

**CONDOMINIUM PURCHASE AND SALE AGREEMENT**

1. **Date:** \_\_\_\_\_, 20\_\_\_\_ **SPECIFIC TERMS** **MLS No.:** \_\_\_\_\_
2. **Buyer:** \_\_\_\_\_
3. **Seller:** Parkridge on Queen Anne, LLC
4. **Property:** Tax Parcel No(s): 387990-0220-07 ( King County)  
Unit No.: \_\_\_\_\_ Residential Condominium: The Leona  
Address: 1 Ward Street Seattle, Washington 98109  
 Condominium Declaration Recording Number: 20080819000986  
 Declaration Recording Number Not Available, attach NWMLS Form 29 See Leona Builder Add.  
Parking Space No.: \_\_\_\_\_ Storage Space No.: \_\_\_\_\_
5. **Included Items:**  stove/range;  refrigerator;  washer;  dryer;  dishwasher;  security system;  satellite dish;  
 wood stove;  fireplace insert;  hot tub;  other Microwave
6. **Purchase Price:** \$ \_\_\_\_\_
7. **Earnest Money:** (To be held by  Selling Broker;  Closing Agent)  
Personal Check: \$ \_\_\_\_\_  
Note: \$ \_\_\_\_\_  
Other ( \_\_\_\_\_ ): \$ \_\_\_\_\_
8. **Default:** (check only one)  Forfeiture of Earnest Money;  Seller's Election of Remedies
9. **Disclosures in Form 17:** Buyer will ; will not  have a remedy for Seller's negligent errors, inaccuracies, N/A or omissions in Form 17
10. **Title Insurance Company:** First American Title Insurance Co.
11. **Closing Agent:**  a qualified closing agent of Buyer's choice;  See Leona Addendum
12. **Closing Date:** \_\_\_\_\_
13. **Possession Date:**  on Closing;  Other \_\_\_\_\_
14. **Offer Expiration Date:** \_\_\_\_\_
15. **Services of Closing Agent for Payment of Utilities:**  Requested (Attach NWMLS Form 22K);  Waived
16. **Charges and Assessments Due After Closing:**  assumed by Buyer;  prepaid in full by Seller at Closing
17. **New Construction or Conversion:**  is (attach NWMLS Form 29);  is not See Leona Builder Add.
18. **Public Offering Statement:**  received \_\_\_\_\_  deliver to Buyer \_\_\_\_\_ days after mutual acceptance
19. **Resale Certificate:**  received \_\_\_\_\_  deliver to Buyer \_\_\_\_\_ days after mutual acceptance
20. **Condominium Assessment:** \$ \_\_\_\_\_ per month and Deposit equal to 2 month's assessment at Closing
21. **Agency Disclosure:** Selling Licensee represents  Buyer;  Seller;  both parties;  neither party  
Listing Agent represents  Seller;  both parties
22. **Addenda:** Leona Builder Add Leona Warranty Add NWMLS #89

Buyer's Signature	Date
Buyer's Signature	Date
Buyer's Address	
City, State, Zip	
Phone	Fax
Buyer's E-mail Address	
Selling Broker	MLS Office No.
Selling Licensee (Print)	MLS LAG No.
Phone	Fax

Seller's Signature	Date
Seller's Signature	Date
2003 Western Ave, #300	
Seller's Address	
Seattle, WA 98121	
City, State, Zip	
206-728-1912	206-728-4272
Phone	Fax
maria@mbarrientos.com	
Seller's E-mail Address	
Williams Marketing, Inc.	4720
Listing Broker	MLS Office No.
Leslie Williams	71325
Listing Agent (Print)	MLS LAG No.
206-285-1881	206-284-1152
Phone	Fax

**CONDOMINIUM PURCHASE AND SALE AGREEMENT**  
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- a. Purchase Price.** Buyer agrees to pay to Seller the Purchase Price, including the Earnest Money, in cash at Closing, unless otherwise specified in this Agreement. Buyer represents that Buyer has sufficient funds to close this sale in accordance with this Agreement and is not relying on any contingent source of funds, including funds from loans, the sale of other property, gifts, retirement, or future earnings, except to the extent otherwise specified in this Agreement. 1  
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- b. Earnest Money.** Buyer agrees to deliver the Earnest Money within 2 days after mutual acceptance of this Agreement to Selling Licensee who will deposit any check to be held by Selling Broker, or deliver any Earnest Money to be held by Closing Agent, within 3 days of receipt or mutual acceptance, whichever occurs later. If the Earnest Money is held by Selling Broker and is over \$10,000.00 it shall be deposited into an interest bearing trust account in Selling Broker's name provided that Buyer completes an IRS Form W-9. Interest, if any, after deduction of bank charges and fees, will be paid to Buyer. Buyer agrees to reimburse Selling Broker for bank charges and fees in excess of the interest earned, if any. If the Earnest Money held by Selling Broker is over \$10,000.00 Buyer has the option to require Selling Broker to deposit the Earnest Money into the Housing Trust Fund Account, with the interest paid to the State Treasurer, if both Seller and Buyer so agree in writing. If the Buyer does not complete an IRS Form W-9 before Selling Broker must deposit the Earnest Money or the Earnest Money is \$10,000.00 or less, the Earnest Money shall be deposited into the Housing Trust Fund Account. Selling Broker may transfer the Earnest Money to Closing Agent at Closing. If all or part of the Earnest Money is to be refunded to Buyer and any such costs remain unpaid, the Selling Broker or Closing Agent may deduct and pay them therefrom. The parties instruct Closing Agent to: (1) provide written verification of receipt of the Earnest Money and notice of dishonor of any check to the parties and Licensees at the addresses and/or fax numbers provided herein; and (2) commence an interpleader action in the county in which the Property is located within 30 days of a party's demand for the Earnest Money unless the parties agree otherwise in writing. The parties authorize the party commencing an interpleader action to deduct up to \$250.00 for the costs thereof. 5  
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- c. Included Items.** Any of the following items, including items identified in Specific Term No. 5 if the corresponding box is checked, located in or on the Property are included in the sale: built-in appliances; wall-to-wall carpeting; curtains, drapes and all other window treatments; window and door screens; awnings; storm doors and windows; installed television antennas; ventilating, air conditioning and heating fixtures; trash compactor; fireplace doors, gas logs and gas log lighters; irrigation fixtures; electric garage door openers and remotes; water heaters; installed electrical fixtures; lighting fixtures; shrubs, plants and trees planted in the ground; all bathroom and other fixtures; and all associated operating equipment. If any of the above Included Items are leased or encumbered, Seller agrees to acquire and clear title at or before Closing. 22  
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- d. Condition of Title.** Unless otherwise specified in this Agreement, title to the Property shall be marketable at Closing. The following shall not cause the title to be unmarketable: rights, reservations, covenants, conditions and restrictions, presently of record and general to the area; easements and encroachments, not materially affecting the value of or unduly interfering with Buyer's reasonable use of the Property; and reserved oil and/or mining rights. Monetary encumbrances or liens not assumed by Buyer, shall be paid or discharged by Seller on or before Closing. Title shall be conveyed by a Statutory Warranty Deed. If this Agreement is for conveyance of a buyer's interest in a Real Estate Contract, the Statutory Warranty Deed shall include a buyer's assignment of the contract sufficient to convey after acquired title. 30  
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- e. Title Insurance.** Seller authorizes Buyer's lender or Closing Agent, at Seller's expense, to apply for the then-current ALTA form of Homeowner's Policy of Title Insurance for One-to-Four Family Residence, from the Title Insurance Company. If Seller previously received a preliminary commitment from a Title Insurance Company that Buyer declines to use, Buyer shall pay any cancellation fees owing to the original Title Insurance Company. Otherwise, the party applying for title insurance agrees to pay any title cancellation fee, in the event such a fee is assessed. If the Title Insurance Company selected by the parties will not issue a Homeowner's Policy for the Property, the parties agree that the Title Insurance Company shall instead issue the then-current ALTA standard form Owner's Policy. The Title Insurance Company shall send a copy of the preliminary commitment to Seller, Listing Agent, Buyer and Selling Licensee. The preliminary commitment, and the title policy to be issued, shall contain no exceptions other than the General Exclusions and Exceptions in the Policy and Special Exceptions consistent with the Condition of Title herein provided. If title cannot be made so insurable prior to the Closing Date, then as Buyer's sole and exclusive remedy, the Earnest Money shall, unless Buyer elects to waive such defects or encumbrances, be refunded to the Buyer, less any unpaid costs described in this Agreement, and this Agreement shall thereupon be terminated. Buyer shall have no right to specific performance or damages as a consequence of Seller's inability to provide insurable title. 38  
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- f. Closing and Possession.** This sale shall be closed by the Closing Agent on the Closing Date. If the Closing Date falls on a Saturday, Sunday, legal holiday as defined in RCW 1.16.050, or day when the county recording office is closed, the Closing Agent shall close the transaction on the next day that is not a Saturday, Sunday, legal holiday, or day when the county recording office is closed. "Closing" means the date on which all documents are recorded and the sale proceeds are available to Seller. Seller shall deliver keys and garage door remotes to Buyer on the Closing 52  
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Initials: BUYER: \_\_\_\_\_ DATE: \_\_\_\_\_ SELLER: \_\_\_\_\_ DATE: \_\_\_\_\_ 57  
BUYER: \_\_\_\_\_ DATE: \_\_\_\_\_ SELLER: \_\_\_\_\_ DATE: \_\_\_\_\_ 58

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Date or on the Possession Date, whichever occurs first. Buyer shall be entitled to possession at 9:00 p.m. on the Possession Date. Seller agrees to maintain the Property in its present condition, normal wear and tear excepted, until the Buyer is entitled to possession. If possession transfers at a time other than Closing, the parties agree to execute NWMLS Form 65A (Rental Agreement/Occupancy Prior to Closing) or NWMLS Form 65B (Rental Agreement/Seller Occupancy After Closing) (or alternative rental agreements) and are advised of the need to contact their respective insurance companies to assure appropriate hazard and liability insurance policies are in place, as applicable.

**g. Section 1031 Like-Kind Exchange.** If either Buyer or Seller intends for this transaction to be a part of a Section 1031 like-kind exchange, then the other party agrees to cooperate in the completion of the like-kind exchange so long as the cooperating party incurs no additional liability in doing so, and so long as any expenses (including attorneys' fees and costs) incurred by the cooperating party that are related only to the exchange are paid or reimbursed to the cooperating party at or prior to Closing. Notwithstanding the Assignment paragraph of this Agreement, any party completing a Section 1031 like-kind exchange may assign this Agreement to its qualified intermediary or any entity set up for the purposes of completing a reverse exchange.

**h. Closing Costs and Prorations and Charges and Assessments.** Seller and Buyer shall each pay one-half of the escrow fee unless otherwise required by applicable FHA or VA regulations. Taxes for the current year, rent, interest, and lienable homeowner's association dues shall be prorated as of Closing. Buyer agrees to pay Buyer's loan costs, including credit report, appraisal charge and lender's title insurance, unless provided otherwise in this Agreement. If any payments are delinquent on encumbrances which will remain after Closing, Closing Agent is instructed to pay such delinquencies at Closing from money due, or to be paid by, Seller. Buyer agrees to pay for remaining fuel in the fuel tank if, prior to Closing, Seller obtains a written statement as to the quantity and current price from the supplier. Seller agrees to pay all utility charges, including unbilled charges. Unless waived in Specific Term No. 15, Seller and Buyer request the services of Closing Agent in disbursing funds necessary to satisfy unpaid utility charges in accordance with RCW 60.80 and Seller agrees to provide the names and addresses of all utilities providing service to the Property and having lien rights (attach NWMLS Form 22K Identification of Utilities or equivalent). Buyer is advised to verify the existence and amount of any local improvement district, capacity or impact charges or other assessments that may be charged against the Property before or after Closing. Seller will pay such charges that are encumbrances at the time of Closing, or that are or become due on or before Closing. Charges levied before Closing, but becoming due after Closing shall be paid as agreed in Specific Term No. 16.

