

**IN THE CIRCUIT COURT OF GARLAND COUNTY, ARKANSAS
CIVIL DIVISION**

GEORGIA LAWRENCE,

PLAINTIFF

vs.

CASE NO. 26CV-24-__

**STRATEGIC HOME INSPECTION, LLC, and
HAMILTON WILSON,**

DEFENDANTS

COMPLAINT

COMES NOW, the Plaintiff, Georgia Lawrence, by and through her attorney, James D. Bornhoft of Bornhoft Law, and for her causes of action against Defendants, Strategic Home Inspection, LLC and Hamilton Wilson, states and alleges as follows:

PARTIES

1. Plaintiff, Georgia Lawrence, is, and at all times relevant to this Complaint, was a resident of Garland County, Arkansas.
2. Defendant, Strategic Home Inspection, LLC, is a domestic limited liability company, licensed to do business in the State of Arkansas, with its principal office in Hot Springs Village, Arkansas. Strategic Home Inspection, LLC, may be served with process through its registered agent, Christopher Burton, at 220 Louis Washington Road, Hot Springs Village, Arkansas 71909, or at 5611 Central Avenue, Suite A, Hot Springs National Park, Arkansas 71913.
3. Defendant, Hamilton Wilson, is a real estate agent licensed in the State of Arkansas (AREC License 0079085) and was the agent representing Plaintiff in the subject real estate transaction. Defendant Wilson resides in Garland County, Arkansas, and is employed by REMAX, with a business address of 1400 Desoto Boulevard, Hot Springs Village, Arkansas 71909.

JURISDICTION AND VENUE

4. This Court has subject matter jurisdiction over this case pursuant to Ark. Code Ann. § 16-13-201(a), as this is a civil action for damages involving breach of contract, negligence, and other civil grievances.
5. Venue is proper in this Court under Ark. Code Ann. §§ 16-60-101 and 16-60-102, as the real property at issue is located in Garland County, Arkansas, and all relevant acts, omissions, and transactions giving rise to this action occurred in Garland County, Arkansas.

FACTUAL ALLEGATIONS

6. On or about October 12, 2023, Plaintiff purchased a home located at 16 Pego Circle, Hot Springs Village, Arkansas 71909, for \$202,575.65. This property will be referred to as the "Home" throughout this Complaint. [See Exhibit One - Contract for Purchase of Home and Exhibit Two - Settlement Statement].
7. Prior to the purchase of the Home, Plaintiff engaged Defendant Wilson to act as her real estate agent. Defendant Wilson was responsible for advising Plaintiff, arranging necessary inspections, and assisting in the transaction as reflected in Exhibit One.
8. As part of the transaction, Plaintiff also engaged Defendant Strategic Home Inspection, LLC, to conduct a thorough inspection of the Home prior to closing. The inspection was conducted on September 21, 2023, and a corresponding report was produced by Strategic Home Inspection, LLC. [See Exhibit Three - Home Inspection Report].
9. On October 11, 2023, Defendant Wilson conducted a final walk-through of the Home on behalf of Plaintiff prior to closing, as part of his duties as Plaintiff's real estate agent. During

this walk-through, Defendant Wilson failed to identify or disclose any defects or issues with the Home, despite having an obligation to act in Plaintiff's best interest. [See Exhibit Four - Message Screen Shot].

10. Upon moving into the Home, Plaintiff immediately noticed a strong, unpleasant odor. Further investigation revealed significant mold growth in various areas of the Home, including but not limited to the kitchen and crawl space.
11. Between October 26, 2023, and November 29, 2023, Plaintiff communicated with Defendant Wilson, informing him of the mold in the Home and the related health issues she was experiencing. Plaintiff provided Defendant Wilson with photographic evidence of the visible mold growth. [See Exhibit Five - Text Messages to Defendant Wilson].
12. Defendant Wilson failed to disclose or address these issues despite having conducted a final walk-through and being fully aware of Plaintiff's reliance on him to identify and report any concerns about the Home's condition.
13. At Plaintiff's request, a mold inspection was conducted by Atoka Inc. on November 20, 2023. The inspection revealed extensive mold growth in the kitchen and crawl space, which was contributing to the Home's unpleasant odor and health concerns. The report recommended immediate remediation. [See Exhibit Six - Atoka Mold Report].
14. A second mold inspection was performed by Steamatic-Rugs and Restoration on November 22, 2023, which confirmed significant mold/microbial growth in the kitchen, crawl space, and HVAC system. The inspection concluded that the Home was uninhabitable until remediation was completed. [See Exhibit Seven - Steamatic Mold Report].

15. On March 8, 2024, Plaintiff received an estimate from Steamatic Rugs and Restoration for \$18,230.40 to remediate the mold and make the Home habitable. [See Exhibit Eight - Steamatic Bid].
16. Due to the mold damage, Plaintiff will need to completely rebuild and remodel the kitchen. On January 10, 2024, Plaintiff received an estimate from Spring Hollow Construction for \$29,610.00 for kitchen repairs. [See Exhibit Nine - Spring Hollow Estimate].
17. Since moving into the Home, Plaintiff has suffered from respiratory and other health issues linked to the mold infestation. Plaintiff has sought medical treatment and incurred related expenses.
18. Had Plaintiff been made aware of the mold issues prior to closing, she would not have purchased the Home or would have requested that the sellers remediate the mold as a condition of the sale.
19. Plaintiff also did not receive a Sellers Disclosure Form, which had been requested through Defendant Wilson. This failure prevented Plaintiff from discovering material defects in the Home prior to closing.

CAUSE OF ACTION ONE: BREACH OF CONTRACT (Strategic Home Inspection, LLC)

20. Plaintiff re-alleges and incorporates by reference all preceding paragraphs as though fully set forth herein.
21. Plaintiff and Defendant Strategic Home Inspection, LLC entered into a contract under which Defendant was to perform a home inspection according to industry standards and best practices.

22. Defendant Strategic Home Inspection, LLC materially breached the contract by failing to identify significant mold in the Home, a defect that would have materially impacted Plaintiff's decision to purchase the property.
23. As a result of this breach, Plaintiff has suffered damages, including but not limited to remediation costs, repair costs, medical expenses, and diminution in the value of the Home.
24. Plaintiff is entitled to compensatory damages, including all costs incurred to remediate and repair the Home, as well as any medical expenses arising from health issues caused by the mold.

CAUSE OF ACTION TWO: NEGLIGENCE (Strategic Home Inspection, LLC)

25. Plaintiff re-alleges and incorporates by reference all preceding paragraphs as though fully set forth herein.
26. Defendant Strategic Home Inspection, LLC owed Plaintiff a duty of care to perform the inspection with reasonable skill and care in accordance with the standards of the home inspection industry.
27. Defendant breached this duty by failing to detect or report the presence of mold in the Home.
28. Defendant Strategic Home Inspection, LLC's conduct was reckless, and showed either willful disregard for their duties and Plaintiff's basic safety or unintentional gross negligence.
29. Defendant's breach of duty was the proximate cause of the damages suffered by Plaintiff, including health issues, repair costs, and the diminution of the Home's value.
30. Plaintiff is entitled to compensatory damages as a result of Defendant's negligence.

CAUSE OF ACTION THREE: NEGLIGENCE (Hamilton Wilson)

31. Plaintiff re-alleges and incorporates by reference all preceding paragraphs as though fully set forth herein.
32. Defendant Wilson, acting as Plaintiff's real estate agent, owed Plaintiff a duty to exercise reasonable care and skill in representing her interests during the purchase of the Home.
33. Defendant Wilson breached this duty by failing to disclose the mold issues present in the Home and failing to obtain a Sellers Disclosure Form or advise Plaintiff to obtain the same, both of which were critical to Plaintiff's decision to purchase the Home.
34. Defendant Wilson's conduct was reckless, and showed either willful disregard for his duties and Plaintiff's basic safety or unintentional gross negligence.
35. Defendant's breach of duty was the proximate cause of Plaintiff's damages, including but not limited to health issues, remediation costs, and the diminution in value of the Home.
36. Plaintiff is entitled to compensatory damages as a result of Defendant Wilson's negligence.

DAMAGES

37. Plaintiff has suffered damages in the form of:
 - a. Costs to remediate mold and repair the Home.
 - b. Medical expenses due to respiratory and related health issues caused by mold exposure.
 - c. Diminution in the value of the Home.
 - d. Out-of-pocket expenses incurred in investigating and addressing the mold issues.
 - e. Attorney's fees.
 - f. Emotional and Mental Distress and Suffering.

38. Plaintiff's damages exceed the amount required for federal diversity jurisdiction and are sufficient to fully compensate her for all harm suffered.

DEMAND FOR JURY TRIAL

39. Plaintiff demands a trial by jury on all issues so triable.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, Georgia Lawrence, prays for judgment against Defendants, Strategic Home Inspection, LLC and Hamilton Wilson, as follows: For compensatory damages in an amount exceeding federal diversity jurisdiction requirements; For punitive damages against Defendants; For rescission of the contract for the purchase of the Home, if appropriate; For all attorney's fees and costs of this action; For pre-judgment and post-judgment interest at the maximum legal rate; and; For all other relief to which Plaintiff may be entitled.

CERTIFICATE OF SERVICE

I, James D. Bornhoft, do hereby certify that on September 19, 2024, I electronically filed the foregoing with the Clerk of the Court using the Arkansas E-Filing system which shall send notification of such filing to the following individuals:

/s/ James D. Bornhoft
James D. Bornhoft

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1. PARTIES: Georgia Lynn Lawrence

(individually or collectively, the "Buyer") offers to purchase, subject to the terms and conditions set forth herein, from the undersigned (individually or collectively, the "Seller"), the real property described in Paragraph 2 of this Real Estate Contract (the "Property"):

2. This Property is
- Single family detached home with land
 - One-to-four attached dwelling with land
 - Manufactured / Mobile Home with land
 - Condominium / Town Home
 - Builder Owned older than 1 year
- (See Condominium/Town Home Addendum attached)
- (Seller to provide FTC Insulation Requirement Addendum)

ADDRESS AND LEGAL DESCRIPTION:

16 Pego Circle, Hot Springs Village AR 71909

Subdivision - Guadalupe Lot 10 Block 7

3. PURCHASE PRICE: Subject to the following conditions, Buyer shall pay the following to Seller and, if so stated in Paragraph 3B assume the following obligations of Seller for the Property (the "Purchase Price"):

A. PURCHASE PURSUANT TO NEW FINANCING: Subject to Buyer's ability to obtain financing on the terms and conditions set forth herein and the Property appraising for not less than the Purchase Price, the Purchase Price shall be the exact sum of \$ 195,000.00

Down payment, loan amount, interest rate and other terms of financing to be negotiated between Buyer and creditor.

Loan type will be:

- CONVENTIONAL.
- VA. (Continues on Page 2 for "VA NOTICE TO BUYER")
- FHA. (Continues on Page 2, for "FHA NOTICE TO BUYER")
- USDA-RD. Direct Lender

OTHER FINANCING: Subject to Buyer's ability to obtain financing (other than stated above) as follows:

B. PURCHASE PURSUANT TO LOAN ASSUMPTION (See Loan Assumption Addendum attached)

C. PURCHASE PURSUANT TO CASH: Cash at Closing in the exact sum of..... \$ _____

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3. PURCHASE PRICE: (continued from Page 1)

- IF LOAN TYPE IS VA, I ACKNOWLEDGE THE FOLLOWING "VA NOTICE TO BUYER:"**
It is expressly agreed, notwithstanding any other provisions of this Real Estate Contract, Buyer shall not incur any penalty by forfeiture of Earnest Money or otherwise be obligated to complete this purchase of the Property described herein, if the Real Estate Contract Purchase Price or cost exceeds the reasonable value of the Property established by the Department of Veterans Affairs. Buyer shall, however, have the privilege and option of consummating this Real Estate Contract without regard to the amount of the reasonable value of the Property established by the Department of Veterans Affairs. If Buyer elects to complete the purchase at an amount in excess of the reasonable value established by the Department of Veterans Affairs, Buyer shall pay such excess amount in cash from a source which Buyer agrees to disclose to the Department of Veterans Affairs and which Buyer represents will not be from borrowed funds. If Department of Veteran's Affairs reasonable value of the Property is less than the Purchase Price, Seller may reduce the Purchase Price to an amount equal to the Department of Veterans Affairs reasonable value and the parties to the sale shall close at such lower Purchase Price with appropriate adjustments to Paragraph 3 above.
- IF LOAN TYPE IS FHA, I ACKNOWLEDGE THE FOLLOWING "FHA NOTICE TO BUYER:"**
It is expressly agreed, notwithstanding any other provisions of this Real Estate Contract, Buyer shall not be obligated to complete the purchase of the Property described herein or to incur any penalty by forfeiture of Earnest Money Deposits or otherwise unless Buyer has been given, in accordance with HUD/FHA or VA requirements, a written statement by the Federal Housing Commissioner, Department of Veterans Affairs, or a Direct Endorsement lender setting forth the appraised value of the Property of not less than \$_____. Buyer shall have the privilege and option of consummating this Real Estate Contract without regard to the amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the value nor the condition of the Property. Buyer should satisfy himself/herself that the price and condition of the Property are acceptable.

We hereby certify the terms and conditions of this Real Estate Contract are true to the best of our knowledge and belief and any other agreement entered into by any of the parties in connection with this real estate transaction is part of, or attached to, this Real Estate Contract.

- Buyer has received HUD/FHA's Form No. HUD-92564-CN,
"For Your Protection: Get a Home Inspection."**

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4. AGENCY: (check all that apply)

- A. LISTING FIRM AND SELLING FIRM REPRESENT SELLER:** Buyer acknowledges Listing Firm and Selling Firm and all licensees associated with those entities are the agents of Seller and it is Seller who employed them, whom they represent, and to whom they are responsible. Buyer acknowledges that before eliciting or receiving confidential information from Buyer, Selling Firm, which may be the same as Listing Firm, verbally disclosed that Selling Firm represents Seller.
- B. LISTING FIRM REPRESENTS SELLER AND SELLING FIRM REPRESENTS BUYER:** Buyer and Seller acknowledge Listing Firm is employed by Seller and Selling Firm is employed by Buyer. All licensees associated with Listing Firm are employed by, represent, and are responsible to Seller. All licensees associated with Selling Firm are employed by, represent, and are responsible to Buyer. Buyer acknowledges Selling Firm verbally disclosed Listing Firm represents Seller. Seller acknowledges Listing Firm verbally disclosed Selling Firm represents Buyer.
- C. LISTING FIRM AND SELLING FIRM ARE THE SAME AND REPRESENT BOTH BUYER AND SELLER:** Seller and Buyer hereby acknowledge and agree Listing and Selling Firm are the same and all licensees associated with Listing and Selling Firm are representing both Buyer and Seller in the purchase and sale of the above referenced Property and Listing/Selling Firm has been and is now the agent of both Seller and Buyer with respect to this transaction. Seller and Buyer have both consented to and hereby confirm their consent to agency representation of both parties. Further, Seller and Buyer agree:
- (i) Listing/Selling Firm shall not be required to and shall not disclose to either Buyer or Seller any personal, financial or other confidential information concerning the other party without the express written consent of that party; however, Buyer and Seller agree Listing/Selling Firm shall disclose to Buyer information known to Listing/Selling Firm related to defects in the Property and such information shall not be deemed "confidential information." Confidential information shall include but not be limited to any price Seller is willing to accept that is less than the offering price or any price Buyer is willing to pay that is higher than that offered in writing.
 - (ii) by selecting this option 4C, Buyer and Seller acknowledge when Listing/Selling Firm represents both parties, a possible conflict of interest exists, and Seller and Buyer further agree to forfeit their individual right to receive the undivided loyalty of Listing/Selling Firm.
 - (iii) to waive any claim now or hereafter arising out of any conflicts of interest from Listing/Selling Firm representing both parties. Buyer and Seller acknowledge Listing/Selling Firm verbally disclosed Listing/Selling Firm represents both parties in this transaction, and Buyer and Seller have given their written consent to this representation before entering into this Real Estate Contract.
- D. SELLING FIRM REPRESENTS BUYER (NO LISTING FIRM):** Seller acknowledges Selling Firm and all licensees associated with Selling Firm are the agents of Buyer and it is Buyer who employed them, whom they represent, and to whom they are responsible. Seller acknowledges that at first contact, Selling Firm verbally disclosed that Selling Firm represents Buyer. Any reference to "Listing Firm" in this Real Estate Contract will be considered to mean Selling Firm, both Buyer and Seller acknowledging that all real estate agents (unless Seller is a licensed Real Estate Agent) involved in this Real Estate Contract only represent Buyer.
- E. NON-REPRESENTATION:** See attached Non-Representation Disclosure Addendum. If item E is checked it should be accompanied by a corresponding entry to Paragraph 35 B or C.

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5. LOAN AND CLOSING COSTS: Unless otherwise specified, all of Buyer's closing costs, including origination fees, assumption fees, loan costs, prepaid items, loan discount points, closing fee, and all other financing fees and costs charged by Buyer's creditor or any additional fees charged by Closing Agent(s), are to be paid solely by Buyer except for costs that cannot be paid by Buyer. If Buyer is obtaining a VA or FHA loan, the "Government Loan Fees" shall be paid by Seller, up to the sum of \$_____ (the "Seller Loan Cost Limit"), which is not included in any loan or closing cost provisions listed below. Notwithstanding any provision to the contrary, should the Government Loan Fees exceed the Seller Loan Cost Limit, Seller shall have the option to either pay such excess amount or terminate this Real Estate Contract and have the Earnest Money returned to Buyer. Seller is to pay Seller's closing costs. _____

Should Buyer be entitled to a credit at Closing for repairs pursuant to Paragraph 16 of this Real Estate Contract, the amount of such credit shall be reflected on the settlement statement(s). Buyer and Seller warrant all funds received by Buyer from Seller (or other sources) will be disclosed to the Closing Agent(s) and reflected on the settlement statement(s).

6. APPLICATION FOR FINANCING: If applicable, Buyer agrees to make a complete application for new loan or for loan assumption within five (5) business days from the acceptance date of this Real Estate Contract. In order to make a complete application as required by this Paragraph 6, Buyer agrees to provide creditor with any requested information and pay for any credit report(s) and appraisal(s) required upon request. Unless otherwise specified, if said loan is not consummated or assumed, Buyer agrees to pay for loan costs incurred, including appraisal(s) and credit report(s), unless failure to consummate is solely the result of Seller's breach of this Real Estate Contract, in which case such expenses will be paid by Seller. Buyer understands failure to make a complete loan application as defined above may constitute a breach of this Real Estate Contract.

7. EARNEST MONEY:

- A. Yes, see Earnest Money Addendum.
 B. No.

8. NON-REFUNDABLE DEPOSIT: The Non-Refundable Deposit (hereinafter referred to as the "Deposit") is funds tendered by Buyer to Seller to compensate Seller for liquidated damages that may be incurred by Seller resulting from Buyer failing to close on this Real Estate Contract. The liquidated damages shall include, but not be limited to, Seller's time, efforts, expenses and potential loss of marketing due to Seller's removal of Property from market. The Deposit is not refundable to Buyer unless failure to close is exclusively the fault of Seller or if Seller cannot deliver marketable title to the Property. The Deposit will be credited to Buyer at Closing. Buyer shall hold Listing Firm and Selling Firm harmless of any dispute regarding Deposit. Buyer expressly acknowledges The Deposit is not to be held by either Listing Firm or Selling Firm. The Deposit may be commingled with other monies of Seller, such sum not being held in an escrow, trust or similar account.

