

\_\_\_\_\_, \_\_\_\_, 2013

Lot Purchaser: \_\_\_\_\_

Lot \_\_\_\_, Block \_\_\_\_  
Palouse Business Center Subdivision  
Property Address: to be assigned

Individual Lot Developments within the  
Subdivision

RE: **LETTER OF UNDERSTANDING**

Palouse Business Center

South Pullman, Washington

Dear \_\_\_\_\_

This letter communicates individual lot development requirements according to the Covenants, Conditions, and Restriction (CC&Rs) for the Palouse Business Center as well as site geotechnical conditions and available information for the development as a whole and individually for each lot. This letter also communicates the geotechnical standard of care for developing in the Pullman area in an effort to fully disclose available information.

### **GENERAL REQUIREMENTS**

KIP Development LLC (KIP) for the Palouse Business Center infrastructure design and construction engages geotechnical evaluations and construction monitoring. Once infrastructure and mass grading construction is complete, a lot-specific geotechnical evaluation with general design parameters will be available for each lot. Strata, A Professional Services Corporation, (STRATA) are completing these documents as the Geotechnical Engineer for our project. Taylor Engineering (Taylor) is preparing civil design as the Civil Engineer for the project. As a prospective buyer, you will have full access to these documents. However, as KIP, Taylor, and STRATA cannot speculate the specific lot developments that may be contemplated for each lot, the extent you rely on these documents without appropriate consultation for your specific project is done so at your sole risk.

### **INHERENT RISKS**

There are inherent risks whenever soil, geologic or hydrogeologic conditions are involved with a construction project. Soil and geologic materials, including groundwater, are variable in nature. Geologic conditions vary vertically, laterally, and seasonally. The site soil is fine-grained silt and clay, proven to be suitable to support foundations, landscaping, pavement, and other associated infrastructure in the area. However, the site soil also requires careful planning and consideration with respect to design and

construction. As such, KIP and its design team recommend individual lot developments receive the appropriate level of civil and geotechnical engineering to facilitate a successful project specific to your planned lot developments. These developments may rely in part on the preliminary and general information prepared by Taylor and STRATA and provided as part of KIP's disclosure packet.

KIP is provided monitoring and engineering consultation during infrastructure development via site representatives, STRATA's material testing, and Taylor's site surveying. Providing construction monitoring does not intrinsically allow lots to be developed for any type of structure, loads or configuration. Future civil and geotechnical design and construction considerations for each lot should, at a minimum, contemplate the lot-specific details such as: grading, drainage, slope stability, retaining wall, foundation and hardscape configurations. These evaluations should be summarized in a specific design report for each lot. KIP will provide the *Geotechnical Engineering Evaluation for Infrastructure* dated February 15, 2013, site topographic, utility, and lot surveys of the final approved plat as they are completed, and the individual lot geotechnical deliverables by STRATA for your consideration with respect to your planned development. By providing site geotechnical, civil or other information, KIP does not intrinsically or otherwise warrant individual lots are suitable for your planned development. The associated limitations of each document must be clearly understood with respect to relying on them for final design or construction on each lot.

## **ACKNOWLEDGMENT**

KIP acknowledges the Palouse Business Center subdivision infrastructure will be developed and individual lots have been identified for commercial development. KIP and its' design team have provided general planning, design or construction services associated with mass grading and speculative development for individual lots. It is the lot purchaser's (buyer's) responsibility to review, understand and implement the civil or geotechnical design specific to each lot. Further, it is also purchaser's obligation to seek additional engineering consultation as necessary to confidently construct your development. KIP encourages you, the lot purchaser, to retain qualified and licensed professionals for engineering planning and design of your lot.

As a condition of purchase and sale of Lot \_\_, Block \_\_ in the Palouse Business Center, you acknowledge and understand your responsibilities and the limitations outlined in this letter of agreement for lot planning, design and construction. In purchasing the lot you hereby agree to abide by the subdivision CC&Rs as recorded, the subdivisions plat and to generally follow the recommendations, requirements, and limitations in the documents provided. These requirements are not an exhaustive list; other requirements such as building codes, electrical codes, plumbing codes, etc. may exist that have not been specifically identified herein. KIP is providing, or will upon completing mass grading, copies of the following documents which discuss site and geotechnical considerations:

- Geotechnical Engineering Evaluation of Infrastructure, February 15, 2013
- CC&Rs (Palouse Business Center Subdivision)
- Mass grading construction monitoring and survey data specific to Lot \_\_, Block \_\_\_\_
- Lot specific geotechnical plan sheets

We appreciate the opportunity to present information and are available to discuss the individual lot development requirements at your convenience. Our design & Building team also pledges to be available for any questions you may have. Please contact us if you have any questions.

Sincerely,

Palouse Business Center  
Mr. Kevin Kirkman

Acknowledgement:

I have read and understand the information provided above and received a copy of the documents referenced that are now available within this letter. If the documents are not now available I understand they will be made available to me for review and acceptance prior to closing. As the purchaser of Lot \_\_\_\_, Block \_\_\_\_, I have read and understand the recommendations and limitations associated with the various design documents, specifically noting that I/we are solely responsible for real property site development in the future

Signed:

Name: \_\_\_\_\_ Date: \_\_\_\_\_  
Title: \_\_\_\_\_