**i. Sale Information.** The Listing Agent or Selling Licensee is authorized to report this Agreement (including price and all terms) to the Multiple Listing Service that published it and to its members, financing institutions, appraisers, and anyone else related to this sale. Buyer and Seller expressly authorize all Closing Agents, appraisers, title insurance companies, and others related to this Sale, to furnish the Listing Agent and/or Selling Licensee, on request, any and all information and copies of documents concerning this sale.

**j. FIRPTA - Tax Withholding at Closing.** The Closing Agent is instructed to prepare a certification (NWMLS Form 22E or equivalent) that Seller is not a "foreign person" within the meaning of the Foreign Investment In Real Property Tax Act. Seller agrees to sign this certification. If Seller is a foreign person, and this transaction is not otherwise exempt from FIRPTA, Closing Agent is instructed to withhold and pay the required amount to the Internal Revenue Service.

**k. Notices.** In consideration of the license to use this and NWMLS's companion forms and for the benefit of the Listing Agent and the Selling Licensee as well as the orderly administration of the offer, counteroffer or this Agreement, the parties irrevocably agree that unless otherwise specified in this Agreement, any notice required or permitted in, or related to, this Agreement (including revocations of offers or counteroffers) must be in writing. Notices to Seller must be signed by at least one Buyer and shall be deemed given only when the notice is received by Seller, by Listing Agent or at the licensed office of Listing Agent. Notices to Buyer must be signed by at least one Seller and shall be deemed given only when the notice is received by Buyer, by Selling Licensee or at the licensed office of Selling Licensee. Actual receipt by Selling Licensee of a Form 17, Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards, Public Offering Statement or Resale Certificate, homeowners' association documents provided pursuant to NWMLS Form 22D, or a preliminary commitment for title insurance provided pursuant to NWMLS Form 22T shall be deemed receipt by Buyer. Selling Licensee and Listing Agent have no responsibility to advise of receipt of a notice beyond either phoning the party or causing a copy of the notice to be delivered to the party's address shown on this Agreement. Buyer and Seller must keep Selling Licensee and Listing Agent advised of their whereabouts in order to receive prompt notification of receipt of a notice.

**l. Computation of Time.** Unless otherwise specified in this Agreement, any period of time measured in days and stated in this Agreement shall start on the day following the event commencing the period and shall expire at 9:00 p.m. of the last calendar day of the specified period of time. Except for the Possession Date, if the last day is a Saturday, Sunday or

Initials: BUYER: \_\_\_\_\_ DATE: \_\_\_\_\_ SELLER: \_\_\_\_\_ DATE: \_\_\_\_\_ 113  
BUYER: \_\_\_\_\_ DATE: \_\_\_\_\_ SELLER: \_\_\_\_\_ DATE: \_\_\_\_\_ 114

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legal holiday as defined in RCW 1.16.050, the specified period of time shall expire on the next day that is not a Saturday, Sunday or legal holiday. Any specified period of 5 days or less shall not include Saturdays, Sundays or legal holidays. If the parties agree that an event will occur on a specific calendar date, the event shall occur on that date, except for the Closing Date, which, if it falls on a Saturday, Sunday, legal holiday as defined in RCW 1.16.050, or day when the county recording office is closed, shall occur on the next day that is not a Saturday, Sunday, legal holiday, or day when the county recording office is closed. If the parties agree upon and attach a legal description after this Agreement is signed by the offeree and delivered to the offeror, then for the purposes of computing time, mutual acceptance shall be deemed to be on the date of delivery of an accepted offer or counteroffer to the offeror, rather than on the date the legal description is attached. Time is of the essence of this Agreement.

**m. Facsimile and E-mail Transmission.** Facsimile transmission of any signed original document, and retransmission of any signed facsimile transmission, shall be the same as delivery of an original. At the request of either party, or the Closing Agent, the parties will confirm facsimile transmitted signatures by signing an original document. E-mail transmission of any document or notice shall not be effective unless the parties to this Agreement otherwise agree in writing.

**n. Integration.** This Agreement constitutes the entire understanding between the parties and supersedes all prior or contemporaneous understandings and representations. No modification of this Agreement shall be effective unless agreed in writing and signed by Buyer and Seller.

**o. Assignment.** Buyer may not assign this Agreement, or Buyer's rights hereunder, without Seller's prior written consent, unless the parties indicate that assignment is permitted by the addition of "and/or assigns" on the line identifying the Buyer on the first page of this Agreement.

**p. Default.** In the event Buyer fails, without legal excuse, to complete the purchase of the Property, then the following provision, as identified in Specific Term No. 8, shall apply:

**i. Forfeiture of Earnest Money.** That portion of the Earnest Money that does not exceed five percent (5%) of the Purchase Price shall be forfeited to the Seller as the sole and exclusive remedy available to Seller for such failure.

**ii. Seller's Election of Remedies.** Seller may, at Seller's option, (a) keep the Earnest Money as liquidated damages as the sole and exclusive remedy available to Seller for such failure, (b) bring suit against Buyer for Seller's actual damages, (c) bring suit to specifically enforce this Agreement and recover any incidental damages, or (d) pursue any other rights or remedies available at law or equity.

**q. Professional Advice and Attorneys' Fees.** Buyer and Seller are advised to seek the counsel of an attorney and a certified public accountant to review the terms of this Agreement. Buyer and Seller agree to pay their own fees incurred for such review. However, if Buyer or Seller institutes suit against the other concerning this Agreement the prevailing party is entitled to reasonable attorneys' fees and expenses.

**r. Offer.** Buyer agrees to purchase the Property under the terms and conditions of this Agreement. Seller shall have until 9:00 p.m. on the Offer Expiration Date to accept this offer, unless sooner withdrawn. Acceptance shall not be effective until a signed copy is actually received by Buyer, by Selling Licensee or at the licensed office of Selling Licensee. If this offer is not so accepted, it shall lapse and any Earnest Money shall be refunded to Buyer.

**s. Counteroffer.** Any change in the terms presented in an offer or counteroffer, other than the insertion of the Seller's name, shall be considered a counteroffer. If a party makes a counteroffer, then the other party shall have until 9:00 p.m. on the counteroffer expiration date to accept that counteroffer, unless sooner withdrawn. Acceptance shall not be effective until a signed copy is actually received by Seller, by Listing Agent or at the licensed office of Listing Agent. If the counteroffer is not so accepted, it shall lapse and any Earnest Money shall be refunded to Buyer.

**t. Offer and Counteroffer Expiration Date.** If no expiration date is specified for an offer/counteroffer, the offer/counteroffer shall expire 2 days after the offer/counteroffer is delivered by the party making the offer/counteroffer, unless sooner withdrawn.

**u. Agency Disclosure.** Selling Broker represents the same party that Selling Licensee represents. Listing Broker represents the same party that the Listing Agent represents. If Selling Licensee and Listing Agent are different salespersons affiliated with the same Broker, then both Buyer and Seller confirm their consent to that Broker representing both parties as a dual agent. If Selling Licensee and Listing Agent are the same salesperson representing both parties then both Buyer and Seller confirm their consent to that salesperson and his/her Broker representing both parties as dual agents. All parties acknowledge receipt of the pamphlet entitled "The Law of Real Estate Agency."

**v. Commission.** Seller and Buyer agree to pay a commission in accordance with any listing or commission agreement to which they are a party. The Listing Broker's commission shall be apportioned between Listing Broker and Selling Broker as specified in the listing. Seller and Buyer hereby consent to Listing Broker or Selling Broker receiving compensation from more than one party. Seller and Buyer hereby assign to Listing Broker and Selling Broker, as

Initials: BUYER: \_\_\_\_\_ DATE: \_\_\_\_\_ SELLER: \_\_\_\_\_ DATE: \_\_\_\_\_ 169  
BUYER: \_\_\_\_\_ DATE: \_\_\_\_\_ SELLER: \_\_\_\_\_ DATE: \_\_\_\_\_ 170

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applicable, a portion of their funds in escrow equal to such commission(s) and irrevocably instruct the Closing Agent to disburse the commission(s) directly to the Broker(s). In any action by Listing or Selling Broker to enforce this paragraph, the prevailing party is entitled to court costs and reasonable attorneys' fees. Seller and Buyer agree that the Licensees are intended third party beneficiaries under this Agreement. 171-174

**w. Cancellation Rights/Lead-Based Paint.** If a residential dwelling was built on the Property prior to 1978, and Buyer receives a Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (NWMLS Form 22J) after mutual acceptance, Buyer may rescind this Agreement at any time up to 3 days thereafter. 175-177

**x. Information Verification Period and Property Condition Disclaimer.** Buyer shall have 10 days after mutual acceptance to verify all information provided from Seller or Listing Agent related to the Property. This contingency shall be deemed satisfied unless Buyer gives notice identifying the materially inaccurate information within 10 days of mutual acceptance. If Buyer gives timely notice under this section, then this Agreement shall terminate and the Earnest Money shall be refunded to Buyer. Buyer and Seller agree, that except as provided in this Agreement, all representations and information regarding the Property and the transaction are solely from the Seller or Buyer, and not from any Licensee. The parties acknowledge that the Licensees are not responsible for assuring that the parties perform their obligations under this Agreement and that none of the Licensees have agreed to independently investigate or confirm any matter related to this transaction except as stated in this Agreement, or in a separate writing signed by such Licensee. In addition, Licensees do not guarantee the value, quality or condition of the Property and some properties may contain building materials, including siding, roofing, ceiling, insulation, electrical, and plumbing, that have been the subject of lawsuits and/or governmental inquiry because of possible defects or health hazards. Some properties may have other defects arising after construction, such as drainage, leakage, pest, rot and mold problems. Licensees do not have the expertise to identify or assess defective products, materials, or conditions. Buyer is urged to retain inspectors qualified to identify the presence of defective materials and evaluate the condition of the Property. Licensees may assist the parties with locating and selecting third party service providers, such as inspectors or contractors, but Licensees cannot guarantee or be responsible for the services provided by those third parties. The parties agree to exercise their own judgment and due diligence regarding third party service providers. 178-196

**y. Disclosures in Form 17.** If Seller provides Buyer with a disclosure statement pursuant to RCW 64.06 (Form 17), Buyer may bring an action in tort to recover economic losses resulting from intentional misrepresentations in Form 17; and if the parties so agree in Specific Term No. 9, Buyer may bring an action in tort to recover economic losses resulting from negligent errors, inaccuracies, or omissions in Form 17. Nevertheless, Buyer is advised to use due diligence to inspect the Property to Buyer's satisfaction, as Seller may not know or have reason to know of defects that careful inspections might reveal. If, in Specific Term No. 9, the parties agree that Buyer will not have a remedy for economic loss resulting from negligent errors, inaccuracies, or omissions in Form 17, then Buyer assumes the risk of economic loss that may result from Seller's negligent misrepresentation in Form 17. Buyer maintains the right to bring any and all claims permitted under the common law, including fraudulent concealment. Buyer and Seller acknowledge that home protection plans may be available which may provide additional protection and benefit to Buyer and Seller. 197-206