"If Buyer is obtaining Government Financing (FHA, VA or other) Buyer is encouraged to confirm with legal counsel and lender if a Non-Refundable Deposit is allowed."

- A. The Deposit is not applicable.
 B. Buyer will pay to Seller the Deposit in the amount of \$_____
 i. Within _____ days following the date this Real Estate Contract has been signed by Buyer and Seller; or
 ii. Within three (3) business days following agreement to repairs on Inspection, Repair & Survey Addendum; or
 iii. Other: _____

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9. CONVEYANCE: Unless otherwise specified, conveyance of the Property shall be made to Buyer by general warranty deed, in fee simple absolute, except it shall be subject to recorded instruments and easements, if any, which do not materially affect the value of the Property. Unless expressly reserved herein, **SUCH CONVEYANCE SHALL INCLUDE ALL MINERAL RIGHTS OWNED BY SELLER CONCERNING AND LOCATED ON THE PROPERTY, IF ANY, UNLESS OTHERWISE SPECIFIED IN PARAGRAPH 30. IT IS THE RESPONSIBILITY OF THE BUYER TO INDEPENDENTLY VERIFY AND INVESTIGATE THE EXISTENCE OR NONEXISTENCE OF MINERAL RIGHTS AND ANY LEGAL RAMIFICATIONS THEREOF.** Seller warrants and represents only signatures set forth below are required to transfer legal title to the Property. Seller also warrants and represents Seller has peaceable possession of the Property, including all improvements and fixtures thereon, and the legal authority and capacity to convey the Property by a good and sufficient general warranty deed free from any liens, leaseholds or other interests.

10. TITLE REQUIREMENTS: As per RESPA AND CONSUMER FINANCIAL PROTECTION BUREAU (CFPB) requirements, Buyer and Buyer's Lender have the right to determine where Buyer or Buyer's Lender will purchase title insurance and other settlement services.

Buyer and Seller understand Listing Firm and Selling Firm are not licensed title insurance agents as defined by Arkansas law and do not and cannot receive direct or indirect compensation from any Closing Agent regarding the closing process or the possible purchase of title insurance by one or more of Buyer and Seller. An enhanced version of title insurance coverage may be available to Buyer for this transaction. Discuss enhanced title insurance coverage with your title insurance provider to determine availability and features.

- A.** Seller shall furnish, at Seller's cost, an owner's policy of title insurance in the amount of the Purchase Price. If a loan is secured for the purchase of the Property, Buyer agrees to pay mortgagee's portion of title policy. If Buyer elects to obtain enhanced title insurance coverage, Buyer shall pay for the increase in title insurance cost in excess of the cost of a standard owner's title policy.
- B.** Buyer and Seller shall equally split the cost of a combination owner's and mortgagee's policy of title insurance, either standard or enhanced (if enhanced coverage is desired by Buyer and available), in the amount of (as to owner's) the Purchase Price and (as to mortgagee's) the loan amount (not to exceed the Purchase Price); however, if Buyer and Seller choose to close at different title companies, and/or if Buyer pays cash, subparagraph (A) above would control as to the allocation of title insurance costs. In the event the Loan Amount exceeds the Purchase Price, Buyer agrees to pay any additional title insurance premium in excess of Purchase Price.

C. Other: _____

Buyer shall have the right to review and approve a commitment to provide title insurance prior to Closing. If objections are made to Title, Seller shall have a reasonable time to cure the objections. Regardless of the policy chosen, Buyer and Seller shall have the right to choose their Closing Agent(s).

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11. **SURVEY:** Buyer has been given the opportunity to obtain a new certified survey. Should Buyer decline to obtain a survey as offered in Paragraph 11A of this Real Estate Contract, Buyer agrees to hold Seller, Listing Firm and Selling Firm involved in this Real Estate Contract harmless of any problems relative to any survey discrepancies that may exist or be discovered (or occur) after Closing.

- A. A new survey satisfactory to Buyer, certified to Buyer within thirty (30) days prior to Closing by a registered land surveyor, showing all improvements, easements and any encroachments will be provided and paid for by:
- Buyer Seller Equally split between Buyer and Seller.
- B. No survey shall be provided.
- C. Other: Seller to pay to have corners of lot flagged.

Should Buyer agree to accept the most recent survey provided by Seller, this survey is for information purposes only and Buyer will not be entitled to the legal benefits of a survey certified in Buyer's name.

12. **PRORATIONS:** Taxes and special assessments due on or before Closing shall be paid by Seller. Any deposits on rental Property are to be transferred to Buyer at Closing. Insurance, general taxes, special assessments, rental payments and interest on any assumed loan shall be prorated as of Closing, unless otherwise specified herein. Buyer and Seller agree to prorate general ad valorem taxes based on the best information available at Closing. Buyer and Seller agree to hold any Closing Agent(s) selected by Buyer and Seller, Listing Firm and Selling Firm harmless for error in such tax proration computation caused by unknown facts or erroneous information (or uncertainty) regarding the Homestead Tax Exemption adopted by the voters of the State of Arkansas in the Year 2000, as amended from time to time.

13. **FIXTURES AND ATTACHED EQUIPMENT:** Unless specifically excluded herein all fixtures and attached equipment, if any, are included in the Purchase Price. Such fixtures and attached equipment shall include but not be limited to the following: dishwasher, disposal, trash compactor, ranges, ovens, water heaters, exhaust fans, heating and air conditioning systems, plumbing and septic systems, electrical system, intercom system, ceiling fans, window air conditioners, carpeting, indoor and outdoor light fixtures, window and door coverings and related hardware, gas or electric grills, awnings, mail boxes, garage door openers and remote controls, antennas, fireplace inserts,

_____ and any items bolted, nailed, screwed, buried or otherwise attached to the Property in a permanent manner. Television satellite receiver dish, cable wiring, water softeners, and propane and butane tanks also remain, if owned by Seller. Buyer is aware the following items are not owned by Seller or do not convey with the Property: _____

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14. OTHER CONTINGENCY:

A. No Other Contingency. (Except for those conditions listed elsewhere in this Real Estate Contract.) It is understood and agreed Seller has the right to enter into subordinate Real Estate Contracts and other Real Estate Contracts shall not affect this Real Estate Contract.

B. This Real Estate Contract is contingent upon:

on or before (month) _____ (day) _____, (year) _____.

During the term of this Real Estate Contract (**Select one**):

- (i) **Binding with Escape Clause:** Seller has the right to continue to show the Property and solicit and enter into another Real Estate Contract on this Property. However, all Real Estate Contracts shall be subject to termination of this Real Estate Contract. Should Seller elect to provide written notice of an additional Real Estate Contract being accepted by Seller, Seller shall utilize the "Seller's Contingency Notice Addendum" (the "Notice") and Buyer shall have _____ hours to remove this contingency. Buyer shall be deemed in receipt of the Notice upon the earlier of (a) actual receipt of the Notice, or (b) five (5) business days after Seller or Listing Firm deposits the Notice in the United States mail, certified for delivery to Buyer at _____ with sufficient postage to ensure delivery. Removal of this contingency shall occur only by delivery of Notice, in a manner ensuring actual receipt, to Seller or Listing Firm. Time is of the essence. In the event Buyer removes the contingency and does not perform on this Real Estate Contract for any reason concerning this contingency, Seller may assert all legal or equitable rights that may exist as a result of Buyer breaching this Real Estate Contract. Alternatively, Seller at his sole and exclusive option, may retain the Earnest Money, as liquidated damages. If this contingency is removed, a Closing date shall be agreed upon by the parties. If a Closing date is not agreed upon, Closing shall occur _____ calendar days from removal. Should Buyer not remove this contingency as specified, this Real Estate Contract shall be terminated with Buyer and Seller both agreeing to sign a Termination of Contract Addendum with Buyer to recover Earnest Money. All time constraints in this Real Estate Contract referred to in Paragraphs 6, 16B, 17, 18 19B, 20B, and 21 refer to the time Buyer removes the contingency.
- (ii) **Binding without Escape Clause:** It is understood and agreed Seller has the right to enter into subordinate Real Estate Contracts and any subordinate Real Estate Contracts entered into by Seller shall not affect this Real Estate Contract.

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15. HOME-WARRANTY PLANS: Buyer has been given the opportunity to obtain a Home Warranty Plan. The Home Warranty contract covers unexpected mechanical failures due to wear and tear and is subject to a per-claim deductible and the specific terms of the Home Warranty Contract:

- A.** No Home Warranty provided.
- B.** A one-year limited Home Warranty Plan provided by _____
Company, _____
plan paid for by _____
at a cost not to exceed \$ _____ plus sales tax.
- C.** A one-year limited Home Warranty Plan provided by a Home Warranty Company, and specific plan coverage selected by Buyer prior to closing. Plan paid for by _____
_____ at a cost not to exceed \$ _____ plus sales tax.
- D.** Other: _____

If a Home Warranty Plan is selected the contract will not imply any warranty by Seller after Closing. Coverages vary and the coverage received is solely set forth in the home-warranty documents between Buyer and Home Warranty Company, and no representation or explanation will be provided by Seller, Selling Firm or Listing Firm, Buyer being solely responsible to determine the extent and availability of coverage. Listing Firm and/or Selling Firm may receive compensation from the warranty company.

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16. INSPECTION AND REPAIRS:

- A. Subject to Paragraph 25, the sale of the Property, in its condition as existing on the date Buyer signed this Real Estate Contract, shall take place on an "AS IS, WHERE IS, WITH ALL FAULTS BASIS" and Buyer acknowledges and agrees to voluntarily waive and decline any right to further inspect or require repair of the Property. An example are the rights declined and waived by Buyer in Paragraph 16B of this Real Estate Contract.
- B. Buyer shall have the right, at Buyer's expense, with the cooperation of Seller, to inspect the electrical, mechanical, plumbing, environmental conditions, appliances, and all improvements, structure(s) and components on or about the Property (collectively the "Inspection Items") within TEN (10) BUSINESS DAYS after the date this Real Estate Contract is accepted. Seller, Listing Firm and Selling Firm recommend Buyer use a representative(s) chosen by Buyer to inspect Inspection Items. **Buyer is not relying on Listing Firm or Selling Firm to choose a representative to inspect or re-inspect Inspection Items; Buyer understands any representative desired by Buyer may inspect or re-inspect Inspection Items.** Buyer shall neither make nor cause to be made, unless authorized by Seller in writing, any invasive or destructive Buyer inspections or investigations. Seller agrees to have all utilities connected and turned on to Property to allow Buyer to inspect and re-inspect Inspection Items. If Property being purchased is not new, Buyer acknowledges Inspection Items may not be new. Buyer does not expect Inspection Items to be like new and recognizes ordinary wear and tear to Inspection Items is normal. For the purpose of this Paragraph 16B, "normal working order" means that Inspection Items function for the purpose for which they are intended. The fact any or all Inspection Items may cease to be in normal working order, be discovered or occur, after Closing, shall not require repair by Seller, or provide legal or other liability to Seller, Listing Firm or Selling Firm.

If Buyer elected to inspect the Inspection Items, Buyer shall deliver an Inspection, Repair and Survey Addendum to Seller or Listing Firm within the allotted ten (10) business day period so the Inspection, Repair, and Survey Addendum is actually received by Seller or Listing Firm within the allotted (10) business day period, stating inspections have been performed and listing all items Buyer requests the Seller to repair or stating no repairs are requested. If Buyer is not satisfied with a personal or professional inspection and elects to terminate this Real Estate Contract, both Buyer and Seller agree to sign a Termination of Contract Addendum with Buyer to recover Earnest Money. If Buyer requests repairs, Seller shall have (5) business days to respond to the Buyer's repair request. If Seller does not respond within the allotted (5) business days, Buyer may elect to: (1) accept Property in its condition at Closing, or (2) terminate this Real Estate Contract and recover Earnest Money and both Buyer and Seller agree to sign a Termination of Contract Addendum.

If Buyer and Seller are not able to negotiate requested repairs, Buyer and Seller agree this Real Estate Contract is terminated and further agree to sign a Termination of Contract Addendum. **IN THE EVENT BUYER DOES NOT MAKE THE NECESSARY REQUIRED INSPECTIONS OR DOES NOT PRESENT THE INSPECTION, REPAIR AND SURVEY ADDENDUM TO SELLER OR LISTING FIRM IN THE ALLOTTED TEN (10) BUSINESS DAY TIME PERIOD, BUYER WAIVES ALL RIGHTS TO A RE-INSPECTION AND ASSUMES COMPLETE RESPONSIBILITY FOR ANY AND ALL FUTURE REPAIRS AND THE CONDITION OF THE PROPERTY.**

If Buyer timely inspected Property and Seller received the Inspection, Repair and Survey Addendum within the time period set forth above, Buyer shall have the right to re-inspect all Inspection Items immediately prior to Closing to ascertain whether Inspection Items are in normal working order and to determine whether all requested and accepted repairs have been made. If Inspection Items are found not to be in normal working order upon re-inspection, Buyer may elect to: (1) accept Property in its condition at Closing, or (2) terminate this Real Estate Contract and recover the Earnest Money and, in the event termination is elected, both Buyer and Seller agree to sign a Termination of Contract Addendum.

If Buyer closes on Property believing conditions exist at Property that require repair as allowed by this Paragraph 16B, Buyer waives all right to assert a claim against Seller, Selling Firm or Listing Firm concerning the condition of Property. Buyer understands and agrees that, pursuant to the terms of Paragraph 16B, Buyer will be accepting Property at Closing "AS IS, WHERE IS AND WITH ALL FAULTS".

Real Estate Contract (Residential)

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17. THIRD PARTY REQUIREMENTS:

Any requirements for repair by FHA, VA, USDA-RD, the creditor, termite control company or other "third party" requirements shall be delivered to Seller promptly upon receipt by Buyer. Seller shall have five (5) business days to respond to "Third Party" requirements upon receipt or Buyer may (1) accept the property in its condition at Closing as well as the responsibility for the completion of "Third Party" requirements, or (2) terminate this Real Estate Contract and recover the Earnest Money with Buyer and Seller agreeing to sign the Termination of Contract Addendum. If Buyer and Seller are unable to negotiate for the requested "Third Party" Requirements to be performed, this contract may be terminated with Buyer and Seller both agreeing to sign the Termination of Contract Addendum.

Buyer shall have the right to re-inspect all "Third Party" Requirements immediately prior to closing to ascertain whether "Third Party" Requirements have been made. If Buyer finds "Third Party" Requirements have not been made, Buyer may (1) accept the property in its condition at Closing as well as the responsibility for the completion of "Third Party" Requirements, or (2) terminate this contract and recover the Earnest Money with Buyer and Seller both agreeing to sign the Termination of Contract Addendum

18. SELLER PROPERTY DISCLOSURE:

- A. Buyer and Seller acknowledge that upon the authorization of Seller, Buyer has received and reviewed Section 1 of the Seller Property Disclosure prior to the execution of this Real Estate Contract but this fact neither limits nor restricts Buyer's Disclaimer of Reliance set forth in Paragraph 29 of this Real Estate Contract, nor the rights provided Buyer in Paragraph 16. Buyer and Seller agree to complete the remaining required sections of the Seller Property Disclosure prior to Closing.
- B. Buyer hereby requests Seller to provide a written disclosure about the condition of the Property that is true and correct to Seller's knowledge within three (3) business days, after this Real Estate Contract has been signed by Buyer and Seller. If Seller does not provide the disclosure within the three (3) business days, Buyer may declare this Real Estate Contract terminated with Buyer and Seller both agreeing to sign the Termination of Contract, with Buyer to receive a refund of the Earnest Money. If Buyer finds the disclosure unacceptable within three (3) business days after receipt of disclosure, this Real Estate Contract may be declared terminated by Buyer, with Buyer and Seller both agreeing to sign the Termination of Contract with Buyer to receive a refund of the Earnest Money. Receipt of this disclosure neither limits nor restricts in any way Buyer's Disclaimer of Reliance set forth in Paragraph 29 of this Real Estate Contract, nor the rights provided to Buyer in Paragraph 16.
- C. Although a disclosure form may have been completed (or can be completed) by Seller, Buyer has neither received nor requested and does not desire from Seller a written disclosure concerning the condition of the Property prior to the execution of this Real Estate Contract, but this fact neither limits nor restricts in any way Buyer's Disclaimer of Reliance set forth in Paragraph 29 of this Real Estate Contract. BUYER IS STRONGLY URGED BY SELLING FIRM AND LISTING FIRM TO MAKE ALL INDEPENDENT INSPECTIONS DEEMED NECESSARY PRIOR TO SIGNING THIS REAL ESTATE CONTRACT, IN ADDITION TO THOSE INSPECTIONS PERMITTED BY PARAGRAPH 16B OF THIS REAL ESTATE CONTRACT.
- D. Buyer understands no disclosure form is available and will not be provided by Seller. This fact neither limits nor restricts in any way the Buyer's Disclaimer of Reliance set forth in Paragraph 29 of this Real Estate Contract. BUYER IS STRONGLY URGED BY SELLING FIRM AND THE LISTING FIRM TO MAKE ALL INDEPENDENT INSPECTIONS DEEMED NECESSARY PRIOR TO SIGNING THIS REAL ESTATE CONTRACT, IN ADDITION TO THOSE INSPECTIONS PERMITTED BY PARAGRAPH 16B OF THIS REAL ESTATE CONTRACT.

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19. TERMITE CONTROL REQUIREMENTS:

- A. None
- B. A Letter of Clearance (Wood Infestation Report) requiring a Termite Protection Contract with a One-Year (1) Warranty to include treatment if allowed by applicable law and the Arkansas State Plant Board and full protection plan shall be provided by Seller at Seller's cost at Closing. Seller shall order a proposal from a licensed Termite Contractor within ten (10) business days after acceptance of this Real Estate Contract. All repairs necessary to allow issuance of such Termite Protection Contract, excluding a new Termite Protection Treatment, are to be part of the Third-Party Requirements pursuant to Paragraph 17. If Buyer is obtaining financing, such Termite Protection Contract shall be in a form acceptable to the creditor and Buyer.
- C. Other: _____

20. LEAD-BASED PAINT RISK ASSESSMENT/INSPECTION:

- A. Buyer understands and agrees that, according to the best information available, improvements on this Property were not constructed prior to 1978 and should not contain lead-based paint hazards.
- B. Buyer has been informed that the Property, including without limitation garages, tool sheds, other outbuildings, fences, signs and mechanical equipment on the Property that were constructed prior to 1978, may contain lead-based paint. Seller will provide the Lead-Based Paint Disclosure (pre-1978 construction) within three (3) business days after acceptance of this Real Estate Contract. The obligation of Buyer under this Real Estate Contract is contingent upon Buyer's acceptance of the Lead-Based Paint Disclosure provided by Seller and an Inspection and/or Risk Assessment of the Property for the presence of lead-based paint and/or lead-based paint hazards obtained at Buyer's expense. If Buyer finds either the Lead-Based Paint Disclosure or the Inspection and/or Risk Assessment unsatisfactory, in the sole discretion of Buyer, within ten (10) calendar days after receipt by Buyer of the Lead-Based Paint Disclosure, Buyer shall have the absolute option to unilaterally terminate this Real Estate Contract with Earnest Money returned to Buyer and, with neither Buyer nor Seller having further obligation to the other thereafter. Buyer shall submit any request for abatement repairs in writing as part of the Third-Party Requirements specified in Paragraph 17 of the Real Estate Contract. Buyer may remove this contingency and waive the unilateral termination right at any time without cause by written General Addendum signed by Buyer and delivered to Seller. If Buyer does not deliver to Seller or Listing Firm a Termination of Real Estate Contract Addendum terminating this Real Estate Contract within the ten (10) calendar days after receipt by Buyer of the Lead-Based Paint Disclosure, this contingency shall be deemed waived and Buyer's performance under this Real Estate Contract shall thereafter not be conditioned on Buyer's satisfaction with the Lead-Based Paint Inspection and/or Risk Assessment of the Property.

