

Public Offering Statement
for Seabrook

Dated: 2/7/05

This public offering statement is only a summary of some of the significant aspects of purchasing an interest in this development and any documents which may govern or affect the development may be complex, may contain other important information, and create binding legal obligations. You should consider seeking assistance of legal counsel.

A purchaser may not rely on any representation or express warranty unless it is contained in the public offering statement or made in writing signed by the developer or by any person identified in the public offering statement as the declarant's agent.

Unless a purchaser is given the public offering statement more than two days before execution of a contract for the purchase of a lot, parcel, unit, or interest, the purchaser, before conveyance, shall have the right to cancel the contract within two days after first receiving the public offering statement and, if necessary to have two days to review the public offering statement and cancel the contract, to extend the closing date for conveyance to a date not more than two days after first receiving the public offering statement. The purchaser shall have no right to cancel the contract upon receipt of an amendment unless the purchaser would have that right under generally applicable legal principles. The two-day period shall not include Saturdays, Sundays, or legal holidays.

If a purchaser elects to cancel a contract, the purchaser may do so by hand-delivering notice thereof to the developer or by mailing notice thereof by prepaid United States mail to the developer for service of process. If cancellation is by mailing notice, the date of the postmark on the mail shall be the official date of cancellation. Cancellation is without penalty, and all payments made by the purchaser before cancellation shall be refunded within thirty days from the date of cancellation.

General Information

- (a) Development - The name of the Development is Seabrook ("Seabrook" or the "Development"). It is located in Gray Harbor County, Washington, approximately .5 mile south of Pacific Beach, Washington.
- (b) Developer - The developer of Seabrook is:

Seabrook Land Company LLC
4275 State Route 109
P.O. Box 422
Pacific Beach, WA 98571

- (c) Management Company - The management company is Seabrook Land Company LLC.
- (d) Relationship of Management Company to Developer - The Developer and the Management Company are the same entity.
- (e) Offering - Offered for sale is single and multiple family homes and their respective lots. Future development will include commercial uses such as hotel, stores and small businesses to serve the Development and the area.
- (f) Uses - The Development is for housing, vacation and rental homes, supporting businesses, resort and recreational facilities. Restrictions in uses are contained in the Master Deed Restrictions, Declaration of Charter, Easements, Covenants and Restrictions and Seabrook Design Code.
- (g) Plan - The current plan allows for 400 units of housing on 303 lots contained in 81.07 acres. Additional development of tracts owned by the Developer is likely. The Developer controls or anticipates controlling 200-300 acres which may be added to the development. More acreage could be added to the development at a later time. Any added properties may be subject to the same covenants and restrictions.
- (h) Common Amenities - Amenities included in the Development are basic utilities including water, sewer, electrical service, cable and high speed internet access. Also included are public trails, beach access, rest facilities and common park areas.
- (i) Owned Adjacent Properties - The Developer owns or has contractual control of a total of approximately 90 additional acres adjacent to Seabrook, all of which are available for future development and may or may not be added to Seabrook.
- (j) Non-Owned Properties - Residents of the Development have access to the Pacific Ocean beach west of the Development through a trail system. Members of the public will also have the ability to access the beach through community trails.
- (k) Property Improvements - Currently, there are four divisions of Seabrook planned. Phases 1a and 1b of Division 1 and Division 2 are expected to be the first to be developed, followed by Divisions 3 and 4. Construction will begin on the first phases and divisions once permits are final (2005-2006). Subsequent phases depend on the strength of the market. Each phase or division is planned to be completed within 12 to 24 months after the date started. Total build out time is unknown at this time. Common amenities will be developed in concert with the areas being developed.

- (l) Homeowners Association – There shall be no Homeowner's Association formed. However, Founder has sole discretion to form a Homeowner's Association with 180 days' notice, but Founder shall not establish such an Association during the term of the current loan. The maintenance and operations of Seabrook will be performed by the Management Company.
- (m) Fees at Closing – At closing, the seller of any equity interest in any parcel will contribute 1% of the sales price to a Community Fund to benefit primarily low income individuals in Grays Harbor County in the future.
- (n) Costs for Improvements - All costs for the development of common areas, buildings, paths and trails are included in the purchase price of the undeveloped lots or homes to be sold. In the future, supplemental fees could be imposed under the terms of the Master Deed Restrictions and Declaration of Charter, Easements, Covenants, Conditions and Restrictions.
- (o) Assessments - There are water and sewer hookup fees due for each developed lot, at the time of building permit issuance, which are to be paid by the developer of residential lots to ensure that adequate funding is available for expansion of the water and sewer system. Other assessments and fees may be charged for emergency repairs. Custom lot owners will also pay Founder a sewer hookup fee of approximately \$6,500, subject to increases in cost.
- (p) Development Maintenance - The Management Company will have responsibility for maintaining the private roads, common areas, pathways, trails and structures. All residential parcel owners will pay a maintenance assessment to cover such costs for the residential areas. The maintenance assessments are estimated to be \$100.00 per month for the first 12 months after the recording of the Master Deed Restrictions. The commercial uses will be charged a negotiated fee based on the size and complexity of the services rendered.
- (q) Blanket Encumbrances - The Development property is currently subject to liens by First Independent Bank and Shore Bank Enterprises, both of which are providing land financing and are subject to being replaced by a construction development loan. All sales will be free and clear of any blanket encumbrances. The south 34 acres of the project (portions of Divisions 3 and 4) are subject to a real estate contract with Dorothy Hilson. The contract is anticipated to close in early 2005.
- (r) Physical Hazards - The location of this Development includes steep bluffs, the Pacific Ocean, two year-round creeks (Elk Creek and an unnamed creek) and forested areas.
- (s) Construction Warranties – All residential construction is subject to an implied warranty of habitability, where the new dwelling is built for purposes of sale by a builder vendor in business of building such dwellings under Washington

law. All infrastructure improvements are subject to Grays Harbor County requirements. Individual home construction warranties would be detailed in a construction contract by the builder.

- (t) Building Code Violations - There are no building code violation citations by the Developer which have not been corrected.
- (u) Judgments/Suits - There are no unsatisfied judgments or pending suits against property owners, the Developer, or any other pertinent entity.
- (v) The purchaser shall receive the following documents:

Attachment A	Master Deed Restrictions
Attachment B	Declaration of Charter, Easement, Covenants, Conditions and Restrictions
Attachment C	Preliminary Plat (revised)
Attachment D	Seabrook Design Code