**z. Public Offering Statement.** This paragraph only applies if a Public Offering Statement is required by RCW 64.34. If Buyer has not received a Public Offering Statement (including the Declaration, Survey Map and Plans, Association Articles of Incorporation, Association Bylaws, Association Rules and Regulations, Association Budget and Association Balance Sheet) Seller agrees to deliver a Public Offering Statement to Buyer by the date specified in Specific Term No. 18. Buyer shall be conclusively deemed to have approved the Public Offering Statement unless, within 7 days following receipt, Buyer gives notice of disapproval of the same. If Buyer disapproves the Public Offering Statement, this Agreement shall terminate and the Earnest Money shall be refunded to Buyer. 208-214

**aa. Resale Certificate.** This paragraph only applies if a Public Offering Statement is NOT required by RCW 64.34. If Buyer has not received a Resale Certificate, Seller agrees to deliver a Resale Certificate to Buyer by the date specified in Specific Term No. 19. Buyer shall be conclusively deemed to have approved the Resale Certificate unless, within 5 days following receipt, Buyer gives notice of disapproval of the same. If Buyer disapproves the Resale Certificate, this Agreement shall terminate and the Earnest Money shall be refunded to Buyer. 215-219

**bb. Condominium Assessment.** The current Condominium Assessment is the amount specified in Specific Term No. 20, but is subject to change from time to time. In addition to Buyer's prorated portion of the Closing month's condominium assessment, a Deposit equal the amount specified in Specific Term No. 20 is required at Closing. 220-222

Initials: BUYER: \_\_\_\_\_ DATE: \_\_\_\_\_ SELLER: \_\_\_\_\_ DATE: \_\_\_\_\_ 223  
BUYER: \_\_\_\_\_ DATE: \_\_\_\_\_ SELLER: \_\_\_\_\_ DATE: \_\_\_\_\_ 224

**THE LEONA, A CONDOMINIUM  
SELLER'S ADDENDUM TO  
CONDOMINIUM PURCHASE AND SALE AGREEMENT  
(Use Only With NWMLS Form 28)  
(Replaces NWMLS Form 29)**

Buyer(s): \_\_\_\_\_

Unit No.: \_\_\_\_\_

Parking Space: \_\_\_\_\_

Closing Date: \_\_\_\_\_

Legal Description of Unit:

**UNIT \_\_\_\_ The Leona, ACCORDING TO DECLARATION THEREOF RECORDED UNDER RECORDING NO. 20080819000987, AND AS SHOWN ON SURVEY MAP AND PLANS RECORDED UNDER RECORDING NO. 20080819000986 IN KING COUNTY, WASHINGTON.**

**1. Financing.** Buyer's obligation to purchase the Unit \_\_\_\_\_ is \_\_\_\_\_ is not (check one – if not checked, Buyer's obligation is *NOT* contingent) contingent on Buyer's obtaining financing for a portion of the purchase price. *If this offer is contingent* on financing, then the following terms and conditions shall apply:

a. Qualification by Preferred Lender. Within three business days after mutual acceptance of the Agreement, Buyer shall contact Mike Bassi, Wells Fargo Mortgage (the "Preferred Lender"), or such other person as the Preferred Lender may designate, to ascertain whether Buyer will likely qualify for financing. Mike Bassi's phone number is (425) 468-8606 and his email is [michael.bassi@wellsfargo.com](mailto:michael.bassi@wellsfargo.com). If the Preferred Lender determines that Buyer is unlikely to qualify for financing, either Buyer or Seller may elect to terminate the Agreement by written notice to the other party. Upon such termination, Buyer's earnest money deposit shall be returned and this Agreement shall be null and void. In any event, Buyer shall have until 5:00 pm on the fourteenth (14) day after mutual acceptance of this Agreement (the "Contingency Period") to satisfy or waive Buyer's financing contingency. If Buyer provides written notice to Seller within the Contingency Period that Buyer's financing contingency has *not* been satisfied or waived, this Agreement shall terminate and be null and void, and Buyer's earnest money deposit shall be returned to Buyer. *If Buyer fails to deliver such notice to Seller within the Contingency Period, Buyer's financing contingency shall be deemed satisfied or waived by Buyer.*

b. No FNMA Approval Requirement. Buyer understands and agrees to inform Buyer's lender that FNMA approval may not be available and that the approval of financing from Buyer's lender may not provide that the closing of Buyer's loan on the Closing Date will be conditioned on the issuance of any FNMA approval or achievement of any particular presale requirement.

c. Loan Approval Maintenance. With respect to any financing required or obtained by Buyer, including financing through the Preferred Lender, Buyer shall be solely responsible for

Buyer's Initials \_\_\_\_\_

Buyer's Initials \_\_\_\_\_

Seller's Initials \_\_\_\_\_

maintaining any approval for financing in full force until this sale is completed. Buyer shall pay all costs associated with financing, including, but not limited to, application, processing, and closing costs thereof. Buyer shall not be entitled to terminate the Agreement or hold Seller responsible in the event the lender increases the interest rate, loan fees or otherwise changes the terms of Buyer's loan or if the lender withdraws or conditions its loan approval for any reason, including, without limitation, a delay in renovation of the Unit or in closing this sale. Within three (3) business days after Seller's request, from time to time, Buyer shall provide Seller with evidence satisfactory to Seller that Buyer remains qualified for financing from a Seller approved lender even if Buyer intends to purchase the Unit without financing. If Buyer fails to provide the requested evidence satisfactory to Seller within that time period, the Agreement shall terminate upon Seller's sending notice of termination to Buyer and Escrow Agent, Buyer's Earnest Money Deposit shall be forfeited to Seller, and the Agreement shall be null and void.

d. Choice of Lender. Buyer acknowledges that Buyer's choice of lender may affect the success of this transaction. Seller has selected the Preferred Lender based on the Preferred Lender's successful track record for processing and closing transactions, the variety of programs it offers and its ability to close loans without any presale requirements. Buyer's use of a lender other than the Preferred Lender shall be subject to Seller's written approval, which approval will not be unreasonably withheld. If Buyer uses a lender other than the Preferred Lender, Buyer must provide Seller a letter, within three (3) business days of Seller's written request, from Buyer's lender's underwriter stating the conditions of loan approval and the type of occupancy for which Buyer is approved. The type of occupancy stated by Buyer's lender's underwriter must be the same as the occupancy represented in section 16 of this Agreement. If Buyer is unable to close the purchase of the Unit on the date provided in the Agreement due to Buyer's use of a lender other than the Preferred Lender, Buyer shall be charged delay damages equal to Two Hundred and Fifty Dollars (\$250.00) for each day's delay.

**2. Unit Specifications; Model Unit; Artist's Rendering.** The floor plan of the Unit and specifications for appliances and finishes in the Unit are as built. Seller does not represent or warrant to Buyer that any materials, fixtures, equipment, appliances, finishes, design or other items in any model unit viewed by Buyer are identical to the those in the Unit; and Buyer may only rely on those items in the Unit. Furthermore, Buyer acknowledges that the artist's rendering of the Condominium on any promotional materials for the Condominium is an artist's impression of architectural elevation drawings and should not be considered as an accurate representation of the Condominium. Subject to the inspection and Punch-list procedure described in Section 7 below, and except for any warranties specifically made in Seller's Warranty Addendum, or other warranties expressly provided by law not waived herein, or for any modifications as Seller has specifically agreed to make in the Agreement, Buyer agrees to accept the Unit "AS IS." Seller shall assign to Buyer any warranties issued by the manufacturer or supplier of new equipment or appliances installed in the Unit. The Unit area shown in the recorded Declaration is based on the surveyor's "as-built" determination of the Unit area measured as noted in the Survey Map and Plans and may be different than the Unit area shown on plans and specifications or advertising brochures, which may have been estimates based on architectural drawings.

**3. Noise; Continued Construction; Neighborhood Development.** Buyer acknowledges that Seller makes no representation or warranty as to any sounds audible within the Unit which may arise from activities in any other unit, any common element of the Condominium, or anywhere outside the Condominium. Buyer acknowledges that at the time of taking possession of the Unit and for an indefinite period thereafter, construction of the Condominium, including construction of additional units, might not be completed and that construction work may be continuing, creating a possible inconvenience or

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nuisance. Buyer releases Seller from all claims that Buyer may have for such inconvenience or nuisance. Buyer further acknowledges that Seller makes no representation or warranty that the view from the Unit, as of the date the Agreement is signed or as of Closing, will not be obstructed or changed in whole or in any part at any time in the future. Buyer acknowledges that Buyer is purchasing a Unit in an area that may experience considerable and rapid development, and such developments could affect views, density, traffic and other aspects of the neighborhood and the Condominium. Buyer acknowledges that Seller undertakes no obligation to investigate or disclose real estate developments in the area that are possible, planned, permitted or under construction, nor does Seller undertake any duty to protect views or other aspect of the Condominium. This means that even though Seller may know of developments that could affect views, density, traffic or other matters (including developments by Seller or its affiliates), Buyer acknowledges that Buyer is not relying on Seller to disclose such developments, and Buyer acknowledges that Buyer is releasing Seller from any duty Seller might otherwise have to disclose such developments known to Seller. Buyer acknowledges that Seller does not have and does not undertake to have any duty to investigate or disclose any development that is now known to Seller or becomes known to Seller after the Agreement is signed, including developments that may involve Seller or a company affiliated with Seller; nor does Seller have or undertake any duty to protect views from or other aspects of ambiance of the Condominium in connection with such developments. If Buyer desires to investigate pending and future potential developments in the area, information is available from the City of Seattle and from King County and from other sources. Real estate agents are generally not experts on future real estate developments, and Seller requires and Buyer agrees that Buyer has not relied and will not rely on statements from them about future developments or their impact or lack of impact on views.

**4. Parking Spaces.** Seller makes no representation as to the size or location of any parking space that is physically separate from and assigned to the Unit. Assignment of parking spaces shall not be subject to Buyer's approval. Seller reserves the right to assign compact-sized parking space(s) to Buyer. Any reference to the location or size of any parking space in any addendum or other document (including the Survey Map and Plans) is approximate and not intended to be an exact depiction thereof.

**5. Earnest Money.**

a. Earnest Money Deposit. At the time Buyer executes and delivers this Addendum, Buyer shall deposit with the Listing Agent (who shall deposit it with the Escrow Agent) earnest money equal to five percent (5%) of the purchase price. The entire earnest money deposit shall become nonrefundable, but remain applicable to the purchase price at Closing, upon the latest to occur of the following: (i) mutual execution of the Agreement; or (ii) seven (7) days after delivery of the POS; or (iii) if applicable, at the end of the Contingency Period. All conditions in the Agreement shall be deemed satisfied or waived without the requirement of notice or any other action of Seller or Buyer, including any conditions for review of the POS, on the date stated in the preceding sentence. If Buyer fails to timely deposit the earnest money, then the Agreement shall terminate and neither party shall have any further rights or obligations under the Agreement.

b. Seller's Failure to Close. In the event Seller is unable to close the sale in accordance with the Agreement notwithstanding Seller's reasonable and good faith efforts, provided Buyer is not in material default, Buyer, as Buyer's sole remedy, may elect to rescind the Agreement in writing and the earnest money shall be refunded to the Buyer. Upon such refund being made to the Buyer, neither the Seller nor the Seller's agents shall be under any further or continuing obligation or liability whatsoever to the Buyer, including but not limited to, any liability for moving costs, temporary

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housing costs, loss of financing or increase in interest rate, and Buyer and Seller shall each be released from any and all claims by the other of any kind or nature.

c. Buyer's Failure to Close. In the event Buyer is unable to close the sale in accordance with the Agreement on the date established under the Agreement without legal excuse, Seller may terminate the Agreement and retain the earnest money as liquidated damages for such failure to close, provided, however, Seller shall retain all other rights and remedies available to Seller in law or at equity with respect to any other breaches of or defaults under this Agreement, and regardless of the existence of any dispute between Seller and Buyer, Seller shall have the right to resell the Unit to a third party free and clear of any claims of Buyer.