Buyer has been advised of Buyer's rights under this Paragraph 20.

21. INSURANCE: This Real Estate Contract is conditioned upon Buyer's ability to obtain homeowner/hazard insurance for the Property within ten (10) business days after the acceptance date of this Real Estate Contract. If Buyer does not deliver to Seller or Listing Firm a written notice from an insurance company within the time set forth above of Buyer's inability to obtain homeowner/hazard insurance on the Property, this condition shall be deemed waived (but without waiver of conditions, if any, set in Paragraph 3) and Buyer's performance under this Real Estate Contract shall thereafter not be conditioned upon Buyer's obtaining insurance. If Buyer has complied with the terms of this Paragraph 21 and has timely provided written notice to Seller of Buyer's inability to obtain such insurance, this Real Estate Contract shall be terminated, with Buyer and Seller agreeing to sign a Termination of Contract Addendum and Earnest Money returned to Buyer, subject to Earnest Money Addendum.

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22. CLOSING: Closing is the date and time at which Seller delivers the executed and acknowledged deed and Buyer's completion, signing and delivery to Seller (or Closing Agent agreed to by Buyer & Seller) of all loan, closing documents and Purchase Price funds required to be executed or delivered by Buyer (the "Closing"). Buyer and Seller agree the Closing date will be (month) October (day) 12, (year) 2023. The Closing date may be changed by written agreement of Buyer and Seller. If the sale is not consummated by the Closing date, (or any written extension thereof), the parties shall have the remedies available to them in equity or at law, including the remedies available to them in Earnest Money Addendum. Buyer and Seller shall have the right to choose their Closing Agent(s) and are not relying on Listing Firm or Selling Firm to choose a Closing Agent. Should Buyer or Seller choose the services of a Closing Agent(s) other than Selling Firm or Listing Firm, then Buyer and Seller each jointly and severally agree to indemnify and hold Listing Firm and Selling Firm harmless for all intentional misconduct and negligent acts (including acts of omission) of the Closing Agent(s).

This Real Estate Contract shall serve as written closing instructions to the Closing Agent on behalf of the Buyer and Seller. The Closing Agent(s) is/are authorized to provide Seller's closing disclosure or other settlement statement(s) to Listing Firm (in addition to Seller) and Buyer's closing disclosure or other settlement statement(s) to Selling Firm (in addition to Buyer) so Buyer, Seller, Listing Firm and Selling Firm shall have a reasonable opportunity to review prior to Closing.

Buyer and Seller shall each have the right to request title insurer(s), if any, issue closing protection to indemnify against loss of closing funds because of acts of a Closing Agent, title insurer's named employee, or title insurance agent. Any cost for closing protection will be paid by the requesting party(ies). Listing Firm and Selling Firm strongly advise Buyer and Seller to inquire of the Closing Agent(s) about the availability and benefits of closing protection.

This Real Estate Contract shall, unless otherwise specified in Paragraph 30 of this Real Estate Contract, constitute express written permission and authorization to Listing Firm and Selling Firm to disclose the terms of this Real Estate Contract (and all Addenda), including without limitation concessions provided by Buyer or Seller or other non-public personal information of Buyer and Seller regarding the purchase and sale of the Property, to any of the following: (i) an Arkansas licensed appraiser; (ii) multiple listing services for use by the members thereof; and (iii) any other person or entity which Listing Firm or Selling Firm determines, using sole discretion, may have a legitimate basis to request and obtain such information. The authorization and permissions granted in this Paragraph 22 shall not create any obligation or duty upon Listing Firm or Selling Firm to make any disclosure to any person or entity.

23. POSSESSION: Possession of the Property shall be delivered to Buyer:

- A. Upon the Closing.
 B. Delayed Possession. (See Delayed Occupancy Addendum attached)
 C. Prior to Closing. (See Early Occupancy Addendum attached)

24. ASSIGNMENT: This Real Estate Contract may not be assigned by Buyer unless written consent of Seller is obtained, such consent not to be unreasonably withheld. It shall not be unreasonable for Seller to withhold consent if Seller is to provide financing for Buyer in any amount.

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- 25. RISK OF LOSS:** Risk of loss or damage to the Property by fire or other casualty occurring prior to the time Seller delivers an executed and acknowledged deed to Buyer is expressly assumed by Seller. Should the Property be damaged or destroyed prior to Closing, Buyer shall have the option to: (i) enter into a separate written agreement with Seller whereby Seller will agree to restore the Property to its condition at the time this Real Estate Contract was accepted, (ii) accept all insurance proceeds related to the Property fire loss or other casualty loss and receive the Property in its existing condition, or (iii) terminate this Real Estate Contract and recover the Earnest Money. Buyer and Seller agree any written agreement concerning option (i) or (ii) above shall be prepared only by licensed attorneys representing Buyer and Seller. If Buyer elects option (ii) above, Buyer shall be entitled to credit for the insurance proceeds up to the Purchase Price, and any insurance proceeds received by Seller over and above the Purchase Price shall be tendered to Seller at Closing. Notwithstanding the choice selected in Paragraph 16, Buyer shall have the right prior to Closing to inspect the Property to ascertain any damage that may have occurred due to fire, flood, hail, windstorm or other acts of nature, vandalism or theft.
- 26. GOVERNING LAW:** This Real Estate Contract shall be governed by the laws of the State of Arkansas.
- 27. SEVERABILITY:** The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of the Agreement, which shall remain in full force and effect.
- 28. MERGER CLAUSE:** This Real Estate Contract, when executed by both Buyer and Seller, shall contain the entire understanding and agreement between Buyer and Seller with respect to all matters referred to herein and shall supersede all prior or contemporaneous agreements, representations, discussions and understandings, oral or written, with respect to such matters. This Real Estate Contract shall not supersede any agency agreements entered into by Buyer or Seller and Listing Firm or Selling Firm.
- 29. BUYER'S DISCLAIMER OF RELIANCE:**
- A. BUYER CERTIFIES BUYER WILL PERSONALLY INSPECT OR HAVE A REPRESENTATIVE INSPECT THE PROPERTY AS FULLY AS DESIRED PRIOR TO CLOSING. BUYER CERTIFIES BUYER HAS NOT AND WILL NOT RELY ON ANY WARRANTIES, REPRESENTATIONS, OR STATEMENTS OF SELLER, LISTING FIRM, SELLING FIRM, OR ANY AGENT, INDEPENDENT CONTRACTOR, OR EMPLOYEE ASSOCIATED WITH THOSE ENTITIES, OR INFORMATION FROM MULTIPLE LISTING SERVICES OR OTHER WEBSITES REGARDING MINERAL RIGHTS, YEAR BUILT, SIZE (INCLUDING WITHOUT LIMITATION THE SQUARE FEET IN IMPROVEMENTS LOCATED ON THE PROPERTY), QUALITY, VALUE OR CONDITION OF THE PROPERTY, INCLUDING WITHOUT LIMITATION ALL IMPROVEMENTS, APPLIANCES, PLUMBING, ELECTRICAL OR MECHANICAL SYSTEMS. HOWEVER, BUYER MAY RELY UPON ANY WRITTEN DISCLOSURES PROVIDED BY SELLER.**
- LISTING FIRM AND SELLING FIRM CANNOT GIVE LEGAL ADVICE TO BUYER OR SELLER. LISTING FIRM AND SELLING FIRM STRONGLY URGE STATUS OF TITLE TO THE PROPERTY, COVENANTS, DEED RESTRICTIONS, CONDITION OF PROPERTY, MINERAL RIGHTS, AND SQUARE FOOTAGE OF IMPROVEMENTS, QUESTIONS OF SURVEY AND ALL OTHER REQUIREMENTS OF BUYER SHOULD EACH BE INDEPENDENTLY VERIFIED AND INVESTIGATED BY BUYER OR A REPRESENTATIVE CHOSEN BY BUYER.**
- B. BUYER AGREES TO SIGN PAGE 4 OF THE INSPECTION, REPAIR AND SURVEY ADDENDUM PRIOR TO CLOSING IF BUYER ACCEPTS THE CONDITION OF THE PROPERTY AND INTENDS TO CLOSE.**

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30. OTHER: First time buyers in Hot Springs Village are subject to a \$1,500.00 buy in fee. This will be collected by the Title Company and paid to the POA for the buyer.

31. **TIME:** Buyer and Seller agree time is of the essence with regard to all times and dates set forth in the Real Estate Contract. Unless otherwise specified, days as it appears in the Real Estate Contract shall mean calendar days. Further, all times and dates set forth in the Real Estate Contract refer to Arkansas Central time and date. If any Closing provided in this Real Estate Contract shall fall on a Saturday, Sunday or date upon which banks are not open in Arkansas, such performance shall be due on the first day thereafter.

32. **ATTORNEY'S FEES:** Should Buyer or Seller initiate any type of administrative proceeding, arbitration, mediation or litigation against the other (or against an agent for the initiating party or agent for the non-initiating party), it is agreed by Buyer and Seller (aforementioned agents being third-party beneficiaries of this Paragraph 32) that all prevailing party (or parties if more than one) shall be entitled to an award of all costs and attorney's fees incurred in prosecution or defense of such action against the non-prevailing party (or parties if more than one).

33. **COUNTERPARTS:** This Real Estate Contract may be executed in multiple counterparts each of which shall be regarded as an original hereof but all of which together shall constitute one in the same. Electronic signatures shall be deemed original signatures and shall be binding upon the parties.

34. **FIRPTA COMPLIANCE, TAX REPORTING:** Buyer and Seller agree to disclose on or before Closing, to the person or company acting as Closing Agent for this transaction, their United States citizenship status, solely for the purpose of compliance with the Foreign Investment in Real Property Taxation Act (FIRPTA). In addition, Buyer and Seller shall execute all documents required by such Closing Agent to document compliance with the FIRPTA and all other applicable laws. Buyer and Seller agree nothing in this Real Estate Contract is intended to limit the responsibility of the Closing Agent as defined pursuant to United States Treasury Regulation 1.6045-4 to (i) be the "reporting person" under state and federal tax laws (including without limitation 26 USC Section 6045(e)), and (ii) file all necessary forms regarding the Closing, including without limitation form 1099, 8288 or 8288A. By accepting the role as Closing Agent, this Agreement shall obligate the Closing Agent to fulfill their responsibilities as set forth above and as defined by the above statutes. Seller will execute an affidavit confirming compliance with FIRPTA, as prepared by the Closing Agent.

35. **LICENSEE DISCLOSURE:** Check all that apply:

- A. Not Applicable.
 B. One or more parties to this Real Estate Contract acting as a Buyer Seller hold a valid Arkansas Real Estate License.
 C. One or more owners of any entity acting as Buyer Seller hold a valid Arkansas Real Estate License

36. **EXPIRATION:** This Real Estate Contract expires if not accepted on or before
(month) September (day) 13, (year) 2023, at 5:00 (a.m.) (p.m.).

Real Estate Contract (Residential)

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THIS IS A LEGALLY BINDING REAL ESTATE CONTRACT WHEN SIGNED BY THE PARTIES BELOW. READ IT CAREFULLY. YOU MAY EMPLOY AN ATTORNEY TO DRAFT THIS FORM FOR YOU. IF YOU DO NOT UNDERSTAND THE EFFECT OF ANY PART, CONSULT YOUR ATTORNEY BEFORE SIGNING. REAL ESTATE AGENTS CANNOT GIVE YOU LEGAL ADVICE. THE PARTIES SIGNED BELOW WAIVE THEIR RIGHT TO HAVE AN ATTORNEY DRAFT THIS FORM AND HAVE AUTHORIZED THE REAL ESTATE AGENT(S) TO FILL IN THE BLANKS ON THIS FORM.

THIS FORM IS PRODUCED AND COPYRIGHTED BY THE ARKANSAS REALTORS' ASSOCIATION. THE SERIAL NUMBER BELOW IS A UNIQUE NUMBER NOT USED ON ANY OTHER FORM. THE SERIAL NUMBER BELOW SHOULD BE AN ORIGINAL PRINTING, NOT MACHINE COPIED. OTHERWISE THE FORM MAY HAVE BEEN ALTERED. DO NOT SIGN THIS FORM IF IT WAS PREPARED AFTER DECEMBER 31, 2023.

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REAL ESTATE LICENSEES ARE REGULATED BY THE ARKANSAS REAL ESTATE COMMISSION. IF A LICENSEE HAS NOT PROPERLY REPRESENTED YOU, YOU MAY FILE A COMPLAINT AT AREC.ARKANSAS.GOV.

The above Real Estate Contract is executed on

(month) September (day) 12, (year) 2023, at 5:00 (a.m.) (p.m.)

RE/MAX of Hot Springs Village

Selling Firm

Signature: *Kathy Sherman*

Signature: *Georgia Lynn Lawrence*

Printed Name: Kathy Sherman

Printed Name: Georgia Lynn Lawrence

Principal or Executive Broker (AREC License # EB 00062207)

(Broker email: kshermanremax@gmail.com)

Buyer

Signature: *Hamilton Wilson*

Signature: _____

Printed Name: Hamilton Wilson

Printed Name: _____

Buyer

Selling Agent (AREC License # 00079085)

(Agent email: hampwilsonremax@gmail.com)

(Agent cell number: 5012096486)

The above Real Estate Contract is executed on

(month) _____ (day) _____, (year) _____, at _____ (a.m.) (p.m.)

Eagle Rock Realty Little Rock

09/13/2023 11:18 AM

Listing Firm

Signature: *Colby Todd Kinggard*

Signature: *Matthew Clarke Johnson*

Printed Name: Colby Todd Kinggard

Printed Name: Matthew Johnson

Seller

Principal or Executive Broker (AREC License # EB00086603)

(Broker email: colbykinggard@gmail.com)

Signature: *Matthew Clarke Johnson*

Signature: *Philip Johnson*

Printed Name: Matt Johnson

Printed Name: Philip Johnson

Seller

Listing Agent (AREC License # SA00081943)

(Agent email: Matt@eaglerockar.com)

(Agent cell number: 501-7655044)

The above offer was rejected counter-offered (Form Serial Number _____)

Buyer informed of Notification of Existing Real Estate Contract Addendum

(Form Serial Number _____)

on (month) _____ (day) _____, (year) _____, at _____ (a.m.) (p.m.)

Seller's Initials _____

Seller's Initials _____

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American Land Title Association

ALTA Settlement Statement - Seller
Adopted 05-01-2015

Pulaski County Title
ALTA Universal ID: 1028866
8114 Cantrell Road
Suite 300
Little Rock, AR 72227

File No./Escrow No.: PCT-23-063942
 Print Date & Time: October 12, 2023 11:53 am
 Officer/Escrow Officer: Madison Beal
 Settlement Location: 8114 Cantrell Road, Suite 300
 Little Rock, AR 72227
 Property Address: 16 Pego Circle
 Hot Springs Village, AR 71909
 Borrower: Georgia Lynn Lawrence
 Seller: Matthew Clarke Johnson and Philip Johnson
 16 Pego Circle
 Hot Springs Village, AR 71909
 Lender:
 Settlement Date : October 12, 2023
 Disbursement Date : October 12, 2023

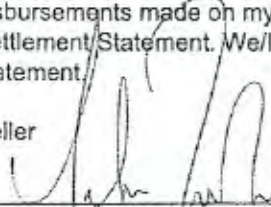
Description	Seller	
	Debit	Credit
Financial		
Sale Price of Property		195,000.00
Prorations/Adjustments		
Prorated POA Dues 10/13/23-11/01/23		61.37
County Taxes 01/01/23-10/13/23	621.96	
Title Charges and Escrow/Settlement Charges		
Closing Fee to Pulaski County Title	595.00	
Owner's Title Insurance to Pulaski County Title Coverage: \$195,000.00 Premium: \$624.00 Version: ALTA Owners Policy (08/01/16)	624.00	
Title Services to Pulaski County Title	300.00	
CPL to Chicago Title Insurance Company	25.00	

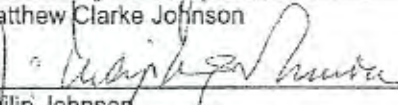
Description	Seller	
	Debit	Credit
Commissions		
Commission - Listing Agent to Eagle Rock Realty & Property Management	0.00	
Commission - Selling Agent to RE/MAX of Hot Springs Village	4,680.00	
Professional Fee-Listing Agent to Eagle Rock Realty & Property Management	750.00	
Government Recording and Transfer Charges		
State Transfer Taxes to DFA	321.75	
Miscellaneous		
Termite to Terminix, Inc.	324.00	
Survey to Holland Surveying **ESTIMATE**	300.00	
	Debit	Credit
Subtotals	8,541.71	195,061.37
Due to Seller	186,519.66	
Totals	195,061.37	195,061.37

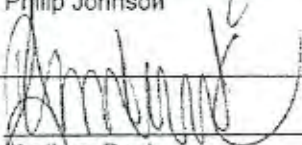
Acknowledgement

We/I have carefully reviewed the ALTA Settlement Statement and find it to be a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction and further certify that I have received a copy of the ALTA Settlement Statement. We/I authorize Pulaski County Title to cause the funds to be disbursed in accordance with this statement.

Seller


Matthew Clarke Johnson


Philip Johnson


Madison Beal
Escrow Officer

File #:	16-58209-BS	Property	16 Pego Circle	Settlement Date	10/12/2023
Prepared:	10/06/2023		Hot Springs Village, AR	Disbursement Date	10/12/2023
Closer:	Beth Simpson		71909		
		Buyer	Georgia Lynn Lawrence		
			2420 Litchfield Way		
			Virginia Beach, VA 23453		
		Seller	Matthew Clarke Johnson and		
			Philip Johnson		
		Lender	JPMorgan Chase Bank, N.A.		
			3050 Highland Parkway		
			Floor 04 Mail Code IL1-1800		
			Downers Grove, IL 60515		

Description	Buyer	
	Debit	Credit
Primary Charges & Credits		
Sales Price of Property	\$195,000.00	
Deposit		\$2,000.00
Loan Amount		\$60,000.00
Prorations/Adjustments		
County Taxes 01/01/2023 to 10/12/2023		\$621.96
Lender Credit		\$500.00
POA 10/12/2023 to 11/01/2023	\$61.37	
Loan Charges		
1.034% of Loan Amount (Points)	\$620.40	
Processing Fee	\$595.00	
Tax Service Fee	\$87.00	
Cyber Technology Fee to Professional Land Title Company of Arkansas	\$25.00	
Mobile Notary Service to ASAP Pro Notary Services, LLC	\$175.00	
Appraisal Fee to Solidifi Inc	\$670.00	
Credit Report Fee to Credco	\$28.65	
Flood Certification Fee to CoreLogic Flood Services	\$6.00	
Id Verification fee to Data Verify	\$7.30	
Life of Loan to CoreLogic Flood Services	\$5.00	
Prepaid Interest (\$12.12 per day from 10/12/2023 to 11/01/2023)	\$242.40	
Impounds		
Homeowner's Insurance \$93.41 per month for 3 mo.	\$280.23	
Property taxes \$66.62 per month for 9 mo.	\$599.58	
Aggregate adjustment		\$399.72
Government Recording and Transfer Charges		
Recording Fees	\$140.00	
---Deed: \$25.00		
---Mortgage: \$115.00		
Transfer Tax (Deed) to Department of Finance and Administration	\$321.75	

Description	Buyer	
	Debit	Credit
Title Charges		
Title - Closing Fee to Professional Land Title Company of Arkansas	\$325.00	
Title - CPL (Lender) to Old Republic National Title Insurance Company	\$25.00	
Title - Lender's Title Policy to Professional Land Title Company of Arkansas	\$200.00	
Title - Recording Services to Professional Land Title Company of Arkansas	\$15.00	
Title - Search Fee to Professional Land Title Company of Arkansas	\$175.00	
Miscellaneous Charges		
2 Month Advance Dues to Hot Springs Village POA	\$100.00	
Buy In Fee to Hot Springs Village POA	\$1,500.00	
POA Transfer Fee to Hot Springs Village POA	\$150.00	
Water Meter to Hot Springs Village POA	\$100.00	
Homeowner's Insurance Premium to Allstate	\$1,120.97	
	Debit	Credit
Subtotals	\$202,575.65	\$63,521.68
Due from Buyer		\$139,053.97
Totals	\$202,575.65	\$202,575.65

Acknowledgement

We/I have carefully reviewed the Settlement Statement and find it to be a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction and further certify that I have received a copy of the Settlement Statement.

