting reservations for the Home in Developer's sole discretion based on Developer's internal criteria. In addition, regardless of the priority stated above, Developer may determine to offer the Home only to a Reservation Holder who intends to occupy the Home as its Primary Residence or Second Home. If this Reservation Holder holds a second or third priority, then Reservation Holder's right to purchase is conditioned upon the termination of those other reservations with higher priority for the Home. For example, if Reservation Holder has a priority of three, Reservation Holder may enter into a Purchase Agreement for the Home only after those reservation holders with the first and second priorities for the Home are terminated. If there are any reservations that are prior to Reservation Holder's, and if those prior reservations are terminated, Seller shall notify Reservation Holder in writing and Reservation Holder shall automatically move up in priority unless, at that time, Reservation Holder has a first priority reservation to purchase any other Home in the Community. In that event, Reservation Holder shall only move into first priority for the Home if Reservation Holder terminates its other first-priority reservation within five (5) days after Developer delivers notice requiring Reservation Holder to make such election. Reservation Holder may hold only one first priority reservation at a time. If Reservation Holder does not respond to Developer's notice within such 5-day period, then Reservation Holder's reservation for the Home shall automatically terminate without further notice.

6. **Release Date.** Developer will determine the Release Date in Developer's sole discretion depending in several factors including the status of construction. On the Release Date, Developer will inform Reservation Holder of the purchase price for the Home and Reservation Holder shall have seven (7) days from the Release Date to execute the Purchase Agreement for the Home and to deposit the balance of the earnest money due under the Purchase Agreement (the "**Earnest Money Deposit**") after application of the Deposit. Reservation Holder, Broker or the Selling Broker shall deliver the Earnest Money Deposit to Escrow Agent and Escrow Agent shall hold the Earnest Money Deposit in accordance with the Purchase Agreement. Reservation Holder shall constantly update Developer's Broker identified below of any changes in Reservation Holder's contact information and it shall be Reservation Holder's sole responsibility to remain available to receive Developer's notice of the Release Date via such contact information. Developer and its Broker have no responsibility in that regard other than to deliver notice of the Release Date to Reservation Holder via such contact information.

7. **Termination and Return of the Deposit.** If Reservation Holder does not execute and deliver the Purchase Agreement and deliver the balance of the Earnest Money Deposit within seven days of the Release Date, then this Reservation shall terminate automatically unless Developer elects in its sole discretion to extend such deadline. Following termination of this Reservation for any reason, including pursuant to this Paragraph or Paragraphs 3, 4, or 8, neither party shall have any further rights or obligations under this Reservation, Developer may offer the Home to other purchasers, and Developer shall instruct Escrow Agent to return the Deposit to Reservation Holder. That Escrow Agent is authorized to return the Deposit to the Reservation Holder upon written notice from the Reservation Holder that Reservation Holder is terminating their Reservation. Reservation Holder may terminate their reservation any time prior to the execution of Purchase Agreement. This Reservation constitutes the joint escrow instructions of Reservation Holder and Developer to Escrow Agent and Escrow Agent shall be entitled to rely on this Reservation and any notice of termination delivered pursuant hereto. Escrow Agent shall have no liability for any loss or damage arising from the delivery of the Deposit pursuant to this Reservation or pursuant to any instructions from Developer and Reservation Holder. Reservation Holder authorizes Escrow Agent to send the Deposit to the address stated below upon any termination of this Reservation Agreement.

8. **Limitation of Developer's Commitment.** Developer may elect not to offer the Home or any other homes in the Community for sale for any reason including Developer's decision to: (i) not complete the Community; (ii) combine the Home with another home; or (iii) rent the Home or other homes in the Community. If Developer determines in its sole discretion to proceed with selling the Home and other homes within the Community, Developer's obligations under this Reservation are limited to offering Reservation Holder the opportunity to enter into the Purchase Agreement for the Home at the price offered by Developer within the range stated above in accordance with Reservation Holder's priority. If Developer elects to not proceed with the sale of the Home and terminates this Reservation, and then later decides to take reservations, Developer shall have no obligation to Reservation Holder including any obligation to offer a new reservation for the Home. There are various conditions which must be satisfied in Developer's sole discretion, including conditions relating to feasibility, design, permitting, financing, construction contingencies, and market conditions. Developer provides no assurances regarding whether or when these conditions may be satisfied. Accordingly, either Reservation Holder or Developer shall have the right to terminate this Reservation at any time prior to execution of the Purchase Agreement for the Home by sending written notice of termination to the other party at the address set forth below and to the Escrow Agent at the address set forth above. Reservation Holder acknowledges that no representations have been made to Reservation Holder about the Home or Community, the market value of the Home, or future appreciation, and that Developer's only representations will be those contained in the Purchase Agreement and the Public Offering Statement Disclosure Book that Developer will deliver to Reservation Holder in connection with the purchase. This Reservation is not an offer to sell or a solicitation of offers to buy. This Reservation does not obligate Developer to construct or complete the Home or Community, to sell any Homes if the Community is completed, or to finish or equip any Homes or amenities in any particular manner.