**6. Buyer's Access Prior to Closing.** Prior to Closing, Seller or Seller's agent must accompany Buyer whenever Buyer inspects or visits the Unit or the Common Elements (which are all parts of the Condominium other than the Unit). Due to Seller's insurance requirements and concerns for Buyer's safety, Seller may deny access until the Unit and Common Elements are completed. Only employees and contractors of Seller, acting pursuant to written instructions of Seller, are authorized to work on the Unit prior to Closing. Any unauthorized work by Buyer or its agents or contractors on the Unit prior to closing shall constitute a material breach of the Agreement by Buyer.

**7. Buyer's Acceptance of Unit, Color Selection and Finishes; Limitation of Warranties.** Buyer acknowledges that (a) construction of improvements within the Unit is complete; (b) the Unit is ready for occupancy; (c) Buyer has inspected the Unit thoroughly; and (d) except as noted in an addendum to the Purchase and Sale Agreement and Seller's Limited Warranty, Buyer accepts the Unit and the color selections and finishes in the Unit, including but not limited to countertops and backsplashes, cabinets, floor coverings and wood flooring, paint, appliances, window mullions, and other interior finishes in their existing condition ("AS IS"). Buyer acknowledges and agrees that the Limited Warranty made a part of the Agreement is provided in place of the implied warranties of quality under the Washington Condominium Act, RCW 64.34.445, and shall be binding upon the parties to the extent that it does not reduce the protections provided to Purchaser provided by such section. Buyer further agrees:

a. that the intent and purpose of the Limited Warranty is to provide the Buyer and Seller, prior to the consummation of a transaction, with a clear and predictable understanding of their rights, duties and obligations;

b. that the provisions of the Limited Warranty, and the rights, duties and obligations of the Seller and Buyer thereunder, is given by the Seller and accepted by the Buyer: (i) in lieu of and to the exclusion of all other express or implied warranties (including without limitation any implied warranty of habitability, merchantability or fitness for a particular use); and (ii) in lieu of and to the exclusion of all other legal or equitable rights, remedies or causes of action;

c. that the Limited Warranty is not intended to be in addition to the implied warranties of quality provided by RCW 64.34.445(2), but rather that such implied warranties are to be interpreted and enforced in accordance with the provisions of the Limited Warranty;

d. that in the event of any variance (including without limitation variances due to definition of defects, exclusions, performance standards, deductibles, remedies or measure of damages) between the provisions of the Limited Warranty and an asserted interpretation of the implied warranties

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provided by RCW 64.34.445(2), that the provisions of the Limited Warranty shall control to the maximum extent permitted by law;

e. that Buyer's acknowledgment and agreement is a direct and material inducement to Seller's agreement to sell the Unit for the agreed price, and has been relied upon by Seller (and Seller's contractor, subcontractors, vendors, suppliers and other professionals); and

f. that Buyer's acknowledgment and agreement shall be binding upon Buyer in Buyer's capacity as a Unit Owner and an Association Officer and Board member, and be binding with respect to both the Unit and the Common Elements.

## 8. Arbitration

a. Binding Arbitration of Disputes. Seller and Buyer recognize the need to resolve expeditiously any disputes that may arise between them in connection with the Condominium, the Unit, the Agreement (including all Addenda), the POS, the Declaration, or under the Washington Condominium Act, Ch. 64.34 RCW (the "Condo Act") or any other statute, and agree that arbitration generally provides a faster and less expensive alternative for resolution of disputes than does a trial by judge or jury. Therefore, notwithstanding the NOTICE REGARDING LITIGATION contained in Section 9 below, either Seller or Buyer may require that any claim, controversy, dispute, or grievance asserted by or for the benefit of the Seller or of the Buyer (directly or indirectly, including through the owners association (the "Association") for the Condominium) arising out of or relating to the Condominium, the Unit, the Agreement (including all Addenda), the POS, the Declaration, or under the Condo Act or any other statute (a "Claim") be decided by binding arbitration conducted in King County, Washington, under the Arbitration Rules of the American Arbitration Association ("AAA") in effect on the date hereof, as modified by this Seller's Addendum. If the Claim involves an alleged construction defect or warranty claim under the Condo Act, the AAA Construction Arbitration Rules shall apply. If the Claim involves less than \$1,000,000 the parties shall agree on a single arbitrator (as opposed to a panel of three arbitrators). If the Claim is in excess of \$1,000,000, then it shall be decided by a panel of three arbitrators. Each arbitrator shall be an attorney with at least fifteen years' experience in the applicable area of law in King County. If the Claim involves an alleged construction defect or warranty claim under the Condo Act, the parties shall be limited in their discovery to (i) full access to the Condominium for inspection and testing, (ii) plans, specifications and subcontracts, (iii) expert reports of proposed testifying experts prepared in connection with the dispute, (iv) depositions of testifying experts retained for the dispute. The arbitrator or the chair of the arbitration panel (as determined by the panel or the administrator) will resolve any discovery disputes. The arbitration hearing shall commence not later than six months after service of the demand for arbitration. Unless the arbitrator(s) decides otherwise, each party will share equally in the payment of the arbitrator(s)' fees and costs. The arbitrator(s) shall apply Washington substantive law and may award injunctive relief or any other remedy available from a judge including attorney fees and costs to the prevailing party. The decision rendered by the arbitrator(s) shall be final and binding without appeal or review and may be enforced in any court of competent jurisdiction.

b. Waiver of Right to Trial by Jury. NOTICE: By initialing in the space below you are agreeing to have any Claim decided by binding arbitration and you (on your own behalf and on behalf

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of the Association) are giving up any rights you (and the Association) might possess to have the dispute litigated or reviewed in a court or jury trial.

INITIAL(S): \_\_\_\_\_  
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c. Binding Effect on Association. Buyer acknowledges and agrees that it is the intent of both Seller and Buyer that Claims between them be resolved by binding arbitration if requested by either party. Buyer further acknowledges and agrees that it would be inequitable to allow the Buyer to avoid this intent and the mutual covenants herein by permitting the Association to argue that it is not subject to these arbitration provisions in the event of a Claim brought by the Association for the benefit of Buyer. Buyer further agrees that, in the event that Seller elects to have any Claim brought by the Association to be decided by binding arbitration, Buyer will vote to have the Association submit any such Claim to binding arbitration, under the provisions of this Agreement.

d. Involvement in Interstate Commerce. Buyer acknowledges, and agrees that the purchase and sale contemplated by the Agreement involves interstate commerce, in that the Units are being offered in interstate commerce, and have been constructed with goods and services arising out of interstate commerce. Buyer further acknowledges and agrees that because the Purchase Agreement involves interstate commerce, the Federal Arbitration Act (9 U.S.C. § 1, *et seq.*) applies to the Purchase Agreement's arbitration provisions. In the event that it is determined by a court in a final order, not appealed, or by an arbitrator that the Federal Arbitration Act does not govern a dispute between Seller and Buyer, then the arbitration provisions of Chapters 64.50 and 64.55 RCW shall apply.

**9. NOTICE REGARDING LITIGATION.** Without Seller acknowledging that Buyer may avoid an obligation to use arbitration, Seller provides this notice:

**NOTICE REGARDING LITIGATION.** CHAPTER 64.50 RCW CONTAINS IMPORTANT REQUIREMENTS YOU MUST FOLLOW BEFORE YOU MAY FILE A LAWSUIT FOR DEFECTIVE CONSTRUCTION AGAINST THE SELLER OR BUILDER OF YOUR HOME. FORTY-FIVE DAYS BEFORE YOU FILE YOUR LAWSUIT, YOU MUST DELIVER TO THE SELLER OR BUILDER A WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS YOU ALLEGE ARE DEFECTIVE AND PROVIDE YOUR SELLER OR BUILDER THE OPPORTUNITY TO MAKE AN OFFER TO REPAIR OR PAY FOR THE DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY THE BUILDER OR SELLER. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER STATE LAW, AND FAILURE TO FOLLOW THEM MAY AFFECT YOUR ABILITY TO FILE A LAWSUIT.

**10. Ongoing Obligations of Buyer.** Buyer agrees to comply with and perform any and all reasonable maintenance recommendations for the Unit, which shall be provided to Buyer prior to Closing. Buyer acknowledges and agrees that in the event Buyer fails to perform such ongoing maintenance, Buyer waives and releases Seller and Seller's general contractor, subcontractors, vendors, suppliers and other professionals from any damage, loss, personal injury, claim or defect which was in whole or part caused by, resulted from, or otherwise arose from Buyer's failure to perform such ongoing maintenance.

**11. Seller's Existing Mortgage.** Buyer is advised that Seller has an underlying mortgage ("Mortgage") on the Condominium. Buyer understands that all of the terms of the Agreement are

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subordinate to the Mortgage. Upon Closing, Seller shall cause the Unit and Buyer's interest in the Common Elements to be released from the Mortgage.

**12. Title Insurance and Escrow.** The title insurance company and Closing Agent shall be as follows:

**Title Company:**

First American Title Company  
Attn: Jennifer Porter  
818 Stewart Street, #800  
Seattle, WA 98121  
[jporter@firstam.com](mailto:jporter@firstam.com)  
(206) 615-3273

**Closing Agent:**

First American Title Company  
Attn: Carrie Gartside  
818 Stewart Street, #800  
Seattle, WA 98121  
[cgartside@firstam.com](mailto:cgartside@firstam.com)  
(206) 615-3006

Seller may change the title company and the Closing Agent at any time before closing upon notice to Buyer. Buyer acknowledges that Seller may receive a discounted “builder” rate on its share of the escrow fees of the Closing Agent and the title premium charged by Title Company. The title policy delivered to Buyer at closing shall be the standard coverage owner’s policy. If Buyer elects to receive the ALTA homeowner’s policy with extended coverage, Buyer shall pay the resulting increase in the premium. This Section shall supersede any contrary provision in the Agreement, including without limitation, paragraphs 8 and 9 of NWMLS Form 28, or any designation of title and escrow in any other form of purchase and sale agreement or addendum.

**13. Assessments.** Buyer shall pay at Closing an amount equal to two months' assessments which will be treated as an initial contribution to the working capital of the Association, and, if assessments are then being made, Buyer shall pay a pro rata portion of the Closing month's assessment. If assessments are not then being made, Seller shall provide Buyer at least fifteen (15) days notice of the commencement of assessments. Notwithstanding the foregoing, after Closing, Buyer shall be responsible for paying all Specially Allocated Expenses (as defined in the Declaration) of the Unit, regardless of whether monthly assessments are then being made. If Seller has previously paid the contribution for initial working capital with respect to the Unit, the Closing Agent shall reimburse Seller at Closing from Buyer's contribution. Buyer acknowledges that the initial level of assessments is an estimate only which may be changed prior to or after Closing.