We/I authorize Professional Land Title Company of Arkansas to cause the funds to be disbursed in accordance with this statement.

Georgia Lynn Lawrence 10/10/23
 Georgia Lynn Lawrence Date

Kimberly Simpson 10/12/23
 Settlement Agent Date



**PULASKI
COUNTY TITLE**

8114 Cantrell Road, Suite 300
Little Rock, AR 72227

Form approved for the benefit of Pulaski County Title by:
Cade L. Cox,
Cox, Sterling, Vandiver and Botteicher, PLLC
8201 Cantrell Road, Suite 230
Little Rock, AR 72227

**WARRANTY DEED
UNMARRIED PERSON**

KNOW ALL BY THESE PRESENTS:

I, **Matthew Clarke Johnson**, an **unmarried person**, hereafter called Grantor, for and in consideration of the sum of One Hundred Dollars (\$100.00) and other valuable consideration to me in hand paid by **Georgia Lynn Lawrence**, an **unmarried person**, hereafter called Grantee(s), the receipt of which is hereby acknowledged, do hereby grant, bargain, sell and convey unto the said Grantee(s), and unto his/her/their/its heirs, successors and/or assigns forever, the following lands lying in the County of **Garland**, State of Arkansas:

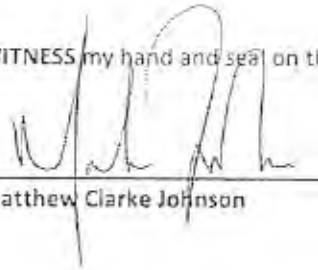
Lot 10, Block 7, Guadalajara Subdivision, Hot Springs Village, Garland County, Arkansas.

All of the above described real property is transferred subject to covenants, conditions, easements, exceptions, reservations, restrictions, rights and rights-of-way of record.

TO HAVE AND TO HOLD the same unto the said Grantee(s) and unto his/her/their/its heirs, successors and/or assigns, forever, with all appurtenances thereunto belonging.

And I hereby covenant with Grantee(s) that I will forever warrant and defend the title to said lands against all lawful claims whatever.

WITNESS my hand and seal on this 12th day of October, 2023.


Matthew Clarke Johnson

ACKNOWLEDGMENT

STATE OF ARKANSAS

COUNTY OF PULASKI

On this October 12, 2023, before me, Billy Roehrenbeck, a Notary Public, (or before any officer within this State or without the State now qualified under existing law to take acknowledgments), appeared the within named Matthew Clarke Johnson to me personally well known (or satisfactorily proven to be such person), who stated and acknowledged that [he, she, or they] had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this October 12, 2023.


NOTARY PUBLIC

State of Arkansas

County of Pulaski

My Commission expires: January 2, 2025



PCT File No. PCT-23-063942



**PULASKI
COUNTY TITLE**

8114 Cantrell Road, Suite 300
Little Rock, AR 72227

Form approved for the benefit of Pulaski County Title by:
Cade L. Cox,
Cox, Sterling, Vandiver and Battelcher, PLLC
8201 Cantrell Road, Suite 230
Little Rock, AR 72227

**WARRANTY DEED
MARRIED PERSONS
(WITH RELINQUISHMENT OF DOWER AND CURTESY)**

KNOW ALL BY THESE PRESENTS:

I, **Philip Johnson, a married person**, hereafter called Grantors, for and in consideration of the sum of One Hundred Dollars (\$100.00) and other valuable consideration to us in hand paid by **Georgia Lynn Lawrence, an unmarried person**, hereafter called Grantee(s), the receipt of which is hereby acknowledged, do hereby grant, bargain, sell and convey unto Grantee(s), and unto his/her/their/its heirs, successors and/or assigns forever, the following lands lying in the County of **Garland**, State of Arkansas:

Lot 10, Block 7, Guadalajara Subdivision, Hot Springs Village, Garland County, Arkansas.

All of the above described real property is transferred subject to covenants, conditions, easements, exceptions, reservations, restrictions, rights and rights-of-way of record.

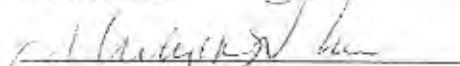
TO HAVE AND TO HOLD the same unto Grantee(s) and unto his/her/their/its heirs, successors and/or assigns, forever, with all appurtenances thereunto belonging.

And we hereby covenant with Grantee(s) that we will forever warrant and defend the title to said lands against all lawful claims whatever

And **We, Philip Johnson and Robin Johnson, husband and wife**, for and in consideration recited herein, do hereby release and relinquish unto the said Grantee(s), and unto his/her/their/its heirs, successors and/or assigns, all of our right of dower, curtesy and homestead in and to the said lands

WITNESS our hands and seals on this 12th day of October, 2023.


Robin Johnson


Philip Johnson

ACKNOWLEDGMENT

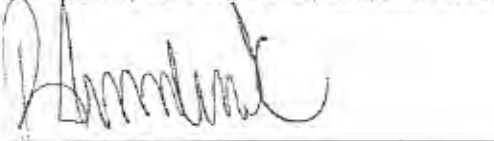
STATE OF ARKANSAS

COUNTY OF PULASKI

On this October 12, 2023, before me, Billy Roehrenbeck, a Notary Public, (or before any officer within this State or without the State now qualified under existing law to take acknowledgments), appeared in person the within named Robin Johnson and Philip Johnson to me personally well known (or satisfactorily proven to be such person), who stated and acknowledged that [he, she, or they] had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

And on the same day also voluntarily appeared before me, the said Robin Johnson and Philip Johnson, husband and wife to me well known and declared, of their own free will, executed said Deed and signed and sealed the relinquishment of dower, curtesy and homestead in the said Deed for the consideration and purposes therein contained and set forth, without the compulsion or undue influence of their spouse.

WITNESS my hand and Notary Seal, this October 12, 2023.



NOTARY PUBLIC

State of Arkansas

County of Pulaski

My Commission expires: January 2, 2025

PCT File No. PCT-23-063942



Exhibit 3



Home Inspection Report



16 Pego Circle, Hot Springs Village , AR 71909

Inspection Date:

Thursday, September 21, 2023

Prepared For:

Georgia Lawrence

Prepared By:

Strategic Home Inspection LLC

5019842764

Report Number:

9/21/23

Inspector:

Chris Burton

License/Certification #:

1896

Inspector Signature:

A handwritten signature in black ink, appearing to read "Chris Burton", written over a horizontal line.

Report Overview

Scope of Inspection

All components designated for inspection in the Arkansas Standards of Practice are inspected, except as may be noted in the "Limitations of Inspection" sections within this report. It is the goal of the inspection to put a home buyer in a better position to make a buying decision. Not all improvements will be identified during this inspection. Unexpected repairs should still be anticipated. The inspection should not be considered a guarantee or warranty of any kind. Please refer to the pre-inspection contract for a full explanation of the scope of the inspection. Visual Inspection Only

Please Read

This report does not represent an exhaustive study. A home inspection is designed to provide an overall condition of the home and may not include every single defect present in the home. Some minor defects may be present in any home that is occupied or occur when residence move from the home prior to your occupation.

The inspection depicts the overall condition of the home on the date and time of the inspection. It is possible damage or deterioration may occur after the inspection is performed.

Manufactures predicted lifespan of some common household items:

Forced air conditioning and heating units - 15 to 20 years.

Water heaters - 8 to 12 years.

Asphalt shingles (three tab) - 15 to 18 years. Architectural shingles - 24 to 30 years.

I encourage you to follow up with all defects noted in the inspection to allow the issues to be addressed by appropriate contractors or persons

State of Occupancy

Vacant

Weather Conditions

Cloudy

Recent Rain

Light rain

Ground Cover

Dry

Report Summary

Summary Section 2

Trees are not part of the general home inspection unless these are likely to adversely affect the structure. Some electrical outlets, HVAC vents, and windows may not be tested due to access being denied by furniture or personal belongings of the current home owner.

The gutter system is inspected for overall integrity and unless it is raining at time of inspection only limited evaluation can be assessed to their functionality.

Stored items restrict viewing of closet interior and sink areas

(1) Page 4-5

Deck

The left side of the steps has some wood deterioration but is stable. One board has some noticeable deterioration.

Recommend repair

(2) Page 17-18

Bedroom

The back right North East bedroom window was painted shut and would not open. Recommend repair

(3) Page 19

Kitchen

Microwave is missing the vent cover mentioned for your reference

(4) Page 25

Smoke / CO detectors

There are no smoke or CO detectors. Recommend adding alarms to hallway and bedrooms at least one carbon monoxide detector.

(5) Page 27-28

Water heater

The connection point has exposed electrical wires. Recommend adding service cover. This is not a huge deal because it's in the crawlspace however recommend repair as desired

Grounds

Driveway/Parking

Material Concrete

Condition Satisfactory Typical cracks

Comments As Concrete cures, over time, it is typical for the concrete to crack in driveways and patios as they are exposed to a wider range of temperature and weather. Recommend that the homeowner uses a good quality cement sealant to prolong the life of concrete when needed.

Photos

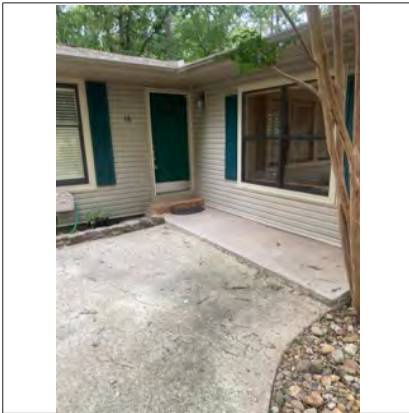


Porch

Material Concrete

Condition Satisfactory Typical cracks

Photos



Deck/Balcony

Material Wood

Condition Satisfactory

Finish Treated Painted/Stained

Comments Deck was an overall adequate condition. Professional craftsmanship observed throughout the construction of the deck.

(1)

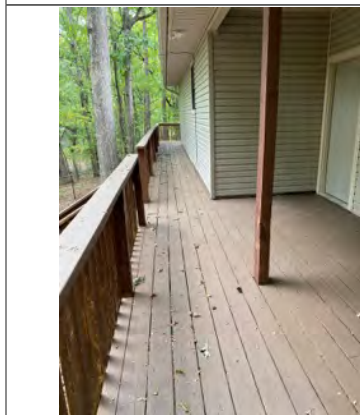
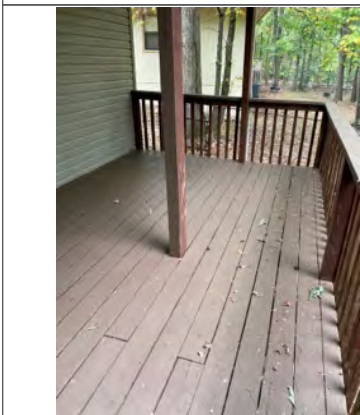
Deck

The left side of the steps has some wood deterioration but is stable. One board has some noticeable deterioration. Recommend repair

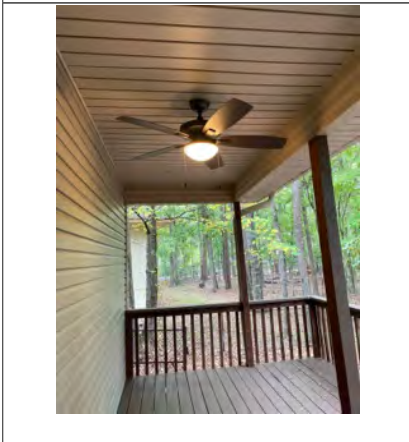
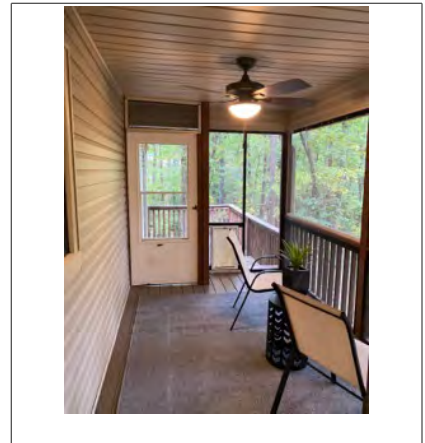
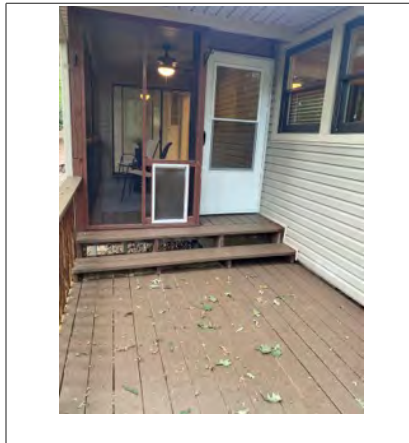
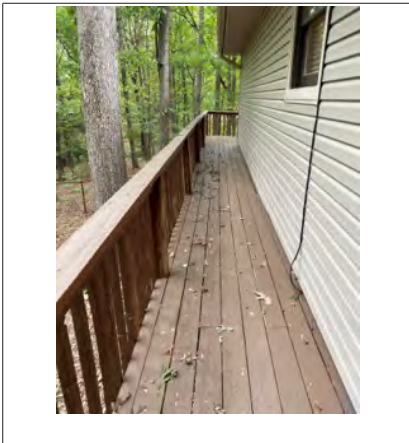
Photos



Wood deterioration



Wood deterioration



Deck/Patio/Porch Covers

Condition Satisfactory

Fence/Wall

Type Chain Link

Condition Satisfactory

Gate Satisfactory Operable: Yes

Landscaping

Negative Grade Satisfactory

Comments Recommend maintaining a positive drainage slope away from the foundation.
General site drainage was properly sloping away from the house.

Retaining wall

None Present/ Not Inspected

Hose bibs

Condition Satisfactory Pressure Within Tolerance

Operable Yes

Comments Water pressure was within tolerance during the inspection. Normal residential water pressure should be between 40-80 PSI.

Photos



Exterior

Gutters/Scuppers/Eavestrough

- Condition Satisfactory
- Material Galvanized/Aluminum
- Leaking No apparent leaks
- Attachment Satisfactory
- Extension needed N/A

Siding / Trim / Fascia / Soffit

- Material Metal/Vinyl
- Condition Satisfactory
- Comments Siding appeared to be all intact and in overall satisfactory condition.

Photos



Typical settlement crack



Typical settlement crack

Flashing**Material** Aluminum/Steel/ Vinyl**Condition** Satisfactory**Slab-On-Grade/Foundation****Foundation Wall** Concrete block**Condition** Satisfactory**Concrete Slab** Not Visible Satisfactory**Comments** There are several structural clues that can be observed while inspecting a home. At the time of the inspection I noticed no clues that indicated any problems with the structural integrity of the foundation.**Building(s) Exterior Wall Construction****Type** Not Visible**Condition** Satisfactory**Comments** Building structure not visible due to siding, not evaluated.

No clues observed during the inspection to indicate any structural problems with the exterior walls.

Heating / Cooling System

Exterior Unit

Unit Brand /Age Satisfactory
Comments:Goodman

Data plate indicated 2023

Energy Source Electric
Unit Type Heat Pump
Service Disconnect Yes
Unit Level Yes
Condensing Fins Satisfactory
Insulation Satisfactory
Air Flow Satisfactory
Condition Normal Working Order At Time Of Inspection

Photos



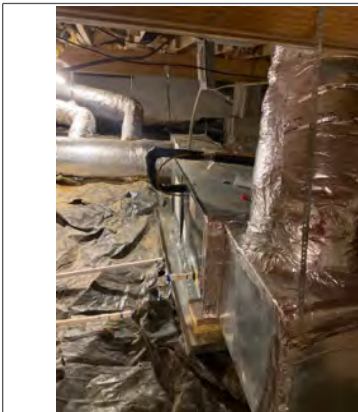
Evaporator Coil / Air Handler

Location Crawlspace
Brand / Age Goodman

Data plate indicated 2023

Evaporator Coil Satisfactory
Refrigerant Lines Satisfactory
Condensation Drain Line Secondary Drain Present Secondary Drain Required Drains To Exterior
 Satisfactory
Condition Satisfactory

Photos



Electrical

Main panel

Location Closet
Condition Satisfactory
Adequate Clearance to Panel Yes
Amperage/Voltage 200a 120v/240v
Breakers/Fuses Breakers
Appears grounded Yes
GFCI breaker Yes Operable: Yes
AFCI breaker No
Main wire Aluminum Condition: Satisfactory
Branch wire condition Satisfactory Romex
Branch wire Copper

Comments Panel size appeared to be compatible to service size.
 Main disconnect was located outside at the meter.
 No signs of overheating were evident at the time of the inspection.
 Outlets were randomly tested and had correct polarity, unless otherwise noted within this report.

Photos



Sub panel(s)

Location(s) Location: Exterior
 Crawlspace
Evaluation Evaluated
Branch wire Copper Neutral/ground separated: Yes Neutral isolated: Yes
Condition Satisfactory

Electrical System And Components

Condition Satisfactory
Comments

All electrical switches and outlets where properly wired and grounded. GFCI protected circuits as required no open grounds.