9. **Area of the Home.** Attached to this Reservation are preliminary survey map and plans for the Community that include the surveyor's calculation of the area of each Home based on the surveyor's review of the architectural plans. The surveyor calculates the area of the Homes with reference to those "Unit Boundaries" described in the survey notes; the surveyor's measurement protocol is different than that used by the architect (BOMA measurements) and therefore the areas are different. In addition, the as-built measurements of the surveyor will likely lead to changes in the area of the Homes. Developer makes no representations or warranties regarding the area of the Home or the configuration or area of other amenities within the Community.

10. **Assignment.** Reservation Holder shall not assign, transfer, pledge, encumber, or hypothecate in any manner this Reservation or, if Reservation Holder is an entity, any ownership interests or any voting or management rights in Reservation Holder or entities of any level which have any direct or indirect interest in Reservation Holder, without in each instance obtaining Developer's prior written consent, which Developer may withhold in its sole discretion. This restriction on transfers includes those transfers which may occur by operation of law. Developer may assign this Reservation or the Purchase Agreement to an affiliate of Developer and upon any such assignment by Developer and assumption by the applicable affiliate of Developer, Developer shall be released from all obligations hereunder or under the Purchase Agreement.

11. **Broker.** Reservation Holder acknowledges that REALOGICS SOTHEBY'S INTERNATIONAL REALTY (collectively "Broker") is the listing broker representing Developer and shall be identified as the listing brokers in the Purchase Agreement. If Broker also represents Reservation Holder (which is not the case if Reservation Holder presents an offer through its own selling broker registered in advance of Reservation or noted and present at the time of Reservation), then Reservation Holder consents to Broker acting as a dual agent. Reservation Holder acknowledges receipt of the pamphlet titled "The Law of Real Estate Agency." If Reservation Holder wishes to be represented by its own selling broker, then such selling broker

must be disclosed in this Reservation in the space provided on the signature page below. Developer and Broker shall not be required to pay or share a commission with any selling broker who is not identified in this Reservation.

12. **Preliminary Representations.** All advertising and promotional materials (including, without limitation, site plans and other depictions or renditions of the Community) and oral representations distributed or made prior to or in connection with this Reservation are preliminary in nature and Developer reserves the right to change any such materials or Community details without notice. Developer is not bound by any oral or written statements, representations, or acknowledgements of any kind unless they are in the Purchase Agreement or any other writing signed by Developer.

13. **Miscellaneous.** All interpretations, claims and actions arising in any way under this Reservation shall be subject to the laws of the State of Washington, and the jurisdiction of the Superior Court located in King County. This Reservation is part of a package of materials which is anticipated to be superseded by the Purchase Agreement. This Reservation and the accompanying materials, representations of any agents, or public documents or permits of any kind, do not create any rights in Reservation Holder to the Home or other real property comprising the Community, in whole or in part, including any claim against title to such Home or real property comprising the Community.

IN WITNESS WHEREOF, the parties hereto have executed this Reservation.

RESERVATION HOLDER:

Printed Name: _____

Address: _____

Phone No.: _____

E-Mail Address: _____

DEVELOPER

BDR SONATA WEST LLC, a Washington limited liability company

By: _____

Todd R. Bennett, Business Manager or

Richard Obernesser, President

LISTING BROKERS:

REALOGICS SOTHEBY'S INTERNATIONAL REALTY

2715 1st Avenue, Seattle, WA 98121

Phone: 206.448.5752

Fax: 206.448.5753

Email: Jeff.McDonald@EncoreColumbiaStation.com

SELLING BROKER: (Same as Listing Broker unless noted):

Firm Name: _____

Person Name: _____

Address: _____

Phone: _____

Fax: _____

Email: _____