**14. Real Estate Taxes.**

a. Prorations at Closing. If the real estate taxes for the Unit have not been segregated prior to Closing, then Buyer and Seller shall prorate those taxes based upon the real estate taxes for the entire Condominium and the percentage interest in Common Elements allocated to the Unit as stated in the Declaration. If the assessment upon which the real estate tax is payable at Closing is later increased due to a retroactive re-assessment of the Condominium then the increase attributable to the re-assessment shall also be prorated between Buyer and Seller; provided, however, any adjustment in the proration of real estate taxes made at Closing shall only be made if the additional amount payable by either Buyer or Seller exceeds \$500.

b. Property Tax Abatement. The property of the Condominium and Building [A] received landmark designation from the City of Seattle Landmarks Preservation Board. One of the

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incentives provided for this designation is an abatement of real property taxes for a ten year period. Those Units which are in Building A are eligible for that abatement. At the end of the abatement period, the property taxes will be assessed based on the full fair market value of those Units, which will likely result in a significant increase in the property taxes of those Units. Additional information with respect to the landmark designation and the property tax abatement is available on request.

**15. Management By Seller.** Seller, as Declarant, may retain for the period stated in the Declaration the full effective management authority of the homeowners association for the Condominium.

**16. Insulation - New Construction.** Federal Trade Commission Regulations require the following disclosures regarding insulation for the Unit:

<b>Insulation</b>	<b>Type</b>	<b>Thickness</b>	<b>R-Value</b>
Exterior wall	Batt	3.5"	R-19
Interior wall (party wall)	Batt	7"	R-11
Interior wall (corridor)	Batt	3.5"	R-11
Roof	Rigid	2	R-30
Floor – non-townhouse units	Batt-Acoustical	3.5"	R-11
Floor 1 – townhouse units	Batt	6"	R-30
Floors 2 and 3 – townhouse units	None	N/A	N/A

**17. Occupancy**

a. **Representation.** Buyer represents and warrants that the Unit will be Buyer's:

\_\_\_\_\_ Primary Residence, and immediately after Closing Buyer will occupy the  
initials Unit as same; or

\_\_\_\_\_ Second Home, and immediately after Closing Buyer will occupy the  
initials Unit as same; or

\_\_\_\_\_ Investment Property  
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Buyer shall make the same representation to any lending institution to which application is made for a loan to purchase the Unit, or upon the request of any lending institution who holds or is considering making a loan secured by any other unit in the Condominium. Buyer acknowledges that the representations in this Section 19 are given as a material inducement to cause Seller to sell the Unit to Buyer and that any false statements, misrepresentations or material omissions shall constitute a breach of the Agreement between Buyer and Seller. Any breach of the foregoing representation and warranty shall be a material default of this Agreement by Buyer, and shall entitle Seller to all rights and remedies at law or in equity available to Seller on default of Buyer.

b. **Prohibition On Transfer Of Unit.** Except for "hardship situations," as described below, for the period of time beginning on the date of Closing and ending on the twelve (12) month anniversary thereof, Buyer may not sell or otherwise transfer, directly or indirectly, including by

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operation of law, any right, title or interest in the Unit, other than to a permitted transferee (as defined below); provided that all such permitted transferees shall hold the Unit subject to the rights of the Seller hereunder. In the event of a breach of this provision, Seller shall be entitled to collect from Buyer as liquidated damages an amount equal to one hundred percent (100%) of the difference between (a) the sale price of the Unit at the time of Buyer's sale or other transfer of the Unit, less (i) any brokerage commissions actually paid by Buyer up to an amount equal to 3% of such sale price and (ii) any real estate excise taxes actually paid by Buyer and (b) the Purchase Price paid by Buyer under the Agreement. Payment shall be due to Seller at the closing of such sale or other transfer. For the purposes of this provision, (a) "hardship situations" shall mean: the permanent disability or death of Buyer or a person comprising Buyer (if more than one person); a decree of dissolution of marriage or legal separation or property settlement agreement incident to such decree involving Buyer or a person comprising Buyer (if more than one); a mandatory job transfer of Buyer or any person comprising Buyer (if more than one) more than 50 miles from the Condominium required by Buyer's employer; or an event which, in the sole discretion of Seller, would be consistent with the intentions of this provision; and (b) "permitted transferee" shall mean any lineal ancestors or descendants of the Buyer (including pursuant to adoption), any trust established for the benefit of such persons, and any entity which is owned by Buyer and/or any of such persons; provided that any permitted transferee shall continue to be bound by these provisions.

**18. Risk of Loss.** All risk of loss shall be upon the Seller until Closing or earlier occupancy by Buyer. Buyer shall be solely responsible for any of its personal property within the Unit or Common Elements prior to and after Closing.

**19. Unit Boundaries, Area.** All sizes, dimensions, areas, and specifications, including Unit areas and the allocation of votes and percentages based on those areas, in the POS, the Condominium documents attached to the POS, or in the Agreement are based upon the good faith calculations of Seller's surveyor. Buyer shall not rely upon any statement made by any agent or representatives of Seller regarding those matters including any statements or promotional materials purporting to confirm exact boundaries, dimensions or areas of the Unit or Common Elements.

**20. Communications; Rescission.** Buyer understands that Seller may need to communicate from time to time with Buyer about numerous issues prior to Closing ("Communication"). Because time is of the essence, Buyer must respond promptly to Seller, but in any event, Buyer must respond no later than three (3) business days after receipt of Seller's Communication. If Buyer does not respond within such time period, Buyer shall be in material default and Seller may terminate the Agreement. Upon such termination, Seller shall have those remedies provided in the Agreement. Upon termination by Seller, the Agreement shall automatically terminate regardless of whether the parties sign a rescission agreement. Nevertheless, Buyer shall confirm this automatic termination by signing a rescission agreement within three (3) business days of Seller's request. This obligation for Communication shall survive Closing.

**21. Notices.** Unless otherwise specified, any notice or other Communication (collectively "Notice(s)") required or permitted in this Addendum or the Agreement must be in writing and signed by any one Buyer (including husband and wife) and the Seller. Notice for the Seller must be received by the Listing Agent, whose address and fax number are stated in the Agreement, and by Seller, at the following address:

Parkridge on Queen Anne, LLC  
2003 Western Avenue, Suite 300  
Seattle, WA 98121

Fax: (206) 728-4272  
E-mail:  
LeonaCondos@mbarrientos.com

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Notice for the Buyer must be received by the Buyer or, at Seller's election, at the office of the Buyer's agent (if applicable), at the addresses and fax numbers stated in the Agreement.

Notices may be sent (i) by certified mail, postage prepaid, return receipt requested, (ii) by facsimile transmission, (iii) by electronic transmission (or "E-mail"), or (iv) by personal delivery. Notices sent by certified mail will be deemed received the third day after being deposited in the United States mail. Notices sent by facsimile or E-mail will be deemed received immediately after a successfully completed transmission with electronic receipt on a business day, or if the day of receipt is not a business day, the next business day thereafter, unless earlier receipt is evidenced by telephonic or other communication, including return E-mail. Notices sent by personal delivery will be deemed received immediately upon delivery. Any time limit in or applicable to a Notice will begin immediately upon deemed receipt. Either party may change its address or fax number to where Notices may be sent by notifying the other party in accordance with the terms of this section.

**BUYER MUST KEEP BUYER'S AGENT AND LISTING AGENT ADVISED OF BUYER'S WHEREABOUTS TO RECEIVE PROMPT NOTIFICATION OF RECEIPT OF A NOTICE. BUYER'S AGENT HAS NO RESPONSIBILITY TO ADVISE OF RECEIPT OF A NOTICE BEYOND EITHER PHONING THE BUYER OR CAUSING A COPY OF THE NOTICE TO BE DELIVERED TO THE BUYER'S ADDRESS ON THIS AGREEMENT.**

**22. Assignment and Resale.** Buyer agrees that Buyer's rights under the Agreement are not assignable and that the Buyer may not market the Unit for resale prior to closing. Seller's rights under the Agreement are assignable.

**23. Waiver of Form 17; Other Disclosures.** Buyer acknowledges receipt of the Public Offering Statement prepared by Seller for the Unit, which is provided in place of a Seller's Disclosure Statement (NWMLS Form 17). Buyer further acknowledges that (a) the Condominium was constructed within a building that was built prior to 1978, but that the Unit itself is new construction, and accordingly, the Unit is not considered "targeted housing" under Part 35 of Title 24 of the Code of Federal Regulations or 42 U.S.C. § 4852 (collectively, the "lead-paint law"); and (b) Buyer has no right to inspect or conduct a risk assessment of the Unit or the Condominium pursuant to the lead-paint law; without limiting the foregoing, waives any right to inspect or conduct a risk assessment. Without limiting the foregoing, Buyer further acknowledges that Seller is providing the disclosures set forth below to avoid any issue with respect to application of the lead-paint law to the purchase and sale of the Unit:

a. Seller has no knowledge of the presence of lead-based paint and/or lead-based paint hazards in the Unit or the Condominium. Seller has no records or reports pertaining to lead-based paint and/or leadbased paint hazards in the Unit or the Condominium.

b. Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the

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seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

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**24. Addendum Controls.** The provisions of this Addendum shall control over any conflicting provisions of the Agreement or any other written document, whether pre-printed, typed or handwritten, including but not limited to NWMLS Forms 28, 22A, 34 and 35 and any other addendum to the Agreement. Any changes to this Addendum must be initialed and dated by the parties in order to be effective.

**25. Complete Agreement, Representations, Amendments.** The Agreement, this Addendum and the other addenda specifically referenced herein or in the Agreement, and all exhibits or schedules thereto or hereto, constitute the complete agreement between the parties regarding the sale of the Unit (which shall all collectively be included in the term "Agreement" for purposes of this paragraph). There are no other written or oral express or implied agreements, promises or representations except as set forth in the Agreement. **Buyer and all agents acknowledge that no sales agent, job superintendent, contractor or subcontractor has the authority to make, or has made, any agreement, promise or representation on behalf of Seller.** No oral representations or statements are part of the Agreement, and no oral past or future representations or statements shall be deemed a part of the Agreement. Buyer agrees that it has not relied on and will make no argument that it has relied on any representation of any kind, including without limitation advertisements and other promotional materials, other than what exists in writing in the Agreement. The Agreement may not be amended except by an agreement in writing signed by both Buyer and Seller.

**26. Specific Performance; Remedies.** Buyer acknowledges and agrees that Seller would be damaged irreparably if any provisions of this Addendum were not performed in accordance with their specific terms or were otherwise breached. Accordingly, Seller will be entitled to an injunction or injunctions to prevent breaches of the provisions of this Addendum and to enforce specifically the Agreement and its provisions in any action or proceeding instituted in any state or federal court having jurisdiction over the parties and the matter, in addition to any other remedy to which they may be entitled, at law or in equity. Except as expressly provided herein, the rights, obligations and remedies created by this Addendum are cumulative and in addition to any other rights, obligations or remedies otherwise available at law or in equity. Except as expressly provided herein, nothing herein will be considered an election of remedies.