Electrical Service Entry

Location Underground
Comments Electrical main was in satisfactory condition. Properly bonded and grounded.
Condition Satisfactory

Photos

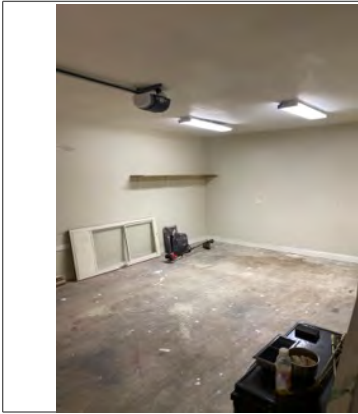


Garage/Carport

Type

Type Attached

Photos



Automatic Opener

Operation Operable

Safety Reverse

Operation Operable Photo eyes and pressure reverse tested

Floor

Material Concrete

Condition Satisfactory

Source of Ignition within 18" of the floor N/A

Overhead Door(s)

Material Metal

Condition Satisfactory

Electrical Receptacles

Yes

Reverse polarity No

Open ground No

GFCI Present Yes Operable: Yes

Fire Separation Walls & Ceiling

Present

Condition Satisfactory

Moisture Stains Present No

Typical Cracks No

Fire door Not verifiable Satisfactory

Roof

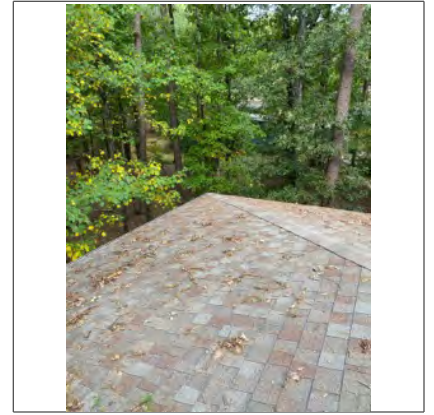
General

Visibility All

Inspected From Roof

Photos





Style of Roof

Type Hip
Pitch Medium
Roof Type:Asphalt
 Layers:1+ Layers
 Age:Appears to be in the first half of its useful life
 Approximately 2 to 6 years old

Ventilation System

Type Powered

Flashing

Material Galv/Alum Asphalt
Condition Satisfactory

Valleys

Material Asphalt
Condition Satisfactory

Condition of Roof Coverings

Roof Satisfactory

Skylights

N/A

Plumbing Vents

Condition Satisfactory

Chimney

Viewed From Roof
Rain Cap / Spark Arrestor Yes
Chase Metal Satisfactory
Evidence Of No Apparent Defects
Flue Metal
Conditions Satisfactory

Interior Room

Entrance / Hallways

Walls & Ceiling Satisfactory

Moisture stains No

Floor Satisfactory

Electrical Switches: Yes Operable Receptacles: Yes Operable Open ground/Reverse polarity: No

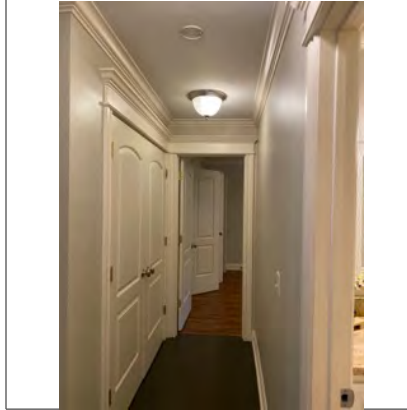
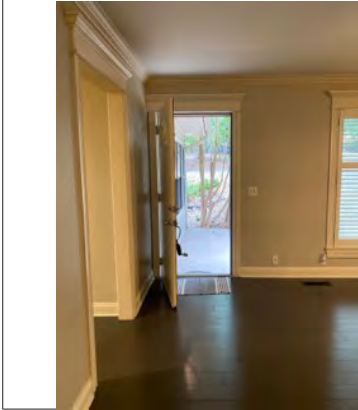
Heating source present Yes

Bedroom Egress restricted No

Doors Satisfactory

Windows Satisfactory

Photos



Living Room

Walls & Ceiling Satisfactory

Moisture stains No

Floor Satisfactory

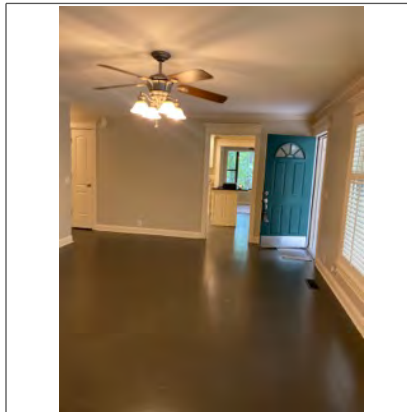
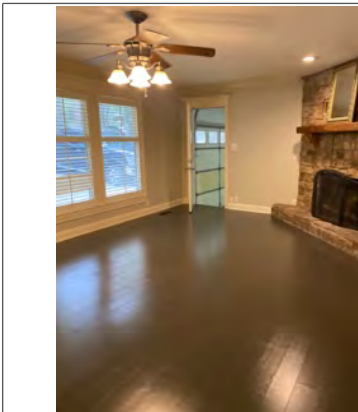
Electrical Switches: Yes Operable Receptacles: Yes Operable Open ground/Reverse polarity: No

Heating source present Yes

Doors Satisfactory

Windows Satisfactory

Photos



Dining Room/ Breakfast Nook

Walls & Ceiling Satisfactory

Moisture stains No

Floor Satisfactory Slopes

Electrical Switches: Yes Operable Receptacles: Yes Operable Open ground/Reverse polarity: No

Heating source present Yes

Doors Satisfactory

Windows Satisfactory

Photos



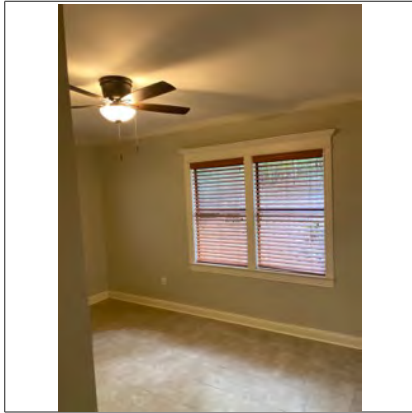
Closets

- Walls & Ceiling** Satisfactory
- Moisture stains** No
- Floor** Satisfactory
- Doors** Satisfactory

Office Study

- Walls & Ceiling** Satisfactory
- Moisture stains** No
- Floor** Satisfactory
- Electrical** Switches: Yes Operable Receptacles: Yes Operable Open ground/Reverse polarity: No
- Heating source present** Yes
- Doors** Satisfactory
- Windows** Satisfactory

Photos

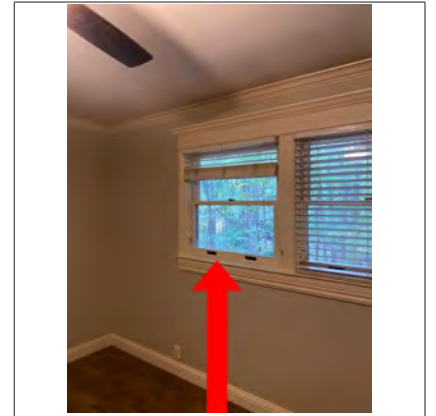
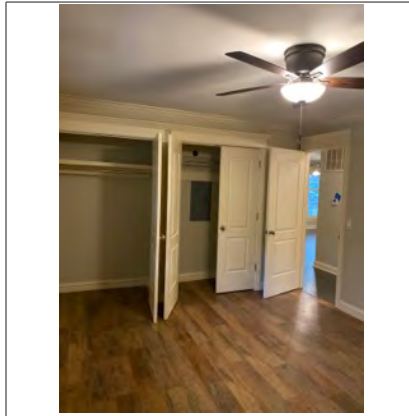
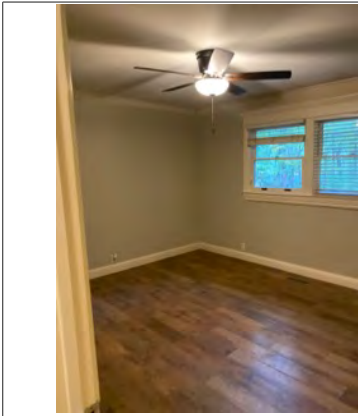


Bedrooms

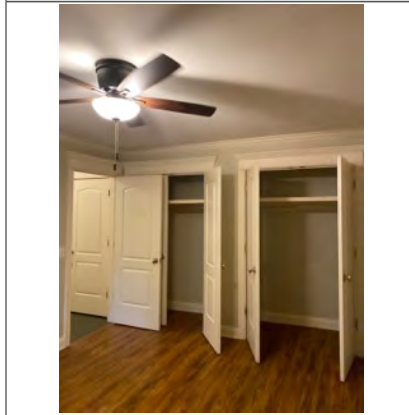
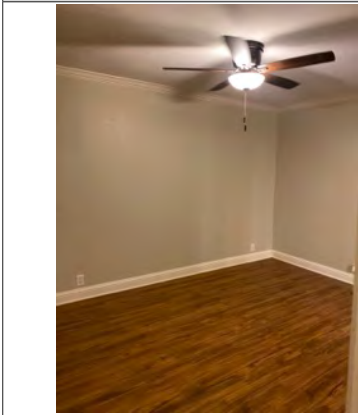
- Walls & Ceiling** Satisfactory
- Moisture stains** No
- Floor** Satisfactory
- Electrical** Switches: Yes Operable Receptacles: Yes Operable Open ground/Reverse polarity: No
- Heating source present** Yes
- Bedroom Egress restricted** No
- Doors** Satisfactory
- Windows** Satisfactory
- Comments** (2)

Bedroom
The back right North East bedroom window was painted shut and would not open. Recommend repair

Photos



Not operational



Ceiling Fans

- Interior** Satisfactory
- Exterior** Satisfactory

Kitchen

Countertops / Cabinets

Condition Satisfactory

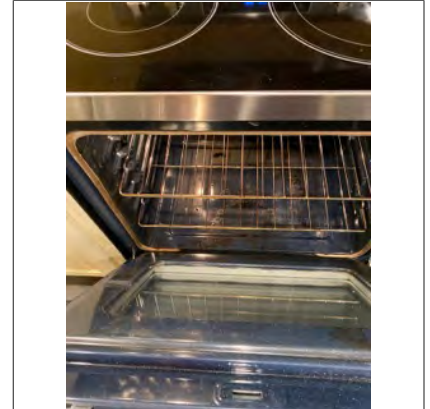
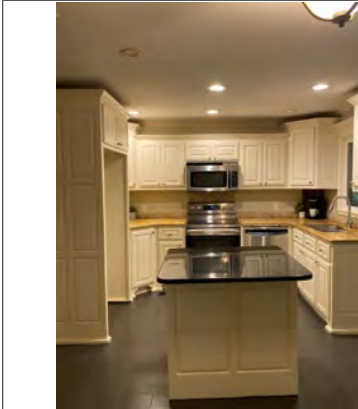
Comments Counter top & Cabinets have normal wear.

(3)

Kitchen

Microwave is missing the vent cover mentioned for your reference

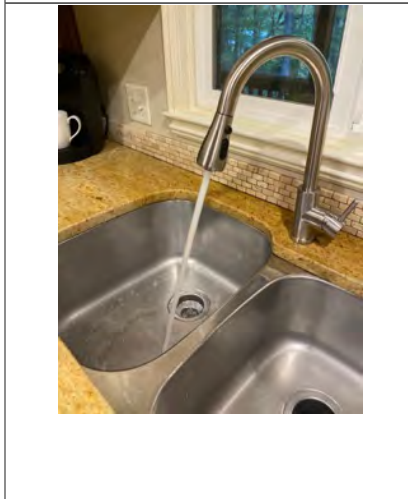
Photos



Light not operational recommend replacing bulb and further evaluation



Missing vent cover mentioned for your reference





36" X 72"

Plumbing

- Faucet Leaks** No
Pipes leak/corroded No
Sink/Faucet Satisfactory
Functional drainage Satisfactory
Functional flow Satisfactory
Comments Water flow was normal with several fixtures operated at the same time.

Walls & Ceiling

- Condition** Satisfactory Heating / Cooling Source

Floor

- Condition** Satisfactory

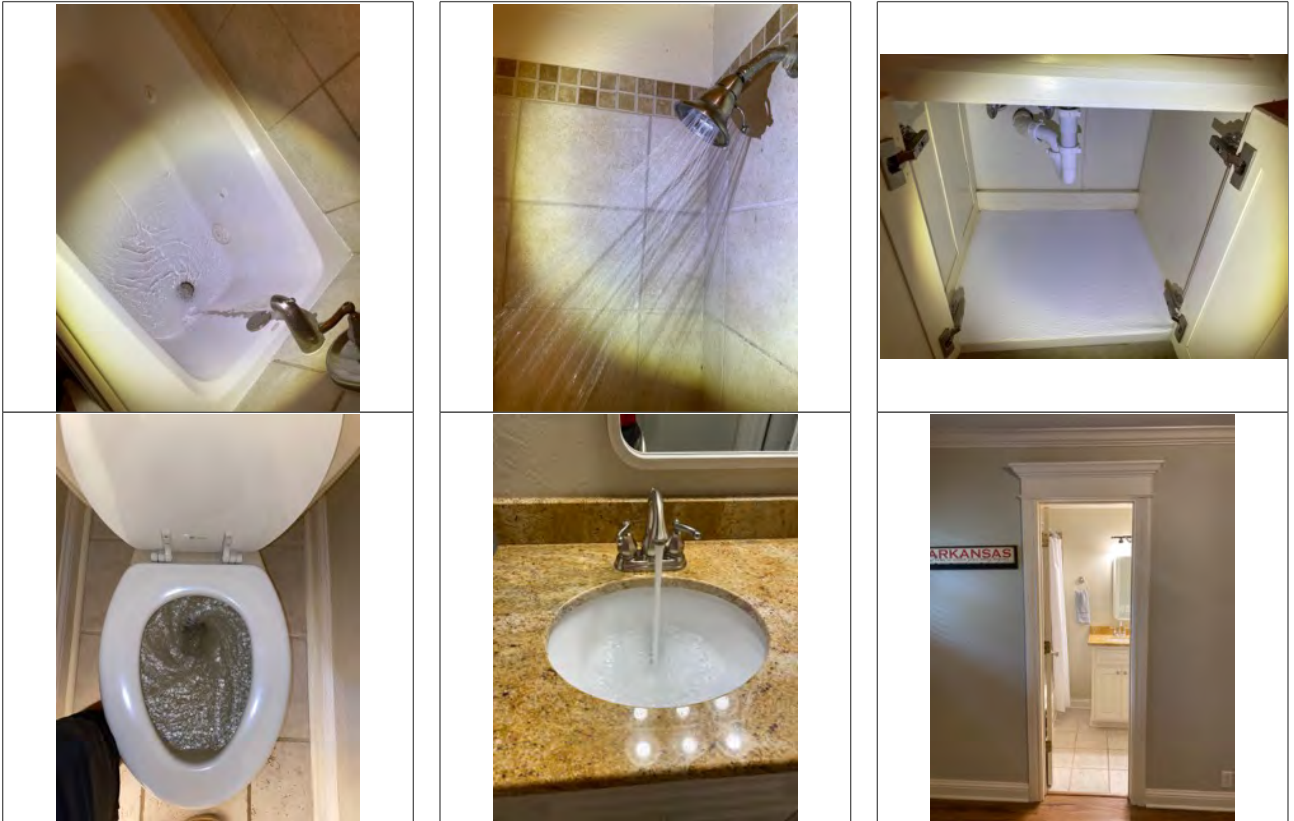
Appliances

- Disposal** Operable: Yes
Oven Operable: Yes
Range Operable: Yes
Dishwasher Operable: Yes
Trash Compactor N/A
Exhaust fan Operable: Yes
Refrigerator Operable: Yes
Microwave Operable: Yes
Dishwasher airgap No
Dishwasher drain line looped Yes
Receptacles present Yes Operable: Yes
GFCI Yes Operable: Yes
Open ground/Reverse polarity: No
Comments Appliances only tested for operation, working or not. Quality or extent of operation not part of testing or inspection

Bathroom

Master Bathroom

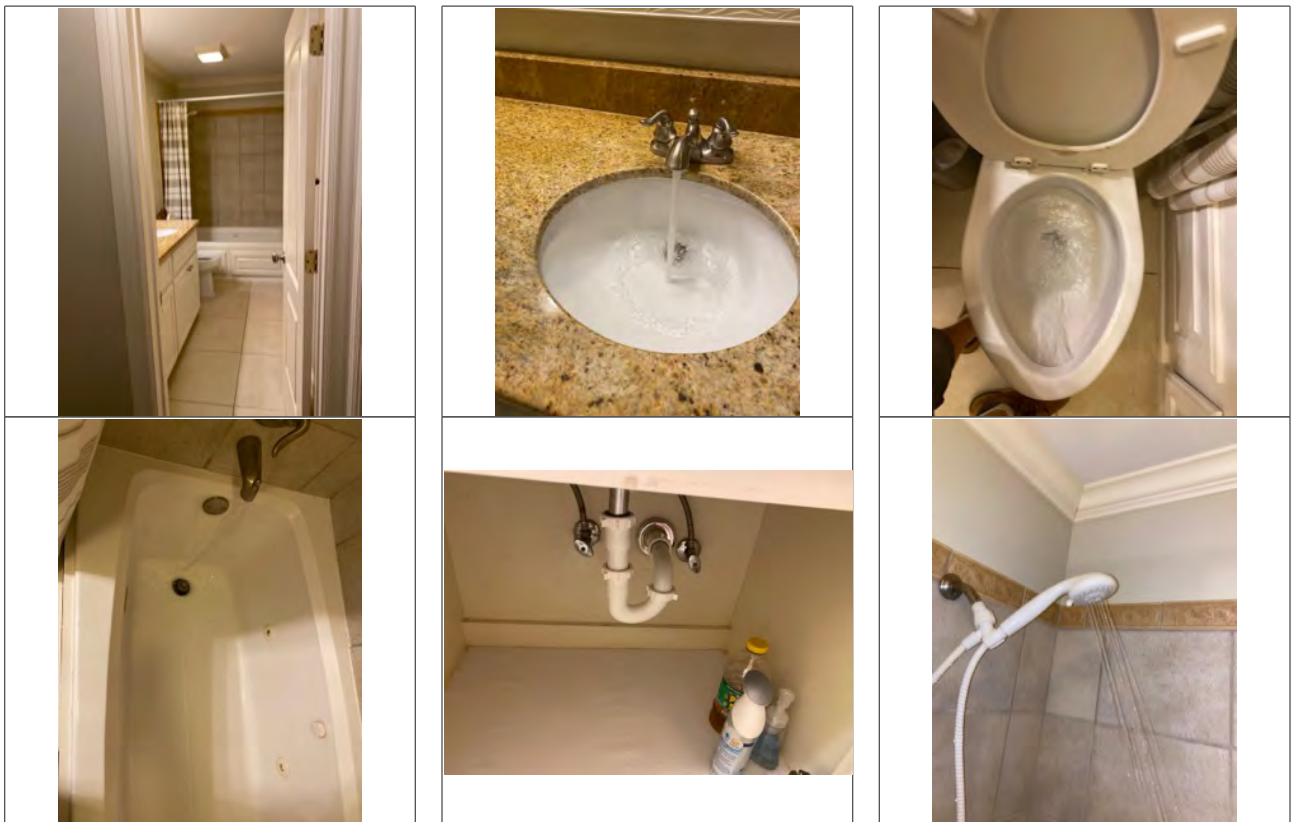
- Sinks** Faucet leaks: No Pipes leak: No
 - Tubs** Faucet leaks: No Pipes leak: No Not Visible
 - Showers** Faucet leaks: No Pipes leak: No Not Visible
 - Toilet** Bowl loose: No Operable: Yes
 - Whirlpool** Yes Operable: Yes GFCI: Yes
 - Shower/Tub area** Ceramic/ Tile Condition: Satisfactory Caulk/Grouting needed: No
 - Drainage** Satisfactory
 - Water flow** Satisfactory
 - Moisture stains present** No
 - Doors** Satisfactory
 - Receptacles present** Yes Operable: Yes
 - GFCI** Yes Operable: Yes
 - Open ground/Reverse polarity** No
 - Heat source present** Yes
 - Exhaust fan** Yes Operable: Yes
- Photos**





Master Bathroom

- Sinks** Faucet leaks: No Pipes leak: No
 - Tubs** Faucet leaks: No Pipes leak: No Not Visible
 - Showers** Faucet leaks: No Pipes leak: No Not Visible
 - Toilet** Bowl loose: No Operable: Yes
 - Whirlpool** Yes Operable: Yes GFCI: Yes
 - Shower/Tub area** Ceramic/ Tile Condition: Satisfactory Caulk/Grouting needed: No
 - Drainage** Satisfactory
 - Water flow** Satisfactory
 - Moisture stains present** No
 - Doors** Satisfactory
 - Receptacles present** Yes Operable: Yes
 - GFCI** Yes Operable: Yes
 - Open ground/Reverse polarity** No
 - Heat source present** Yes
 - Exhaust fan** Yes Operable: Yes
- Photos**





Laundry Room

Laundry

Pipes leak No Not Visible

Cross connections No

Heat source present Yes

Room vented Yes

Dryer vented Wall

Electrical Open ground/reverse polarity: No

Appliances Washer Dryer

Washer hook-up lines/valves Satisfactory

Gas shut-off valve N/A

Photos



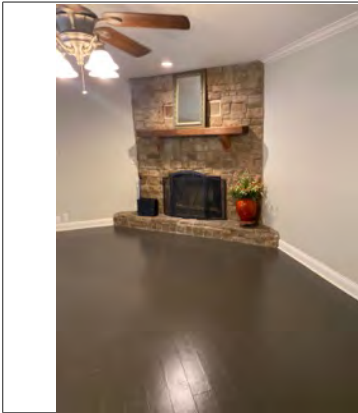
Interior

Fireplace

- Type** Wood
Material Metal (pre-fabricated)
Miscellaneous Damper operable: Yes
Damper modified for gas operation N/A
Hearth extension adequate Yes
Mantel Secure
Physical condition Satisfactory

Comments The chimney appeared to be relatively free of any build up, likely because of occasional use or cleaned within the past year. Cleaning the chimney is relative to the amount of use. The National Fire Protection Association says, Chimneys, fireplaces, and vents shall be inspected and at least once a year for soundness, freedom from deposits, and correct clearances.