**27. Attorneys' and Other Fees.** If either party engages an attorney to interpret or enforce the provisions of this Agreement, the prevailing party, whether or not any proceedings are instituted or any final order or decision of a court or arbitrator is rendered, shall be entitled to all of its reasonable attorneys' and other fees, costs and expenses. The term "attorneys' and other fees" shall mean and include attorneys' fees, accountants' fees, expert witness fees, and any and all other similar fees incurred in connection with the interpretation and enforcement of this Agreement, including any action or proceeding and preparations therefore. The term "action or proceeding" shall mean and include actions, proceeds, suits, arbitrations, appeals and other similar proceedings.

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Buyer's Initials \_\_\_\_\_

Seller's Initials \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date stated above.

**BUYER:**

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

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

**SELLER:**

PARKRIDGE ON QUEEN ANNE, LLC, a Washington limited liability company

By: Barrientos/Parkridge, LLC, its Manager

By: Barrientos, LLC, its Manager

By: \_\_\_\_\_  
Maria Barrientos, Managing Member

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Seller's Initials \_\_\_\_\_

**EXHIBIT A**

**Legal Description of the Property**

The following described property located in the City of Seattle, County of King, State of Washington:

ALL UNITS AND TOWNHOUSES OF THE LEONA, A CONDOMINIUM, ACCORDING TO DECLARATION THEREOF RECORDED UNDER RECORDING NO. 20080819000987, AND AS SHOWN ON SURVEY MAP AND PLANS RECORDED UNDER RECORDING NO. 20080819000986, IN KING COUNTY, WASHINGTON.

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**EXHIBIT B**

**Unit Floor Plan and Specifications for Appliances and Finishes**

See attached.

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Seller's Initials \_\_\_\_\_

**THE LEONA, A CONDOMINIUM  
WARRANTY ADDENDUM AND DISCLAIMER TO  
CONDOMINIUM PURCHASE AND SALE AGREEMENT**

This Warranty Addendum and Disclaimer (the "Warranty Addendum") is dated for reference purposes \_\_\_\_\_, 20\_\_, and is made by and between Parkridge on Queen Anne, LLC, a Washington limited liability company ("Seller") and \_\_\_\_\_ ("Buyer"). It amends that certain Condominium Real Estate Purchase and Sale Agreement dated \_\_\_\_\_, 20\_\_, between Buyer and Seller (the "Purchase Agreement") relating to Unit \_\_\_\_\_ (the "Unit") in The Leona, a Condominium (the "Condominium"), as previously amended by the Seller's Addendum dated the same date as the Purchase Agreement (the "Seller's Addendum"). The terms in this Warranty Addendum with initial capital letters shall have the meanings given in the Seller's Addendum unless a different meaning is stated herein.

The Washington Condominium Act and the Seller's Addendum allow Seller to disclaim the implied warranties described in RCW 64.34.445 with regard to specific defects or specific failures to comply with law that are known by Seller at the time of the disclaimer. This Warranty Addendum disclaims certain matters that are currently known by Seller to exist as a result of the design, materials, and construction methods for the Condominium. Certain of the listed items may or may not be considered defects or failures. However, the parties wish to set them out in this Warranty Addendum to avoid any question whether they have been properly excluded from the implied warranties. **This Warranty Addendum is provided to the Buyer as a separate document from the Agreement and its other addenda in order to ensure that the disclaimer of warranties under this Warranty Addendum is conspicuous to Buyer.**

The Seller's Addendum permits Seller to complete a pre-closing inspection of the Unit and Common Elements with Buyer, and requires Buyer to execute a further disclaimer of the implied warranties with regard to additional specific defects or failures to comply with law known at the time the inspection is completed. The parties will amend this Warranty Addendum to describe any such additional specific defects or failures following the inspection.

NOW, THEREFORE, the parties agree as follows:

**1. Implied Warranties.** Subject to the modifications and exclusions stated in Sections 2 through 5 and on attached Schedule 1, and the obligation to comply with the claims procedure stated in Section 6 and submit to arbitration pursuant to Section 7 below, Seller makes in favor of Buyer those implied warranties required by statute subject to all limitations now or hereafter included as part of that statute (the "Implied Warranties"). RCW 64.34.445 provides that Seller warrants that the Unit and Common Elements of the Condominium are suitable for the ordinary uses of real estate of its type, and that any improvements constructed by Seller are: (i) free from defective materials, (ii) constructed in accordance with sound engineering and construction standards, (iii) constructed in a workmanlike manner, and (iv) constructed in compliance with all laws currently applicable to those improvements.

**2. Bargained for Definition of Implied Warranty Terms.** The Washington Condominium Act and case law interpreting it do not provide definitions of the standards and tolerances imposed by the Implied Warranties. Specifically, there is no definition of those construction means, methods or materials that are "suitable," "defective," "sound," or "workmanlike" or when deficiencies

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will “adversely affect” the performance of the improvements and therefore be considered “significant” to a reasonable person (all of which may be referred to herein as the “Implied Warranty Terms”). If the Implied Warranties apply to the Condominium, it is fair and reasonable for the Seller and Buyer to give clear meaning to the Implied Warranty Terms so that the parties may clearly understand their expectations with regard to the condition of the Unit and Common Elements (the “Improvements”). As a result, Buyer and Seller hereby agree as follows: (i) the Improvements will be considered as having failed to satisfy the standards imposed by the Implied Warranty Terms only if the condition is described as “Covered” and is not described as “Not Covered” in the Defined Standards and Tolerances attached as Schedule 2 and incorporated by this reference; (ii) a condition shall be considered to be “suitable” and not “significant to a reasonable person” if it provides the functions that can reasonably be expected in a residential dwelling; (iii) if a condition does fall short of the applicable Defined Standards and Tolerances, and is therefore significant and not suitable, then Seller may cause the condition to satisfy the Implied Warranties by performing repairs in accordance with normal building practices and standards in use in Seattle at the time the Improvements were constructed; and (iv) if a condition is not addressed by any of the Defined Standards and Tolerances, then the Implied Warranty Terms shall be interpreted in accordance with normal building practices and standards in use in King County at the time the Improvements were constructed.

Regardless of whether the modifications and exclusions stated in this Section 2 are determined to be valid and enforceable, the remaining provisions of this Warranty Addendum shall continue to apply including the specific disclaimers stated in Sections 3 through 5 below.

**3. Specific Disclaimers of the Implied Warranties.** The Implied Warranties are disclaimed with regard to the following specific items currently known by Seller to exist as a result of the design, materials, and construction methods for the Condominium in the event they are considered to be defects or failures to comply with law.

a. Concrete. Concrete customarily cracks and does not provide a complete barrier against water penetration. The effect of this, for example, is that a crack in the foundation can allow water to leak into the underground parking garage. Leaking water may be unsightly and could stain cars or other personal property stored in the parking garage. This disclaimer does not extend to any defects that would prevent the parking garage from being useable in a safe manner for the parking of cars or which would prevent the foundation from providing adequate support for the Improvements.

b. Caulking Systems. Caulking systems for joints and seams in the exterior walls, windows and window systems, and foundation for the Improvements require regular maintenance, particularly during the first few years following the initial construction, and can be expected to fail at differing rates. This is due to normal shifting and shrinkage of building materials, and a certain amount of anticipated irregularity in the caulking materials or installation. The effect is that the caulking must be regularly inspected and repaired or replaced as necessary. The effect of the failure to repair or replace failed caulking can be water penetration which will result in damage to the other Improvements.

c. Maintenance. The Improvements require timely and regular inspection and proper maintenance. The effect of failing to timely inspect and properly maintain the Improvements is that systems, including, for example, weather proofing systems, will cease to function as designed and will allow damage to other Improvements. The resulting damage will exceed the cost of performing the deferred maintenance and repairs.

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d. Odors and Allergens. Insulation of the Unit or Common Elements against odors or allergens is not warranted. Odors or allergens may originate from a variety of sources within the building including walls, ceilings or floors shared with other units, and mechanical systems including heating, ventilation, and air conditioning systems and plumbing. Odor or allergen transmission may result in inconvenience, discomfort, and adverse health effects, including allergic reactions, depending on a person's particular sensitivities.

e. Sound Transmission. The Unit is in a multi-family building in an urban environment; therefore, Seller makes no warranty (and specifically disclaims any Implied Warranties) as to vertical or horizontal sound transmission that may arise from activities or building systems in any Unit or the interior or exterior Common Elements or from outside the Condominium. Seller further disclaims compliance with building code design and construction requirements for sound transmission, specifically including Chapter 12, Section 1207 of the International Building Code, which requires minimum STC and IIC ratings of 50 and FSTC and FIIC ratings of 45. Buyer realizes that where condominium units are built above, below, or side by side each other or a common element, it is normal to experience some transmission of sounds between those units from loud music, voices on decks and terraces, heels on uncarpeted floors, water traveling in drains, doors closing and other causes. From time to time, noise from various building systems may be heard from the Unit, including, but not limited to, noise from overhead garage doors, exhaust fans in utility areas, mechanical equipment on the roof or in other areas, elevators, fluorescent lighting and the transformer vault. Non-compliance may result in these sounds being louder within the Unit.

f. Appliances and Equipment. Seller makes no warranties or representations with respect to the appliances and equipment installed in the Unit or the Common Elements, including without limitation the stove, refrigerator, microwave oven, dishwasher, garbage disposal, washer and dryer, spa or whirlpool, water heater, fireplace, garage doors and heating/ventilation/air conditioning equipment. Seller makes no warranties or representations with respect to equipment provided to the Association for use in operation or maintenance of the Common Elements. With respect to all such appliances and equipment, the Seller's sole obligation is to assign to Buyer all warranties and guarantees furnished to the Seller from the suppliers or manufacturers of those items.

g. Damage Caused by Buyer and Others. Seller disclaims the Implied Warranties as to all defects and damage to the extent caused or made worse by (i) negligence, failure to inspect, lack of maintenance, unoccupied or vacant units, improper maintenance, improper operation or other action by anyone other than the Seller or its agents or contractors; (ii) failure of Buyer or the Association to comply with the warranty requirements of manufacturers or suppliers of appliances, fixtures or equipment; (iii) abnormal loading (including waterbeds) on floors, decks or other surfaces by Buyer or others that exceeds design loads that meet building codes; (iv) making or installation of holes, penetrations, windows or skylights in the Unit or Common Elements by anyone other than the Seller or its employees, agents or contractors; (v) failure of Buyer or the Association to mitigate damages; or (vi) changes made to the Unit or Common Elements by anyone other than the Seller or its employees, agents or contractors after Closing.

h. Personal Injury and Consequential Damages. Seller disclaims the Implied Warranties as to bodily injury, illness and death; damage to or theft of personal property; costs of shelter, transportation, food, moving, storage or other incidental expenses relating to relocation during repairs; and consequential, exemplary and punitive damages.

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i. Warranty at Time of Purchase. The warranties provided hereunder apply only to the construction and condition of the Unit and Common Elements at the time of Seller’s sale of the Unit to Buyer. They do not extend to future performance or duration of any improvement or component of the Condominium, and the Seller makes no such warranty.

j. Other Limitations and Exclusions. The warranties provided hereunder exclude any loss or damage (i) due to normal wear and tear or normal deterioration; (ii) caused by accidents, riot, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, acts of God, war, terrorism, lightning, windstorm, hail, flood, mud slide, earthquake, volcanic eruption or changes in underground water table not reasonably foreseeable; (iii) caused by soil movement; (iv) caused by insects; (v) caused to or by any items supplied by Buyer or which are not part of the Unit at the time of closing; (vi) relating to cooking odors or other odors from other Units or elsewhere; or (vii) consisting of or relating to temporary ponding or pooling of water on roofs, decks, walkways, driveways or other parts of the Condominium, provided such ponding or pooling does not cause damage to the Unit or Common Elements. Notwithstanding the foregoing proviso, Seller specifically disclaims any Implied Warranties with respect to the design or capacity of any public drainage system if the capacity of the public drainage system is not sufficient if heavy precipitation or storm events occur. If the public drainage system does not operate properly such failure may result in drainage system overflows, flooding or ponding, soil movement, and water movement occurring on the property of the Condominium or on other property near the Condominium which would impact the Condominium.