Photos



Stairs/Steps/Balconies

- None Present/ Not Inspected

Smoke/Carbon Monoxide detectors

Smoke Detector Not Present

Comments (4)
Smoke / CO detectors
There are no smoke or CO detectors. Recommend adding alarms to hallway and bedrooms at least one carbon monoxide detector.

CO Detector Not Present

Attic/Structure/Framing/Insulation

- Access** Scuttlehole/Hatch
Inspected from In the attic
Location Bedroom Closet
Flooring Partial
Insulation Fiberglass Loose
Installed in Between ceiling joists
Fans exhausted to Attic: No Outside: No
HVAC Duct N/A
Chimney chase N/A
Structural problems observed No
Roof structure Wood
Ceiling joists Wood
Sheathing Plywood
Evidence of condensation No
Evidence of moisture No
Evidence of leaking No

Interior

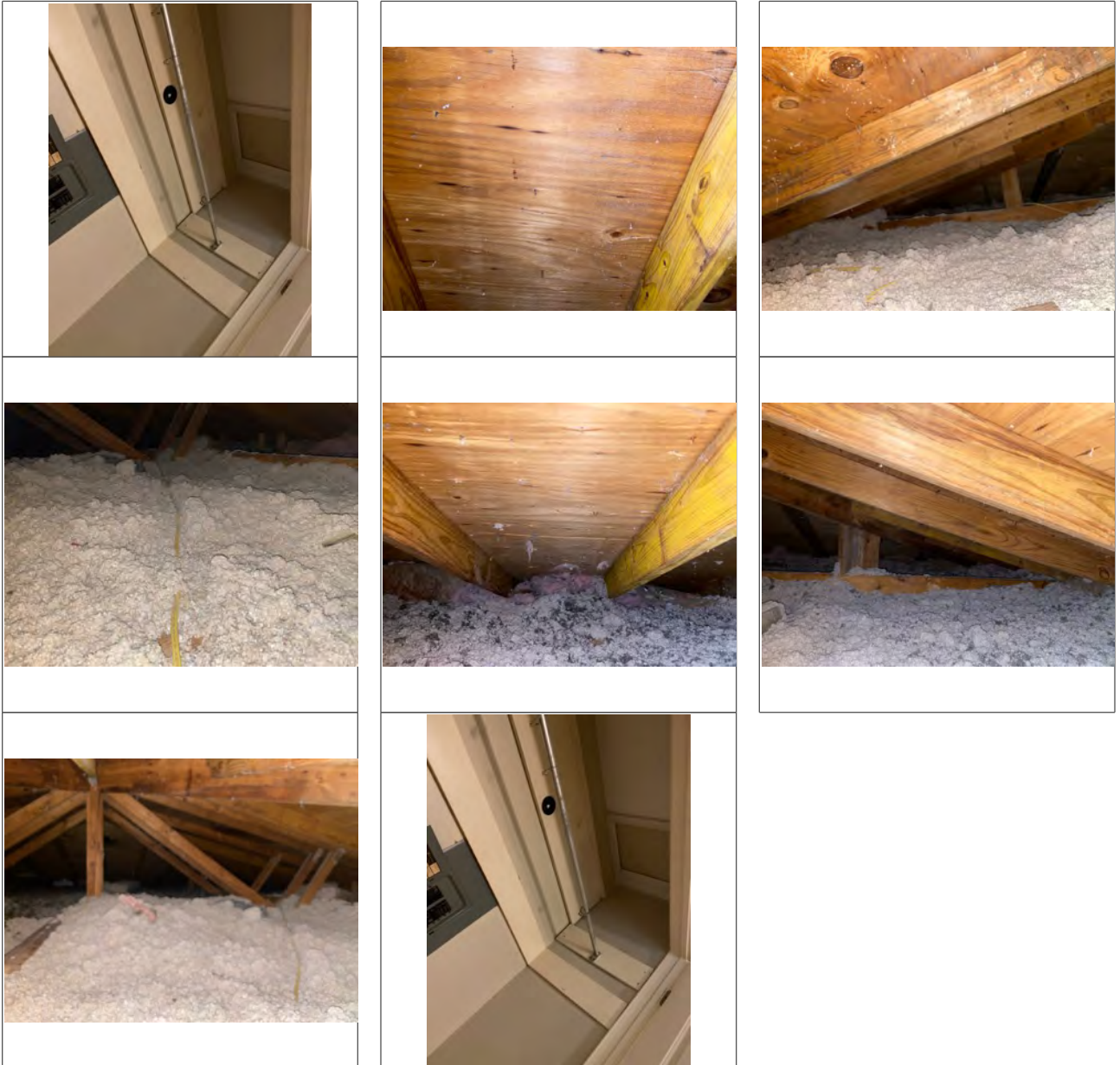
Attic/Structure/Framing/Insulation cont.

Firewall between units N/A

Electrical No apparent defects

Comments Trusses showed no major defects or damage at the time of inspection.
Roof sheathing, examined from the attic, showed no major defects or moisture damage.
Insulation was sufficient for homes in this area.
Insulation was typical for this house design.

Photos



Plumbing

Water service

Main shut-off location Outside at curbside

Water entry piping Copper/Galv.

Lead other than solder joints No

Visible water distribution piping Copper

Condition Satisfactory

Flow Satisfactory

Pipes Supply/Drain Cross connection: No Satisfactory

Drain/Waste/Vent pipe PVC

Condition Satisfactory

Support/Insulation N/A

Traps proper P-Type Yes

Drainage Satisfactory

Interior fuel storage system N/A

Fuel line N/A

Condition N/A

Photos



Main fuel shut-off location

N/A

Water heater #1

General Brand Name / Capacity/ Age: **Whirlpool**

Gallons 50

Data plate indicated 2016

Type Electric

Combustion air venting present N/A

Seismic restraints needed N/A

Relief valve Yes Extension proper: Yes

Vent pipe N/A

Condition Satisfactory

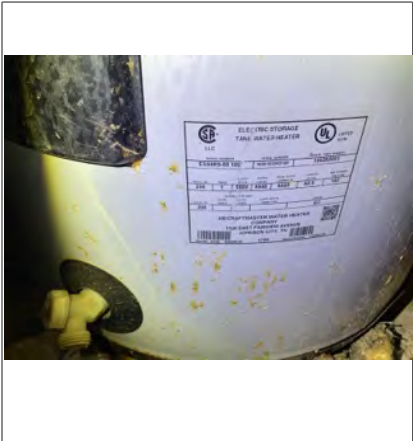
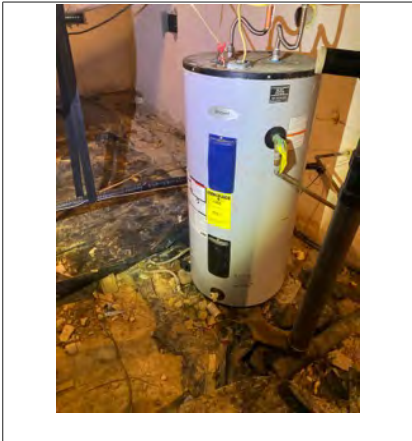
Comments

(5)

Water heater

The connection point has exposed electrical wires. Recommend adding service cover. This is not a huge deal because it's in the crawlspace however recommend repair as desired

Photos

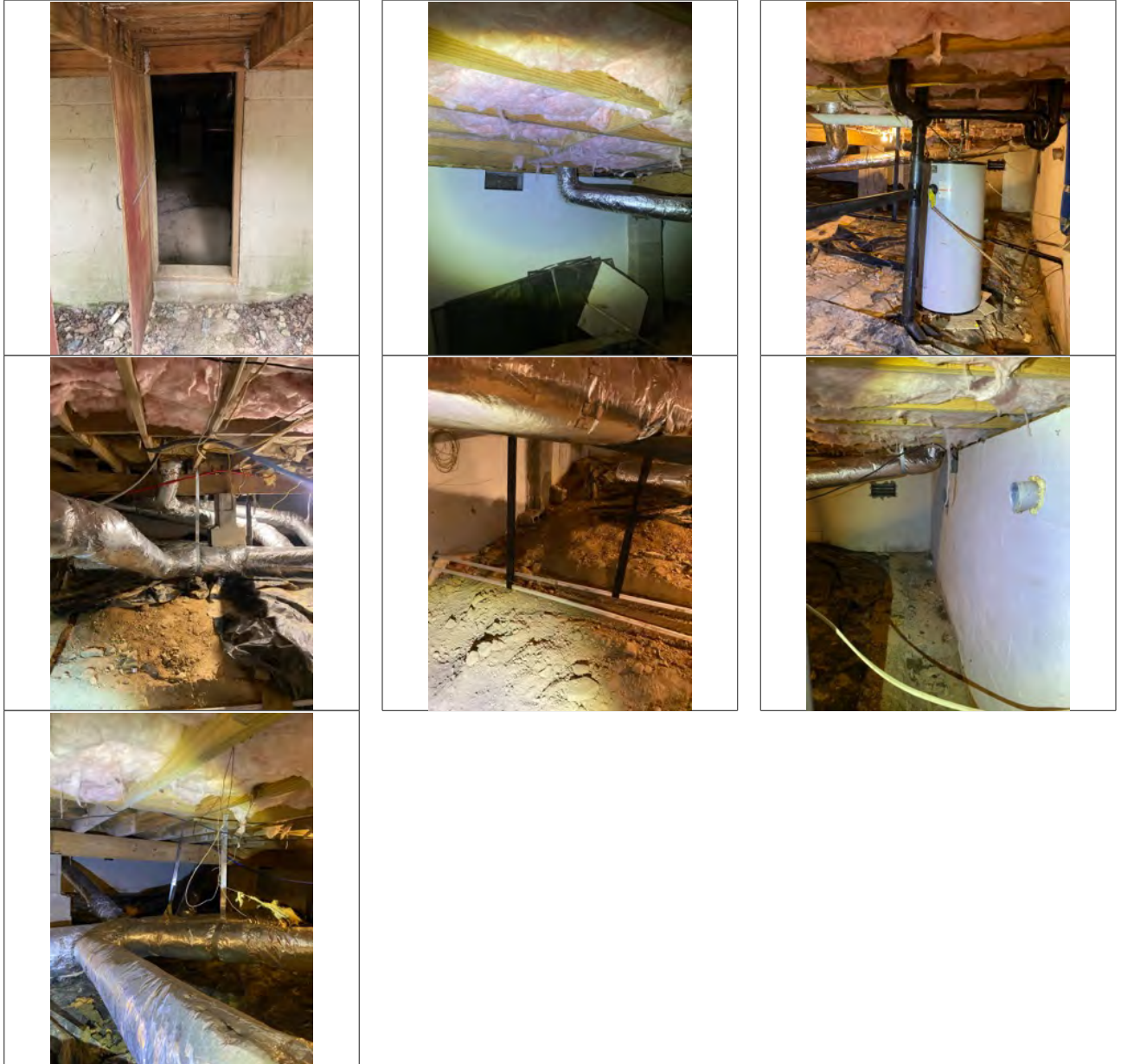


Exposed electrical wiring

Crawl Space

Crawl space

Type Full crawlspace
 Conditioned (heated/cooled) No
 Photos



Access

Location Exterior
 Inspected from In the crawl space

Comments Plumbing, HVAC ducts, Insulation, electrical wiring, and stored items limited the visible area of the crawlspace. The inspection is limited to only accessible areas with more than 24" of ground clearance and not hindered by aforementioned items.

Foundation walls

Condition Satisfactory
 Material Concrete block

Crawl Space

Floor

Material Dirt
Condition Vapor barrier present

Drainage

Sump pump No
Standing water No
Evidence of moisture damage No

Ventilation

Location Wall vents

Girders/Beams/Columns

Material Wood Masonry
Condition Satisfactory

Joists

Material Wood
Condition Satisfactory

Subfloor

Not Visible

Insulation

Type Fiberglass
Location Between floor joists

Vapor barrier

Present Yes
Material Plastic
Condition Satisfactory

Exhibit 4

<  Hamp Wilson ▾ ⋮

Wednesday, October 11

I'm going by the house this afternoon for the walk through. Want me to call you then?

11:43 AM

Sure

11:52 AM

If there's anything in my mailbox, can you please put it inside the house?

11:52



Yes



Exhibit 5

< H Hamp Wilson v

Oct 26, 2023
What are you going to do with the black mold? I'm upset that they tried to hide that!

10:23 AM

As there was no sellers disclosure, which is common practice with flippers and the inspection didn't catch it, legally they aren't required to do anything. I will contact the listing agent and request some compensation. What do you think is a fair amount?

10:39 AM

No seller's disclosure? Oh no.
At least half.



<  Hamp Wilson ▾



10:39 AM

Oct 26, 2023

No seller's disclosure?
Oh no.

At least half.

This is quite a big mess.

10:50 AM

If the inspector would
have caught it, I would
have absolutely insisted
that the seller fix it
completely

10:51



<  Hamp Wilson ▾



Thursday, October 26

Good morning, Hamp.
Terminix is coming next
week.

Daniel contacted me,
and it looks like it will
be next week for him as
well.

What are we going to
do with the black mold?
I'm upset that they
tried to hide that!

10:23 AM



As there was no collors



< H Hamp Wilson ▾



Friday, October 27

All under the sink is soaked.



MMS



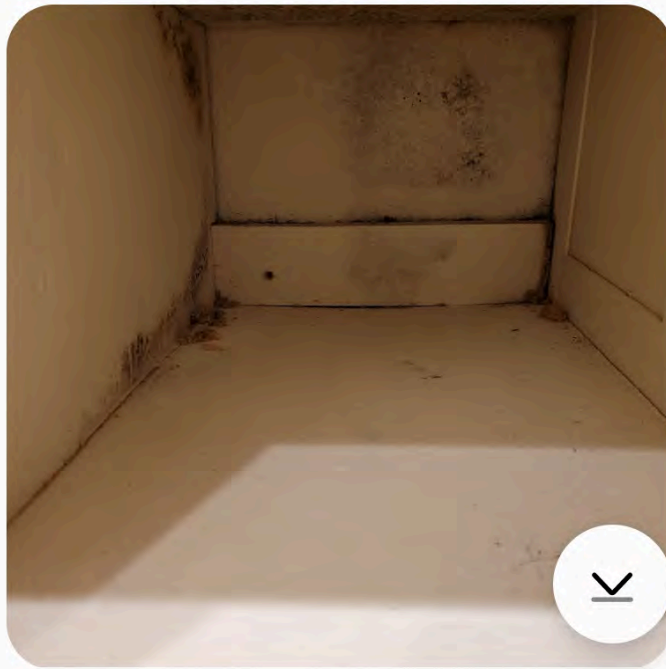
<  Hamp Wilson ▾



3:17 PM

Oct 27, 2023

This is the cabinet to the right and the door to the right. The other pictures I sent you. I pulled up the white shelf lining. They put down and it is soaked.



< **H** Hamp Wilson ▾



Thursday, November 2



MMS



Good morning, Hamp



<  Hamp Wilson ▾



9:51 AM

Monday, November 6

I spoke with John Rutherford. At Disaster Master mold experts. They should be out today. In whose name is the estimate going to be under? I have a doctor's appointment tomorrow due to my symptoms from being exposed to black mold.

10:0



<  Hamp Wilson ▾



back.

Oct 24, 2023

10:59 AM

Can we talk about the Mold and the non-disclosure of that? They knew that was like that because they had all those air fresheners underneath that sink. Thanks. I'll look out for their calls. 😊👍

11:15 AM

Wednesday, October 25

Hi ham, I was just wondering if you were



<  Hamp Wilson ▾



has reached out to Home Buddies also. Keep me updated. Clara will know how best to manage this. Hang in there.

4:44 PM

I'm in a really, really bad place, Hamp. 😞
Not only is my physical health suffering my mental health, it's even worse. 😭

4:48 PM

Wednesday, November 29



November 20, 2023

Exhibit 6

Georgia Lawrence
16 Pego Circle
Hot Springs Village, AR 71909
737-420-1955
glpl95561@gmail.com

RE: limited IAQ/mold assessment for residence located at 16 Pego Circle in Hot Springs Village, Arkansas. ATOKA, Inc., reference # 23-504.

Dear Ms. Lawrence,

Per your request, Adam Henderson of our Hot Springs office performed a visual assessment and sampling for the presence of mold at the referenced residence on November 14th, 2023. This assessment was limited in scope to areas identified by the client as areas of concern associated with a leak in the kitchen of the residence. The assessment was performed to determine if mold was present, what type of mold was present, extent of water damage if present, and the most likely source of moisture. The assessment included a visual assessment and air and surface sampling of the residence. Sample results are included as Appendix A.

Based on ATOKA's visual assessment, there was apparent visible mold growth observed on the wallboard system behind the kitchen stove, within the kitchen cabinetry housing the kitchen sink, and on the wooden substructure within the crawlspace associated with the drain piping under the kitchen sink. The interior areas of the residence had a slight noticeable odor which can be associated with mold. The HVAC system servicing the residence was placed in operation during ATOKA's assessment. Photos taken during the assessment are included in Appendix B.

Opinion

It is ATOKA, Inc.'s opinion, based on the visual assessment of these interior areas and air and surface sample mold analysis, that mold growth has affected the kitchen of the residence.

Visual Assessment

The interior areas of the residence had a noticeable odor which can be associated with mold. As mentioned previously, there was apparent visible mold growth observed on the wallboard system behind the kitchen stove, within the kitchen cabinetry housing the kitchen sink, and on the wooden substructure within the crawlspace associated with the drain piping under the kitchen sink. Photos taken during the assessment are included in Appendix B.

During the assessment temperature, dew point, and humidity readings were measured in the living room of the residence near the center of the residence, with a hand held Extech RH300 psychrometer, and illustrated the following:

<u>Location</u>	<u>Temperature °F</u>	<u>Dew Point °F</u>	<u>Relative Humidity (%)</u>
Living room (center of residence)	71.0°	51.9°	51.0%

Occupied and conditioned indoor environmental conditions would be expected to be within acceptable temperature range of 68 to 76 degrees Fahrenheit (°F) and a dew point of 25° F to 60° F and relative humidity of 40% to 60% (ideally should be less than 60%). When the dew point and relative humidity are both above 60° F and 60% and or above, then condensation of moisture laden air becomes highly likely. When cooler atmospheric dew point temperatures are achieved inside a conditioned living space with 60% or higher relative humidity then it is also likely that condensation will occur. When the ambient surface temperature falls below the dew point temperature then sufficient condensation may form on those surfaces that can sustain mold growth. Measured interior environmental conditions indicated a relatively dry atmospheric environment in the areas assessed.

Testing

Environmental samples discussed below were submitted to ATOKA, Inc., Environmental Microbiology Laboratory for microbiological (fungi) identification and quantification. Samples were analyzed by a Pan American Aerobiology Certification Board (PAACB) Mycologist # 05150160.

Air sample(s) were collected on Air-O-Cell spore trap cassette(s) with a high-volume air pump calibrated at 15 liters per minute per Air-O-Cell manufacturer instructions. Total (viable & non-viable) airborne mold spore counts and identification (to the Genera level) are recorded in the ATOKA, Inc., Environmental Microbiology Laboratory report located in Appendix A of this report. Molds identified and airborne mold concentrations are representative of ambient conditions existing in the area at the time of testing.

The HVAC air handling unit fan was placed in operation during the interior sampling events. The indoor sample(s) were collected in areas representative of the interior of the residence and from potentially affected areas based on visual observations. All doors and windows to the exterior of the residence were closed. Total airborne counts include viable and non-viable spores and are recorded as the total number of mold spores counted (#/m³) per cubic meter of air sampled.

An ambient air sample (37248764) was collected from the living room of the residence near the HVAC return, and laboratory analysis found indoor air quality with respect to indoor contaminant airborne mold spores to be unacceptable with elevated (more than 1,200 spores per cubic meter) total indoor airborne mold spore counts. Total indoor airborne mold spore counts were at 3,127 spores per cubic meter with the dominant mold spores identified being *Penicillium/Aspergillus* at a count of 2,913 spores per cubic meter. Air counts were indicative of indigenous mold growth sites or a contaminated environment with respect to indoor airborne mold spores. Seven (7) *Stachybotrys* sp., mold spores were reported.

An ambient air sample (37248758) was collected from the outdoor air, and laboratory analysis found total airborne mold spore counts at 8,593 spores per cubic meter with the dominant mold spores identified being Basidiospores at a count of 4,167 spores per cubic meter and *Cladosporium* at a count of 3,000 spores per cubic meter. No *Stachybotrys* sp., mold spores were reported. Spore counts were diverse, with Basidiospores and *Cladosporium* each being present at elevated levels outdoors when compared to indoor samples collected.

Current criteria regarding indoor environmental quality states that total airborne mold spore levels of less than 1,200 total indoor mold spores/m³ and less than 750 spores/m³ of *Penicillium / Aspergillus* spores per cubic meter of air sampled tend to be representative of clean environments. Values in excess of 1,400 total indoor mold spores /m³ and greater than 900 *Penicillium / Aspergillus* spores /m³ are indicative of indigenous contaminating sources. [Occupational & Environmental Hygiene 2005 2:8-18]. No *Stachybotrys* sp., mold spores should be present in the indoor air sample above what would be considered significant levels.

Samples containing greater than 2 times the limit of detection of spores per cubic meter (#/m³) airborne spores of *Stachybotrys* sp., would be considered to be significant and require further investigation for the source of this mold. These values are not set in stone and are intended to be a general guideline to help evaluate the presence of indigenous indoor molds and clean environments. The air sampling data needs to be evaluated along with the current environmental conditions (clean and dry) and if there is a potential source of mold present (visible mold) that could adversely impact indoor air quality.

Surface samples were collected using bio-tape lifts. A bio-tape lift sample (B3086029) was collected from the surface of the wall behind the stove in the kitchen, and laboratory analysis identified a 4+, or very heavy growth, of *Penicillium*, a 2+, or moderate growth, of *Chaetomium* and *Stachybotrys*, and a 1+, or light growth, of *Acremonium*. Pollen was also detected on the sample.

A bio-tape lift sample (B3588846) was collected from the surface of the kitchen cabinet interior under the sink, and laboratory analysis identified a 4+, or very heavy growth, of *Aspergillus*, a 2+, or moderate growth, of *Dicyma*, and a 1+, or light growth, of *Acremonium*.

A bio-tape lift sample (B3318140) was collected from the surface of a floor joist within the crawlspace near the drain piping under the kitchen sink, and laboratory analysis identified a 4+, or very heavy growth, of *Trichoderma*, a 2+, or moderate growth, of *Arthrospore* former, and a 1+, or light growth, of *Cladosporium*.

Conclusions

ATOKA, Inc., recommends that any sources of moisture and apparent mold growth identified in this assessment be remediated to prevent further growth of these molds and to prevent further contamination of affected substrates and aerosolization of the mold spores that adversely impact indoor air quality with respect to airborne mold.

Recommendations - Mold Remediation

Before any mold remediation activities are performed, or in conjunction with the mold remediation activities, any sources of moisture or moisture intrusion into the inside of the building should be addressed. Proper mold cleaning and removal can only be performed once all sources of water intrusion and/or elevated humidity inside of the residence are eliminated.

If wet conditions exist and water damaged, water-stained, and moldy materials are not removed and sources of moisture intrusion and humidity are not controlled it is impossible to permanently remove the mold and restore the area(s) to good condition because the mold will likely eventually return.

ATOKA, Inc. makes the following recommendations in regards to the mold remediation activities necessary to remove mold and establish environmental conditions that will not sustain further mold growth.

General Considerations

1. ATOKA, Inc. recommends that the contractor selected to perform mold removal activities be a trained and certified mold abatement contractor. Contractor is responsible for conducting all abatement activities according to the Institute of Inspection, Cleaning and Restoration Certification (IICRC) IICRC Standard & Reference Guide for Professional Mold Remediation (S520).
2. All personnel working in a contained work area should wear full-face negative pressure or full-face positive air purifying respirators (PAPR), goggles, gloves and any other appropriate PPE. Contractors engaged in the cleaning procedures should be advised of the potential mold spore exposure, airborne particulate (nuisance dust) and potential asbestos dust exposure hazards.
3. Public and Commercial Buildings - According to Federal NESHAP and State of Arkansas asbestos regulations, any regulated quantities (greater than 160 square feet) suspect asbestos containing materials (sheet rock mud, troweled on surfacing materials, thermal system insulation, vinyl floor coverings, sprayed on acoustical ceiling finishes, lay in ceiling tiles, vinyl base boards and adhesive, carpet glues, etc.) that will be removed during the restoration process should be tested to determine if they contain asbestos.
4. According to Federal OSHA 29 CFR 1926.1101 asbestos regulations it is the building owner and the contractor's responsibility to determine if an asbestos hazard is present (inspection and sampling) and to protect employees and all other building occupants from exposure to asbestos fibers if present.
5. Single family residential dwellings are not regulated by EPA, State or Local environmental agencies however, restoration workers should comply with OSHA.

Interior Areas

Affected work areas include the N-NE kitchen, the N-NE bedroom, and the N-NE crawlspace. The HVAC system servicing the residence is also included in the work areas.

Residence Interior

1. Establish negative pressure in aforementioned work areas with six (6) mil poly critical barriers (doors, windows, fireplaces, supply vents, return vents, etc.) and HEPA-equipped air handling units (AHU) exhausted to the outdoors prior to disturbing any mold. Negative pressure should remain in place until all demolition and gross cleaning work has been completed.
2. Following gross removal and initial cleaning, negative pressure should be discontinued during any additional cleaning and final cleaning activities, and a sufficient number of HEPA air scrubbers and fans (to stir and move air) should be installed with the capability of scrubbing four (4) times the interior volume of air per hour inside the work area. Air scrubbers should remain in operation during all cleaning activities and for forty-eight (48) hours following all final cleaning.
3. Install a sufficient number of dehumidifiers to remove the moisture from the interior areas once wet contents (if present) are removed.
4. Discard water damaged and unwanted contents (if present). Porous items (e.g., carpet & carpet pad, upholstered furniture and/or padding on furniture, ceiling tiles, etc.) that have been wetted should be discarded. Porous materials that have not been wetted by water leaks and on which surface mold is present should be HEPA vacuumed and professionally cleaned or laundered.
5. Contents, furniture and movable fixtures (lower kitchen cabinetry) within the work area(s) should be cleaned on site or, if necessary, removed, cleaned and restored to IICRC S 520 Condition 1 off site.
6. All carpet and rugs within the work area(s) that will not be removed should be HEPA vacuumed and then professionally cleaned and stored off site.
7. All porous contents and furnishings (curtains, upholstered furniture, clothes, linens, etc.) within the work area(s) should be HEPA vacuumed and then laundered and stored off site until mold remediation is complete.
8. Remove the NW and NE wallboard system(s) in the kitchen, the NE and SW wallboard system in the NW guest bedroom closet, and the SW wallboard system in the NW guest bedroom up to a *minimum* of ~36" and remove associated existing insulation if present. Remove the flooring down to the subfloor/slab in the closet within the NW guest bedroom and the NW guest bedroom. All removal shall complete to 12" past the last sign of visible mold on the substructure/framing and the subfloor/slab. HEPA vacuum and wet wipe all visible mold from walls, studs, and non-porous flooring and treat with antimicrobial. Once all mold removal is completed, HEPA vacuum and wet wipe all surfaces in the work area(s) and treat with anti-microbial product.
9. Clean all exposed wall cavities and components with HEPA vacuum and damp wipe decontamination cleaning methods (if present). HEPA vacuum and use wet-wipe decontamination methods on all surfaces in the affected areas using an EPA recommended cleaning product (Serum 1000™, Foster 40-80); HEPA vacuum two (2) times and wet wipe between vacuuming.
10. HEPA vacuum and perform damp wipe decontamination wipe down of ALL building component surfaces (walls, floor, ceiling), contents, fixtures, furniture and appliances within the work area.
11. Contractor is to apply an EPA approved bactericide/fungicide/cleaner (or similar treatment compound) to disinfect non-porous surfaces where mold growth has been verified (i.e. - furniture, contents, walls, etc.). Application is made during "wipe-down" of all non-porous surfaces not otherwise treated or removed. It is further stated that products shall be free of chemical odor and safe for indoor environmental use and EPA approved. Suggested Products: Fungicide solution - BBJ Peroxi-Cleanse (mold & mildew cleaner), Foster 40-80 First Defense (for walls and surfaces), and Foster 40-23 Duct Liner Insulation Sealer or Serum 2000™ Polymer Coating for sealing. NOTE: Contractor may use comparable fungicide products for disinfection according to all manufacturer's instructions.

The HVAC air handling system is likely contaminated and should remain out of operation until it is cleaned and until final clearance testing has been conducted to verify that the HVAC system is clean.

1. Retain a licensed HVAC contractor to thoroughly clean the air handler unit with damp decontamination methods and HEPA vacuuming according to NADCA 2006 cleaning guidelines.
2. Shut-off and Lock-down units.
3. Note: Mechanical agitation is designed to dislodge debris adhered to interior HVAC system surfaces, such that debris may be safely conveyed to vacuum collection devices. Agitation devices may include cable driven brush systems, compressed air systems, pneumatic and electric driven brushes, and hand tools such as contact vacuum brushes.
4. Vacuum surfaces utilizing HEPA-filtered equipment by direct contact vacuuming. Cleaning must be performed by the application of the vacuum in combination with a brush attachment directly to the contaminated surface. It is recommended that any blanket insulation be removed and replaced with foil-lined insulation to help prevent future mold establishment.
5. Clean and treat air-handling unit (AHU) components. Use an EPA-approved HVAC cleaner/disinfectant. Areas include blower and blower housing, coils, internal insulation board, drip pan, and condensate drainage piping. Let dry, and HEPA vacuum all surfaces to remove residue.
6. The licensed HVAC contractor shall also thoroughly check the operation of the air conditioning system(s) to ensure that the AC unit(s) are removing the maximum amount of moisture from the air and operating efficiently. The HVAC contractor should check for air leaks and make the appropriate repairs.
7. HVAC equipment testing should include the following parameters to provide verification of equipment efficiency and measurements should be compared to the manufacturers specifications for the specific equipment being tested:
 - RH - Relative Humidity %
 - DP - Dew Point Temperature
 - WB - Wet Bulb Temperature
 - DB - Dry Bulb Temperature
 - SH - Super Heat Temperature
 - SC - Super Cool Temperature
 - LP - Liquid Pressure measured in psi
 - SP - Suction Pressure measured in psi
 - OA - Outdoor Ambient Temperature
 - ORH - Outdoor Relative Humidity
 - TD - Temperature drop across the coil
 - SRH - Supply Air Relative Humidity

Crawlspace Mold Remediation

1. When dry conditions are achieved in the crawlspace, before a sealed vapor barrier is installed, the visible mold should be removed.
2. Prior to working in the crawlspace, the HVAC equipment should be shut down and the crawlspace should be placed under negative pressure to prevent crawlspace air from entering living space or being drawn into the HVAC system(s) and spread into the living areas. Seal all foundation wall vents with 6 mil polyethylene sheeting from outside. Install a sufficient number of high-volume fans (at furthest point from flapped access door) to draw 4 air changes of crawlspace air out of the crawlspace every sixty (60) minutes. Maintain negative pressure until all work is completed and crawlspace air cannot invade the living areas.

3. All surfaces where visible mold is present (wood floor joists, sub-floor and support beams, HVAC duct insulation, PVC plumbing components, etc.) should be HEPA vacuumed and damp wiped with decontamination wipe down methods, sanded, wire brushed, soda blasted, or CO2 pellet blasted and cleaned until the mold is visually removed.

OR

4. Once all wood and building components surfaces are dried to 15% or less moisture content, then all surfaces can be treated with Serum 1000, Strong Arm, OxyPar or a comparable hydrogen peroxide-based product according to all manufacturer's directions and instructions and then residue can be HEPA vacuumed and thoroughly cleaned until the mold is visually removed.

Crawlspace - dry and seal

1. Foam seal all penetrations (gaps around electrical, plumbing, HVAC equipment) from crawlspace into interior living areas to further prevent crawlspace air from entering living areas.
2. Install dehumidifier(s) to dry crawlspace.
3. Treat crawlspace components with Serum 1000 or comparable hydrogen peroxide (15% or greater concentration) based fungicide once wooden components are less than 15% moisture content.
4. Remove all contents and loose vapor barriers (if present).
5. Remove all contaminated (stained & dirty appearance) fiberglass insulation from crawlspace (if present).
6. Close foundation vents and install a permanent air tight seal in each foundation vent with foil back foam board and silicone or foam sealant before installing sealed vapor barrier.
7. Install air tight foam gaskets around the crawlspace access doors to prevent air / water intrusion into the crawlspace.
8. Install a "sealed vapor barrier" in crawlspace to dry the crawlspace and prevent moisture from entering the living areas above the crawlspace. Vapor barrier should be at least twelve (12) mil thickness (minimum) of reinforced polyethylene sheeting (poly) OR comparable materials that are impermeable to moisture and all seams should be glued and taped.
9. Poly liner should extend up foundation wall to top of foundation wall and to the wall base plate on top of the foundation block wall and extend up the individual pier and beam columns at least two feet.

Sealing the crawlspace in this manner will isolate the crawlspace from sub-surface moisture intrusion, outdoor moisture vapor intrusion and allow crawlspace temperature and humidity to acclimate to indoor levels thus becoming a dry, environmentally controlled space.

1. Contractor is to discard all contaminated materials (e.g. – sheetrock, insulation, carpet, carpet pad, etc.).
2. Contractor is responsible for the removal of all tape residues and repair of any tape-damaged areas caused by Contractor abatement activities.
3. Contractor shall comply with the following guidelines for mold remediation activity:
 - IICRC S520 "Standard and Reference Guide for Professional Mold Remediation"
 - EPA 401-K-01-001 "Mold Remediation in Schools and Commercial Buildings"
 - US DOL/OSHA Safety and Health Information Bulletin Number 03-10-10, "A Brief Guide to Mold in the Workplace"
 - 29 CFR 1926.134 OSHA Respiratory Protection Standard
 - 29 CFR 1926 OSHA Construction Industry Standard
 - 29 CFR 1910 OSHA General Industry Standard

4. Contractor will provide on-site containers for the collection of debris and waste that is not contaminated with molds. The job site shall be kept free from the accumulation of non-contaminated waste or debris.
5. As the work progresses, to prevent exceeding available storage capacity on site, sealed containers of waste shall be removed and transported to a pre-arranged disposal location. Load out of sealed leak-proof containers shall occur during normal business hours unless the Owner and Contractor make alternative arrangements. Once bags have been removed from the work area, they shall be loaded into an enclosed truck or open solid waste canister for transportation to the landfill.
6. Disposal must occur at an authorized site in accordance with regulatory requirements for biological waste applicable to State of Arkansas and Local guidelines and regulations.
7. All dump receipts shall be delivered to the Owner for his/her records. The Disposal Form shall be delivered to the Owner after each disposal.
8. Any debris or residue observed on containers or surfaces outside of the work area resulting from clean-up or disposal activities shall be immediately cleaned using HEPA filtered vacuum equipment and/or wet methods as appropriate.
9. It is important to conduct visual inspections and clearance air testing after all cleaning and mold abatement activities have been completed in order to verify complete removal of the mold prior to occupancy and replacement of materials. ATOKA recommends post-remediation verification (PRV) air sampling be conducted to determine if the airborne mold concentrations in the affected work areas indicate the mold remediation has been successful and the work area is safe for occupancy. Surface sampling and bulk sampling may also be conducted to verify the effectiveness of the remediation cleaning efforts in all the areas that were cleaned and properly dried and/or abated. A cost proposal for PRV sampling shall be provided at the request of the Owner and/or the Contractor. Responsibility for the costs associated with PRV sampling shall be determined between the Owner and the Contractor and written authorization provided by that party prior to ATOKA personnel being authorized to mobilize and conduct PRV sampling.
10. The ATOKA representative shall perform a visual inspection of the work area to ensure that the contractor has completed the assigned scope of work. The work area(s) should be clean and free of visible dust, debris, and mold growth.
11. Cleaned and treated surfaces will be required to meet clearance criteria. Confirmation testing includes the use of bio-tape lift samples collected randomly over the cleaned surfaces. The completed test locations must indicate a passing score of < 1 + (settled spores / normal fungal ecology) and reveal no visible dust present.
12. If the Contractor fails the first round of final clearance testing before the agreed upon project completion date, then the contractor is responsible for the cost to retest the abatement area. If the agreed upon project completion date has passed, the cost for clearance sampling and analysis above and beyond the Liquidated Damages will be the responsibility of the Contractor.
13. The area(s) should be tested with air and/or surface sampling and a visual assessment to verify that the mold remediation was successful *before* replacing any new materials and *before* these areas are opened for occupation.

Optional actions to help improve overall indoor air quality and reduce indoor moisture.

1. If possible, upgrade HVAC air filters to a MERV 6 or 8 efficiency rating for better IAQ with respect to small airborne particulate. Install correct size filter media for efficient filtration. Maintain air filters as recommended in the HVAC system(s) manufacturer's instruction manual.

The undersigned has fully participated in the sampling analysis and the evaluation of the environmental conditions existing in the residence located at 16 Pego Circle in Hot Springs Village, Arkansas. ATOKA, Inc. was retained to provide the services stated herein, and to the best of our knowledge, the results are valid and accurate. Be advised that the results of this investigation represent the conditions found during the site assessment. ATOKA, Inc.'s opinions, conclusions and

recommendations are based solely on the visual and physical conditions discovered in the residence at the time of the investigation. ATOKA, Inc. did not perform destructive sampling or invasive investigative techniques and cannot be responsible for undiscovered physical or visual information requiring destructive methods that influences the IAQ of this residence. Assumptions are made and conclusions are drawn based on the physical data gathered during the investigation. The reported analyses, opinions and conclusions are personal, unbiased, professional and limited only by the assumptions and qualifications stated herein. Compensation is not contingent upon an action or an event resulting from the analyses, opinions, or conclusions in, or the use of, this report or specification.