**4. Apparent Unit Defects.** Buyer has had or will have at the time of possession the opportunity to make a detailed walk-through inspection of the Unit with a representative of the Seller (“Initial Inspection”) and to notify the Seller in writing of any defects in appearance or color of, or damage to, the surfaces and fixtures in the Unit (“Apparent Unit Defects”). Seller shall with reasonable promptness correct any Apparent Unit Defects which exist (in accordance with Schedule 2 attached hereto, “Defined Standards and Tolerances”) and of which Buyer notifies the Seller in writing at the time of the Initial Inspection. Buyer waives all claims for any Apparent Unit Defects of which the Seller is not notified in writing at the time of the Initial Inspection, and this Warranty shall not extend to any Apparent Unit Defects of which the Seller is not notified in writing at the time of the Initial Inspection. The Leona was originally built in 1906, there are historic elements of the building that have controls and incentives placed on them, including the entire exterior, windows, doors, and decks. “Apparent Unit Defects” include but are not limited to defects, inconsistencies, non-conformity and pre-existing damage in and to: historic exterior windows, balconies, and doors, paint, wall coverings, ceilings, hardwood and other floor materials, carpets, tiling or ceramic surfaces, electrical and heating/cooling/ventilation fixtures, bathroom fixtures and hardware, door and window hardware, cabinets, countertops and other surfaces in the Units.

**5. Apparent Common Element Defects.** Seller is entitled to receive timely notice of any construction defects in the Common Elements in order to verify that such defects have not been caused by subsequent acts or omissions and in order to allow Seller the opportunity to correct such defects. Therefore, within sixty days after the termination of the period of declarant control provided in RCW 64.34.308(4), the Association shall notify Seller in writing of any defects in the Common Elements which are visible or of which the Association has knowledge (“Apparent Common Element Defects”). Seller shall with reasonable promptness correct any Apparent Common Element Defects which exist (in accordance with Schedule 2 attached hereto, “Defined Standards and Tolerances”) and of which the Association timely notifies Seller in writing. Buyer and the Association waive all claims for any Apparent Common Element Defects of which Seller is not timely notified in writing, and Seller disclaims the Implied Warranties as to any Apparent Common Element Defects of which Seller is not timely notified in writing. “Apparent Common Element Defects” include but are not limited to visible or

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apparent defects, inconsistencies, non-conformity and pre-existing damage in and to: historic exterior envelope, decks, walkways, siding, exterior surfaces, roofs, gutters and drainage pipes, landscaping, retaining walls, foundations, garages, paved surfaces, paint, wall coverings, ceilings, hardwood and other floor materials, carpets, tiling or ceramic surfaces, electrical, plumbing and heating/cooling/ventilation fixtures, and door and window hardware.

**6. Claims Procedure.**

a. Notice of Claim and Cure. Any requests for work under or any claims for breach of the Implied Warranties made by Buyer or by the Association shall first be made in a writing entitled “Notice of Claim,” contain a reasonable description of the claimed defect, and be mailed, postage paid, to:

Parkridge on Queen Anne, LLC  
2003 Western Avenue, Suite 300  
Seattle, WA 98121

or to such other address as Seller shall provide to Buyer. Buyer shall provide the Seller access and entry to the Unit and Common Elements during normal business hours to inspect and/or repair the claimed defect within 48 hours after any written or spoken request by Seller for such access, or immediately if reasonably necessary to prevent further damage. Seller shall respond in writing to such claim no later than 21 days after Seller’s receipt of the claim. Seller shall have the right to cure the defective construction described in the claim to conform to the attached Defined Standards and Tolerances within 90 days after responding to the claim or within such longer period as may reasonably be required. Seller may at its option repair or replace, or pay the reasonable cost of repairing or replacing, such defective construction. Seller shall not be responsible for exact color, paint matching, texture or finish matches nor for unavailability of materials or components matching materials or equipment originally used. If either party is dissatisfied with the resolution of the claim following Seller’s written response and effort to cure the defective condition, then the parties shall meet within 14 days in an effort to resolve the claim to the parties’ mutual satisfaction. All work done by Seller or its contractors on items not covered by the Implied Warranties shall be at Buyer’s sole cost unless otherwise agreed in writing. Buyer shall pay all costs incurred by Seller in inspecting items not covered by the Implied Warranties based upon prevailing rates for Seller’s employees or contractors

**7. Arbitration.** All disputes or claims relating to the Implied Warranties, including any claims relating to the modification or exclusion of the same, shall be resolved by mediation and arbitration conducted in King County, Washington, pursuant to RCW 64.50 and RCW 64.55. If the claim involves less than \$1,000,000 the parties shall agree on a single arbitrator (as opposed to a panel of three arbitrators). If the claim is in excess of \$1,000,000, then it shall be decided by a panel of three arbitrators. If the parties cannot agree on the selection of the arbitrator(s) within ten (10) days of the arbitration demand, the arbitrator(s) shall be selected by the administrator of the American Arbitration Association (AAA) office in Seattle from its Large Complex Case Panel or from any group of arbitrators with equivalent professional credentials as determined by the administrator. Each arbitrator shall be an attorney with at least fifteen (15) years’ experience in real estate construction law in King County. The arbitration hearing shall commence not later than fourteen (14) months from the later of the filing or service of the complaint.

**8. Survival and Savings.** The modifications and exclusions of the Implied Warranties stated in this Warranty Addendum shall survive the conveyance of title, delivery of possession of the

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Unit, or other final settlement between the Seller and Buyer, and shall be binding upon Buyer and Seller notwithstanding any provision to the contrary contained in the Agreement or other writing. If any part of this Warranty Addendum is held invalid or unenforceable, such invalidity or unenforceability shall not affect the remainder hereof.

**9. Seller's Right to Inspect.** Seller shall be entitled (but shall not be obligated) to inspect any Common Elements at any time without notice to the Buyer or the Association. Seller shall be entitled (but shall not be obligated) to inspect the Unit at any time until four years after Buyer takes possession of the Unit or, if there is a pending action relating to the condition of any part of the Condominium, upon at least three days' written notice to Buyer or such shorter time as may be provided by court order.

**10. Defects Encountered in Construction Process.** Buyer acknowledges that defects and construction problems may occur during the construction process and be corrected by Seller and its contractors during the course of or after the construction process, and that knowledge of those defects and corrections does not require disclosure to Buyer. Seller will likely change the plans and specifications for the project on several occasions to address construction contingencies or other issues without notice to Buyer. Defects or construction problems occurring during the construction process and changes in the plans and specifications are not matters requiring disclosure to Buyer.

**11. Subsequent Buyers.** If Buyer sells the Unit at any time within four years after closing of the sale of the Unit from Seller to Buyer, or Buyer's taking possession of the Unit, whichever is later, Buyer shall notify Seller of the sale in writing and shall include in the signed purchase and sale agreement providing for such sale a provision that the person(s) purchasing the Unit agree that any warranty rights of such person(s) relating to the Unit or Common Elements are limited to the Buyer's rights under this Warranty Addendum. Buyer shall indemnify, defend and hold Seller harmless from all damages, costs, attorneys' fees and expenses caused by Buyer's failure to comply with this Section.

**12. No Other Warranties.** Seller makes no express or implied warranties concerning the design, construction or condition of the Unit or Common Elements arising from Seller's sale of the Unit to Buyer, other than the Implied Warranties.

**13. Additional Disclaimers Prior to Closing.** If Declarant discovers any additional defects or failures to comply with law and Declarant is not able to correct those defects or failures in an economically viable manner such that they comply with the Implied Warranties, as determined by Declarant in its sole discretion, then Declarant will clearly and conspicuously disclose them on an amendment to attached Schedule 1. Buyer shall sign where indicated on attached Schedule 1 to accept the present disclaimer of the Implied Warranties with regard to each such defect or failure, and will similarly sign any amended Schedule 1. If Buyer is not willing to accept any additional disclaimers by signing an amended Schedule 1 within seven (7) days of Seller's request, then the Agreement shall be deemed to be automatically rescinded without further action by either party, Buyer shall receive a refund of its earnest money deposit, and neither party shall have any further obligations to the other except those that expressly survive termination. Either party will sign a written document acknowledging and confirming that the Agreement has been rescinded at the request of the other party. This obligation shall survive termination of the Agreement.

**14. Addendum Controls.** The provisions of this Warranty Addendum shall control over any conflicting provisions of the Agreement or any other addenda referenced therein.

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**SELLER AND BUYER HAVE EXECUTED THIS WARRANTY ADDENDUM AS OF THE REFERENCE DATE STATED ABOVE. BY SIGNING BELOW, BUYER AFFIRMS THAT BUYER HAS READ THIS WARRANTY ADDENDUM IN ITS ENTIRETY, HAS BEEN AFFORDED THE OPPORTUNITY TO CONSULT WITH A PROFESSIONAL OR PROFESSIONALS OF BUYER'S CHOOSING (E.G., ENGINEER, ARCHITECT, ATTORNEY, PROFESSIONAL REAL-ESTATE AGENT, ETC.) AND HAS BEEN ENCOURAGED TO DO SO BY SELLER, AND HAS HAD AMPLE TIME TO INVESTIGATE ANY QUESTIONS OR CONCERNS PRIOR TO SIGNING THIS WARRANTY ADDENDUM.**

**BUYER:**

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

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

**SELLER:**

Parkridge on Queen Anne, LLC, a Washington limited liability company

By: Barrientos/Parkridge, LLC, its Manager  
By: Barrientos, LLC, its Manager

By: \_\_\_\_\_  
Maria Barrientos, Managing Member

Date: \_\_\_\_\_

Buyer's Initials \_\_\_\_\_

Seller's Initials \_\_\_\_\_

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**SCHEDULE 1**

**Specific Defects or Failures to Comply with Law**

Defect or Failure	Practical Effect
<ul style="list-style-type: none"> <li>○ Exterior Balconies are historic and have controls &amp; incentives that govern; they must maintain their current design, which might not meet the current code and may be considered a defect.</li>   <li>○ South side exterior doors are historic and have controls &amp; incentives that govern, they must maintain their current design which might not meet the current code and may be considered a defect.</li>   <li>○ South and west retaining wall, stairs and plinth and chain railing are historic and have controls &amp; incentives that govern; they must maintain their current design, which might not meet the current code and may be considered a defect.</li>   <li>○ Windows and window openings are historic and have controls &amp; incentives that govern, they must maintain their current design which might not meet the current code and may be considered a defect.</li> </ul>	<p>Because the balconies are an existing historic condition and we are not allowed to change the design and the attachment it is possible for water to penetrate at the attachment. The railing height and width of railings may not provide the same level of safety as a railing that is higher and rails with closer gaps might provide.</p> <p>Because they are historic it is possible for water to penetrate around the enclosure and the threshold. This condition should be monitored. These doors have been in place for over 100 years and there has been no evidence of water intrusion or mold.</p> <p>Stair treads and riser may not meet current code, Height and width of plinths and chains may not provide the same level of safety as a railing that is higher and actual rails might provide. There is a landscape buffer in place in front of the chains that will help provide a physical barrier.</p> <p>The windows have been refurbished and/or replicated with new windows. However, the openings are existing and 100 years old. They have been retrofitted to accept the new and/or refurbished windows. The structure of the existing building is over 100 years old. We have upgraded the existing structure to meet the current code. Because of this, settlement may occur, which may cause shrinkage of existing openings and it is possible for water to penetrate.</p>
Buyer's Signature	

Don't comply with the current code and may be considered a defect.