This investigation and subsequent remediation specification has/will have been performed in accordance with all applicable legal requirements and in accordance with accepted practices prevailing in the environmental industries. The personnel who perform(ed) the investigation/remediation are properly licensed and certified in accordance with the requirements of all federal, state and local laws, rules and regulations.

Neither this specification nor its attendant report is intended to be or relied upon as an insurance policy or guarantee, expressed or implied, against undisclosed or future defects.

We/I have no present or prospective interest in the subject property or the parties involved.

Please call with any questions you may have.

Respectfully submitted,



Adam Henderson, CIE
 ATOKA, Inc.
 501-623-1121



Appendix A Laboratory Results

ATOKA, Inc. Environmental Laboratory

ATOKA Job # 23-504

11701 I-30 East, Ste. 119

Little Rock, AR 72209

Phone: 501-455-1700

Fax: 501-455-1864

Report Date: 11/16/2023

Collection Date: 11/14/2023

Received Date : 11/14/2023

Analysis Date: 11/16/2023

Project Name: Georgia Lawrence / 16 Pego Circle

Received By: Judy Troutz

Industrial Hygiene & Quality Assurance Testing - AOAC # 151755

Sample ID #:	3724 8764			3724 8757					
Lab Sample Number:	E23-1114-13			E23-1114-14					
Volume: Liters	150			150					
Sample Location:	Center of home near HVC return			Outside air					
Spore Types:	Raw Count	Count/m ³	% of Total	Raw Count	Count/m ³	% of Total	Raw Count	Count/m ³	% of Total
Acremonium group	-	-	-	-	-	-	-	-	-
Alternaria / Ulocladium	-	-	-	6	40	0.5%	-	-	-
Ascospores	-	-	-	10	67	0.8%	-	-	-
Aureobasidium	-	-	-	-	-	-	-	-	-
Basidiospores	30	200	6.4%	625	4167	48.5%	-	-	-
Bipolaris/Drechslera	-	-	-	1	7	0.1%	-	-	-
Cercospora	-	-	-	-	-	-	-	-	-
Chaetomium	1	7	0.2%	-	-	-	-	-	-
Cladosporium	-	-	-	450	3000	34.9%	-	-	-
Curvularia	-	-	-	-	-	-	-	-	-
Epicoccum	-	-	-	3	20	0.2%	-	-	-
Fusarium	-	-	-	-	-	-	-	-	-
Nigrospora	-	-	-	6	40	0.5%	-	-	-
Oidium	-	-	-	-	-	-	-	-	-
Penicillium/Aspergillus	437	2913	93.2%	165	1100	12.8%	-	-	-
Pestalotiopsis group	-	-	-	1	7	0.1%	-	-	-
Pithomyces	-	-	-	-	-	-	-	-	-
Rusts	-	-	-	-	-	-	-	-	-
Scopulariopsis	-	-	-	-	-	-	-	-	-
Smuts/Myxomycetes	-	-	-	17	113	1.3%	-	-	-
Stachybotrys	1	7	0.2%	-	-	-	-	-	-
Torula	-	-	-	-	-	-	-	-	-
Trichocladium	-	-	-	-	-	-	-	-	-
Trichoderma	-	-	-	5	33	0.4%	-	-	-
Unidentifiable Spores	-	-	-	-	-	-	-	-	-
Total Fungi	469	3127	100%	1289	8593	100%	0	0	0%
Hyphal Fragments	1			44					
Pollen	0			1					
Insect Fragments	0			3					
Skin Fragments*	2+			1+					
Fibrous Particulate*	1+			1+					
Background*	2+			3+					
Analytical Sensitivity		7			7				

1. Method B80- AIHA Field Guide for the Determination of Biological Contaminants; Larone , Medically Important Fungi; Barnett & Hunter, Illustrated Genera of Imperfect Fungi. 2. "-" Represents a spore count of less than the sensitivity calculated based on sample volume. 3. "*" Reported as a numerical value between 1 - 4 (1 = Low, 4 = High). 4. When raw counts exceed stopping rules, raw based on the percentage counts are extrapolated based on the percentage analyzed. Overloading is denoted when high particulate matter obscures spores and causes inaccurate detection and quantification of mold spores.

Related Comments:

Chance Villines, VEL, LLC, Mycologist (PAACB 05150160)

Joe Henry, Lab Manager

GENERAL REPORT

FINAL REPORT

Report Date: November 16, 2023
 Client: Georgia Lawrence
 16 Pego Circle
 Hot Springs Village, AR 71909
 RE: E23-1114-17
 Project: 23-504 / Georgia Lawrence



Sample Received By: JT
 Laboratory Completion Date: 16NOV23
 Analyst: [Signature]
 Collection Date: November 14, 2023
 Received Date: November 14, 2023
 Analysis Date: November 16, 2023

Method AIHA Field Guide for the Determination of Biological Contaminants; Larone, Medically Important Fungi; Barnett & Hunter, Illustrated Genera of Imperfect Fungi; M B Ellis, Dematiaceous Hyphomycetes; Hanlin, Illustrated Genera of Ascomycetes

RESULTS

BIOTAPE ANALYSIS

Laboratory ID	E23-1114-15	E23-1114-16	E23-1114-17
Sample ID	B3588857	B3588846	B3318140
Location	Kitchen wall behind stove	Under kitchen sink	Joint under kitchen (in crawl)
4 + Very Heavy Growth (>75% coverage)	Penicillium (S,C,H)	Aspergillus (S,C,A,H)	Trichoderma (S,C,H)
3 + Heavy Growth (51%-75% coverage)			
2 + Moderate Growth (26%-50% coverage)	Chaetomium (S,A,H) Stachybotrys (S,C,H)	Dicyma (S,C,H)	Arthrospore former (S,H)
1+ Light Growth (10%-25% coverage)	Acremonium (S,C,H)	Acremonium (S,C,H)	Cladosporium (S,C,H)
< 1+ Very Light Growth (<10% coverage)			
< 1+ No Growth Miscellaneous spores (<10% coverage)			
Related Comments	Pollen detected.		

S=spores, C=conidiophores, H=hyphae, A=ascocarps, P=pycnidia, Sp=sporangia, Ca=capillitia

Appendix B Photographs



Photo 1. Kitchen illustrating cabinetry housing sink, dishwasher, and stove



Photo 2. Kitchen view 2 illustrating cabinetry housing sink, dishwasher, and stove



Photo 3. Underneath kitchen cabinetry housing the kitchen sink illustrating visible mold growth



Photo 4. View 2 underneath kitchen cabinetry housing the kitchen sink illustrating visible mold growth



Photo 5. Underside of kitchen cabinet drawer illustrating visible mold growth

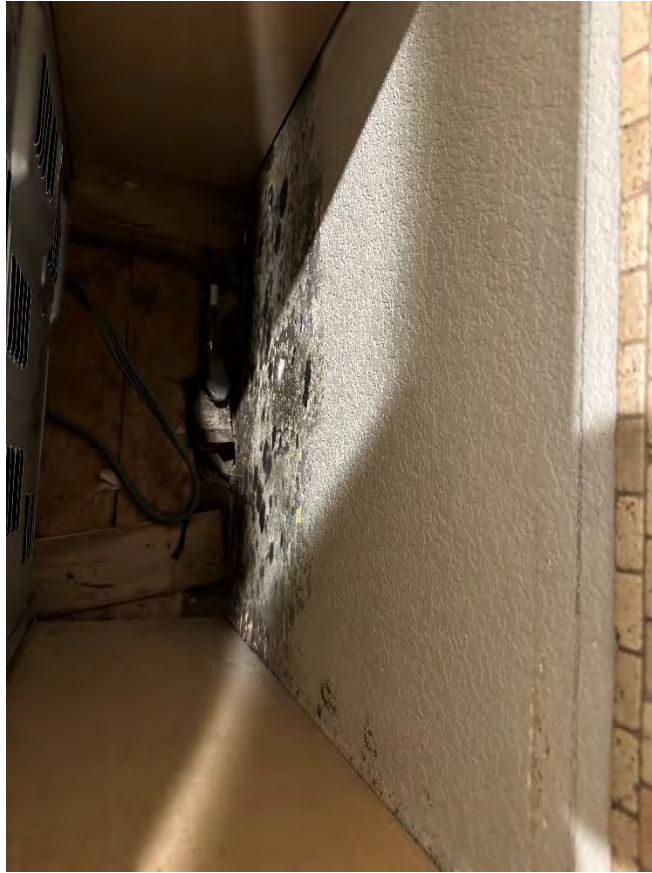


Photo 6. Wallboard system behind kitchen stove illustrating visible mold growth



Photo 7. NW guest bedroom SE's closet (shared with kitchen) wall



Photo 8. View of crawlspace substructure near kitchen drainage pipe illustrating visible mold growth and moisture staining



Photo 9. View 2 of crawlspace substructure near kitchen drainage pipe illustrating visible mold growth and moisture staining



Photo 10. HVAC system and view of current crawlspace vapor barrier

Appendix C Certifications



AMERICAN COUNCIL for ACCREDITED CERTIFICATION

ADAM HENDERSON



BOARD CERTIFIED

#2212011

Exp. 12/31/2024

Council-certified Indoor Environmentalist



Steamatic-Rugs and Restoration

112 Jefferson St
Hot Springs, AR 71901

INVOICE	#340398
SERVICE DATE	Nov 22, 2023
DUE	Upon receipt
AMOUNT DUE	\$162.00

Exhibit 7

Georgia Lawrence
16 Pego Cir
Hot Springs, AR 71909

CONTACT US

(501) 321-1191
 Office.steamatic@gmail.com

(737) 420-1955
 glpl95561@gmail.com

INVOICE

Services	qty	unit price	amount
Custom Services - Service Call Minimum Service Call Fee	1.0	\$150.00	\$150.00
Subtotal			\$150.00
Total Tax			\$12.00
GarlandCty (8%)			\$12.00
Total			\$162.00

Inspection for mold/microbial growth performed on November 22 2023 at 10 am. Mold/microbial growth in kitchen behind stove, behind kitchen cabinets, under kitchen cabinets, inside kitchen cabinets, on drywall behind kitchen cabinets. Sub flooring under kitchen cabinets is near saturation from previous leak. Mold/microbial growth has spread to infiltrate HVAC system. Newer unit installed into old moldy, dirty boots that were not cleaned. Crawlspace found to contain mold/microbial growth and wood rot under kitchen sink sub flooring. Kitchen floor sub flooring at or near saturation from previous leak. Estimates for remediation and cleaning services to follow this invoice. It is highly recommended that this property NOT be occupied until remediation/restoration is complete. Adverse health reactions can occur in persons with sensitivity to mold/microbial growth.

































































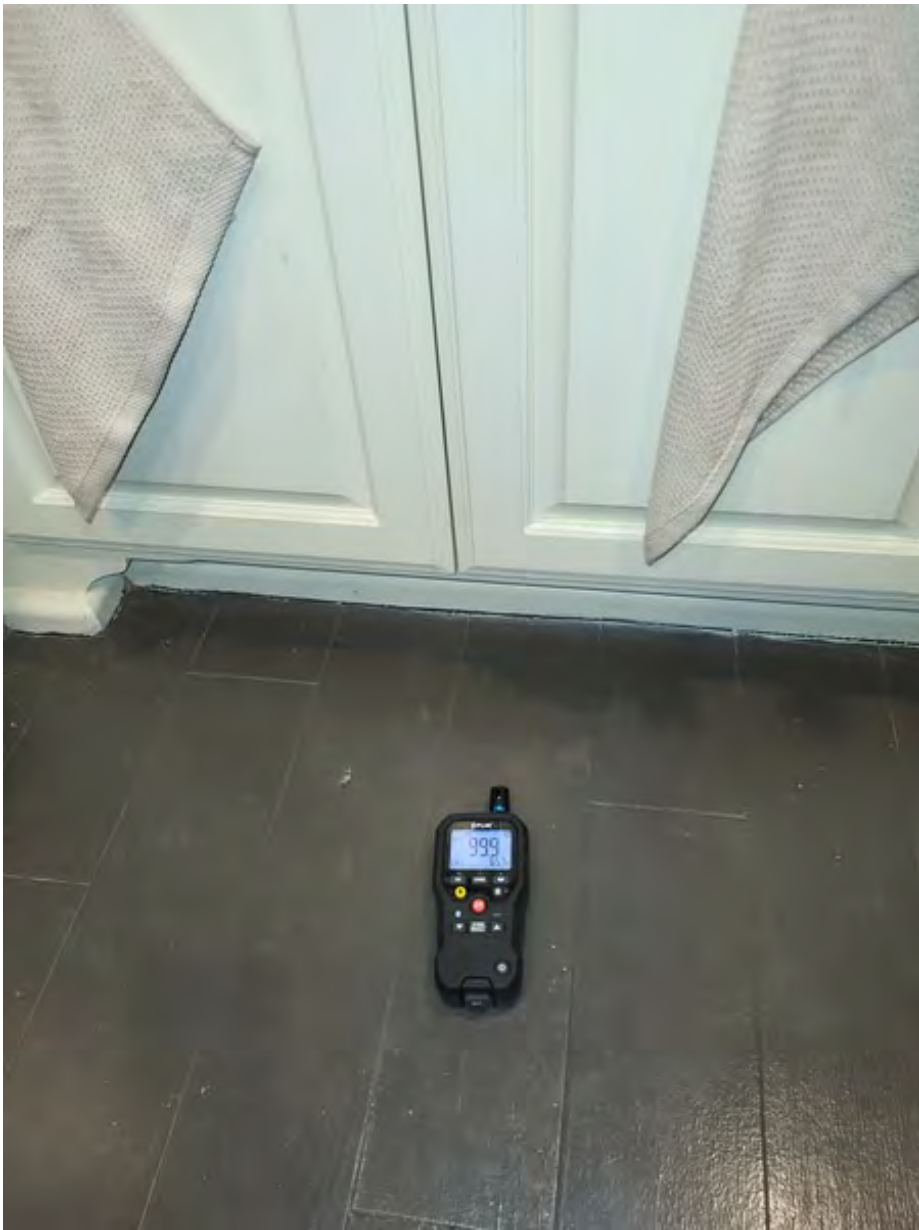






















Exhibit 8




You have a new estimate from Steamatic-Rugs and Restoration

 **Address:** 16 Pego Cir, Hot Springs, AR 71909

Option #1

\$18,230.40

 Declined on Mar 08, 2024.

Estimate Details

Services	Unit Price	Qty	Total
AD - Residential	\$400.00	1	\$400.00
Clean HVAC system for mold/microbial growth contamination			
AD - Residential	\$50.00	10	\$500.00
Clean HVAC system Return, registers and all attached duct work. There is 1 return in wall 20X20X1. There are 9 registers. 1 under cabinet in master bath, 1 in wall in add on room, 7 in floor. Clean all for mold/microbial growth contamination			
SHOW MORE			
Mold Restoration	\$1.00	1440	\$1,440.00
Crawlspace: remove and dispose of batt insulation.Mold/microbial growth contaminated.			

Services	Unit Price	Qty	Total
Mold Restoration	\$2.00	1440	\$2,880.00
Crawlspace: Hepa vacuum all structural framing; joists, sub flooring and support beams. Treat with anti microbial using electrostatic mist (fogging).			
Mold Restoration	\$1,500.00	1	\$1,500.00
Crawlspace: Insert drying equipment as needed to dry out under side of sub flooring that is left after demolition of non salvageable materials. 3 air movers 1 commercial dehumidifier for 3 days. Drying time may take longer but we will only charge for 3 days			
SHOW MORE			
Mold Restoration	\$1.50	1440	\$2,160.00
Crawlspace: Remove and replace torn,missing vapor barrier with 6 mil black plastic vapor barrier to cover all ground space up to foundation walls			
Mold Restoration	\$3,600.00	1	\$3,600.00
Interior of home: Remove lower cabinets and counter tops (600.00). Remove affected drywall behind lower cabinets (200.00). Remove flooring and sub flooring in kitchen. Replace sub flooring after demolition so that homeowner has something safe to walk			
SHOW MORE			
Uncategorized - Mold Restoration	\$2,200.00	2	\$4,400.00
Mold Restoration: Remove and dispose of Jacuzzi tubs with tile surround. Mold/microbial growth and fungal rot underneath.			
Services subtotal			\$16,880.00
Subtotal			\$16,880.00
GarlandCty (8%)			+ \$1,350.40
Total			\$18,230.40

See your financing options

Prequalify to find out how much you can borrow within minutes and pay as low as \$395.46/mo*. Your credit score will not be affected.

[PREQUALIFY](#)

Note

This estimate is for remediation/restoration. No repairs will be made by Steamatic. We will replace any sub flooring that must be removed. We may encounter further damage once remediation/demolition begins, if so, no action will be taken without homeowner's consent or understanding of increase in time on job or price to complete.

Contact us

Steamatic-Rugs and Restoration

 (501) 321-1191

 Office.steamatic@gmail.com

See our [Terms & Conditions](#)

*All financing is subject to credit approval. Terms may vary. Payment options through Wisetack are provided by our lending partners. For example, a \$1,000 purchase could cost \$45.18 a month for 24 months, based on a 7.9% APR, or \$333.33 a month for 3 months, based on a 0% APR. See additional terms at <https://www.wisetack.com/faqs>.

Spring Hollow Construction LLC

6601 Spring Street, Hot Springs, AR 71901

Cell 501-627-6438, Fax 501-262-1228, Home/Office 501-262-3537

Proposal

Proposal No. 110241

Date 1/10/24

Name ___ Georgia Lawrence

Address_ 16 Pego Circle

_____ Hot Springs Village, AR 71909

Phone___ 737-420-1955

email___ glpl95561@gmail.com

We hereby propose to furnish all the materials and perform all the labor necessary for the completion of:

Build and install new base cabinets in kitchen. Mold remediation team to remove water damaged baseboards, quarter round, flooring, underlayment, and subfloor as necessary, as well as appliances, old cabinets, tile backsplash, and granite.

Build new cabinets to look exactly like the existing cabinets, includes painting and installation. 12,300

Replace granite counter tops (50.00/sf allowance) Replace sink (300.00 allowance) Replace kitchen faucet (300 allowance on faucet) 8,900

Install new tile backsplash (20.00/sf allowance on tile) 1,900

Install 1/2" concrete board and tile flooring (4.00/sf allowance on tile) 5,600

Install new electric range, dishwasher, OTR microwave (owner to furnish) 550

Replace 30ft 5-1/4" baseboard and quarter round, includes painting 360

All material is guaranteed to be as specified, and the above work to be performed in accordance with drawings and specifications submitted for the above work and to be completed in a substantial workmanlike manner for the sum of \$29,610.00

With payment to be made as follows: 14,805.00 upon acceptance, 14,805.00 upon completion

Any alteration or deviation from above specifications, or any material price increases as of start date, will become an extra charge over and above the estimate. All agreements contingent upon circumstances, accidents, or delays beyond our control.

Warranty: There will be a one (1) year warranty on all work performed with the exception of repairs made to an existing problem, in which circumstance we will try our best to remedy the situation, but there will be a limited warranty. Product warranties are through the manufacturer.

Respectfully submitted: Spring Hollow Construction

Per: Shawn O'Brien, owner

Note...This proposal may be withdrawn by us if not accepted within seven (7) days.

Acceptance of Proposal

The above prices, specifications, and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Accepted _____ Date _____