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## SCHEDULE 2

### Defined Standards and Tolerances

Any construction problem or condition listed below as “Covered” which exists in the Unit or Common Elements will be deemed to be within the coverage of the Implied Warranties, subject to all modifications, exclusions and limitations stated in the Warranty Addendum, provided that Buyer and the Association have performed proper maintenance of the affected improvements, and provided that Buyer and the Association have complied with all applicable provisions of the Warranty Addendum, including all notice provisions. Seller shall not be responsible for exact color or texture of finishes or finish matches where materials are replaced or repaired or in areas repainted, or where original materials are unavailable. These Defined Standards and Tolerances shall apply at the Initial Inspection and during the term of the Implied Warranties. Construction problems or conditions that either (a) are of the same kind, but not of the same extent or due to the same causes, as those listed as “Covered” or (b) are listed as “Not Covered” will not be deemed to violate the Implied Warranties, and will be deemed to be constructed in accordance with sound engineering and construction standards and in a workmanlike manner.

#### 1. Masonry and Concrete

##### a. Covered:

- Concrete foundation wall cracks greater than 1/4 inch in width.
- Cracks in blocks, bricks, and mortar joints greater than 3/8 inch in width.
- Cracks in concrete garage floors greater than 1/4 inch in width or 1/4 inch in vertical displacement.
- Concrete slab cracks which cause finished floor coverings to rupture.

##### b. Not Covered:

- Efflorescence, unless caused by major leakage.
- Masonry cleaning and resealing required as ordinary maintenance.
- Concrete cleaning and sealing.
- Striping of parking spaces.
- Uneven pavers due to settlement over time.

#### 2. Grading and Drainage

##### a. Covered:

- Excessive ground settlement (greater than 6 inches) around foundation, utility trenches, or other filled areas (settled areas filled only once).
- Improper grades and swales which both cause standing water for more than 24 hours (or 48 hours in swales) and affect the drainage in the immediate area surrounding the entrance areas and walkways.

##### b. Not covered:

- Saturated soils at landscape areas after extended rain fall
- Drainage problems due to failure to clean gutters and drainage systems.

### 3. Foundation Waterproofing

#### a. Covered:

- Actual flow and accumulation of a material amount of water in garage areas.
- Crawl space ventilation not within applicable building code.

#### b. Not Covered:

- Seepage of water or wetness in garage areas.
- Water infiltration (and any resulting damage) caused by improper use or maintenance procedures, such as pressure washing or excessive overspray.
- Seepage of water between levels of parking garage due to small cracks in concrete walls or floors.
- Mold in storage areas.

### 4. Carpentry

#### a. Covered:

- Walls and framing for doors and windows that bulge or bow in excess of 1/4 inch in 32 inches or are out of plumb in excess of 3/4 inch in 8 vertical feet.
- Large areas of subfloor that are loose.

#### b. Not Covered:

- Movement, creaks and squeaks in framing members and fasteners caused by expansion, contraction and normal settlement.
- Vibration or deflection of floors, provided construction is within applicable building code.
- Expansion, contraction and shrinkage due to heating, cooling, ventilation or seasonal temperature and humidity changes.

### 5. Roofing

#### a. Covered:

- Roof leaking and flashing leaks due to improper installation or materials, when not caused by snow and ice buildup.
- Leaks in gutters and downspouts not caused by debris.
- Water stays in gutter (in excess of one inch) not caused by debris or excessive rainfall.
- Roof ventilation not meeting applicable building code.
- Inadequate insulation that does not meet applicable building code.
- Leakage through louvers and vents, including ridge vents.

#### b. Not Covered:

- Leakage caused or made worse by buildup of snow, ice or debris.
- Water infiltration through vents, drains, vent caps, mechanical equipment, fixtures or attached components, caused by snow, ice, debris, high winds or driving rain.
- Ponding of water, if not in excess of manufacturer's installation and material specifications.
- Location of mechanical or other equipment on roof.

## 6. Siding, Caulking, Flashing and Trim

### a. Covered:

- Separation of exterior trim joints in excess of 1/4 inch.
- Exterior joint separation of siding, de-lamination of veneer siding or loose siding, if due to improper installation or materials.
- Cracking of concrete masonry units in excess of 1/4 inch.

### b. Not Covered:

- Imperfections or inconsistencies or fading of fiber cement siding.
- Imperfections or inconsistencies in metal siding or flashing, including "oil-canning," fading or staining.
- Cracks in caulking and shrinkage of caulking due to weather or normal wear.
- Damage or change in color due to atmospheric conditions or accumulation of dirt or other contaminants.
- Color variation due to repair or replacement.

## 7. Decks and Terraces

### a. Covered:

- Damage due to improper flashing or sealing.
- Loose railings or posts if due to defective materials or improper installation not meeting manufacturer's specifications.

### b. Not Covered:

- Damage due to lack of regular maintenance.
- Imperfections in deck coating, texture or color, including variations due to repair or replacement.
- Cracks from expansion and contraction of wood or other floor materials.
- Vibration or deflection, provided construction is within applicable building code.
- Water buildup caused by debris in drains or lack of maintenance.
- Fading or staining of metal or wood deck rails.
- Damage or change in color due to atmospheric conditions or accumulation of dirt or other contaminants.
- Damage caused by improper loading or storage.
- Location of equipment or other items on decks or terraces.

- Imperfections in deck or patio surfaces.

## 8. Chimneys and Fireplaces

### a. Covered:

- Not enough draw due to improper installation.
- Gas leakage due to improper installation.
- Water intrusion through fireplace vents due to improper installation.

### b. Not Covered:

- Cleaning, and performance problems due to lack of cleaning.
- Wind flow or water intrusion through chimney or flue due to unusually high winds or driving rain.
- Malfunctions due to weather conditions or loss of electrical power.
- Interior or exterior soot caused by fireplace use.

## 9. Windows and Doors

### a. Covered:

- Warpage of doors in excess of 1/4 inch in 32 inches or are out of plumb in excess of 3/4 inch in 8 vertical feet caused by faulty materials or installation.
- Door panel splits caused by faulty materials or installation.
- Windows do not operate with reasonable pressure applied.
- Drafts around windows and doors due to defective weatherstripping or improper installation.

### b. Not Covered:

- Warpage of doors caused by owner heating, cooling or ventilation practices, unusually high heat, or temperature or humidity fluctuations.
- Binding or sticking due to expansion and contraction.
- Discoloration around vents.
- Damage or water intrusion resulting from windows or doors left open.
- Light, noise or odor infiltration, provided construction is within applicable building code.
- Derailed bi-fold, pocket or bi-pass doors or panels.
- Gaps around doors for ventilation purposes.
- Damage caused by failure to maintain vents and weeps, including resultant damage.
- Adjustments to door or window hinges and hardware that are considered maintenance items.

## 10. Glass and Mirrors

### a. Covered:

- Scratches or flaws in windows, glass and mirrors, if noted on Initial Inspection list.

b. Not Covered:

- Scratches or flaws in windows, glass and mirrors not noted on Initial Inspection list.

#### 11. Interior Walls and Trim

a. Covered:

- Faulty installation of trim (separation greater than 1/4 inch).
- Walls or ceiling cracks greater than 1/8 inch in width. Fixed one time only.

b. Not Covered:

- Damage due to failure to seal grout.
- Differences in wood or stone grain or color.
- Color differences in ceramic or concrete finishes.
- Cracks in tile grout.
- Surface irregularities in woodwork.
- Cracking of materials or surfaces caused by building movement or settlement.
- Cracks at wall/ceiling joint due to building movement or settlement.
- Nail pops.

#### 12. Interior and Exterior Painting, Metal

a. Covered:

- Peeling paint on railings due to improper installation or defective materials.

b. Not Covered:

- Imperfections not noted on Initial Inspection list; e.g. unless otherwise noted, paint, metal siding and fiber cement siding are accepted “as is.”
- Color variations, fading or staining due to aging or atmospheric conditions.
- Color variations due to repair or replacement.

#### 13. Flooring and Covering

a. Covered:

- Floor covering that becomes loose or bubbles within six months after Initial Inspection, if due to improper installation.

- Gaps in carpet seams in excess of 1/8 inch if due to improper installation and reported within six months after Initial Inspection.

b. Not Covered:

- Cracks or separation from expansion and contraction of wood or other floor materials.
- Fading of floors and floor materials, including wood.
- Color variations in ceramic, stone, wood or other flooring materials.
- Noises caused by expansion and contraction of wood or other floor materials.
- Scratches or damage to flooring not noted during the Initial Inspection.
- Location of carpet seams or slightly raised carpet seams.
- Damage caused by improper heating, cooling or ventilation practices.
- Sealing of tile, stone, grout or other surfaces. (Buyer is responsible for sealing.)

14. Cabinets and Countertops

a. Covered:

- Cabinet doors and drawers warpage in excess of 3/8 inch caused by faulty materials or installation.
- Cabinet separates from wall or ceiling in excess of 1/4 inch.

b. Not Covered:

- Differences in wood grain or color.
- Differences in grain or color of wood, ceramic, stone, granite or other material in cabinets or countertops.
- Scratches, flaws or damage to cabinets or countertops, unless noted on Initial Inspection list.
- Cracking of grout.
- Cracking of materials or surfaces caused by building movement or settlement.
- Warpage or delamination of cabinet doors caused by owner heating or cooling practices, unusually high heat, or temperature or humidity fluctuations.

## 15. Cooling, Heating and Ventilation

### a. Covered:

- Insufficient cooling, heating or ventilation due to manufacturing defect or malfunction.

### b. Not Covered:

- Noise due to normal expansion and contraction and air flow.
- Clogged condensation lines.
- Damage or failure due to lack of maintenance or failure to operate heating, cooling or ventilation elements as recommended.
- Addition of heating, cooling or ventilation systems to any area not provided with such systems as part of initial building construction, unless required by applicable building code.
- Damage to any item or materials stored in unheated areas.

## 16. Plumbing, Sprinkler System and Irrigation

### a. Covered:

- Pipes freeze and burst if caused by defective workmanship or materials.
- Plumbing malfunctions as result of defective workmanship or materials.
- Pipes that make loud, hammering noises.

### b. Not Covered:

- Noise due to normal expansion and contraction and water flow or operation of faulty appliances.
- Cosmetic damage to fixtures.
- Cracking of materials, surfaces or tub, shower or basin units caused by building movement or settlement.
- “Sudsing” or backflow in sinks and other plumbing fixtures, provided plumbing is within applicable code.
- Staining and performance problems due to water quality.
- Unsatisfactory water pressure, provided construction is within applicable building code.
- Damage to or blockage of sprinkler or plumbing systems caused by improper use or storage of materials in close proximity.

## 17. Electrical and Telephone

### a. Covered:

- Outlets, switches, or fixtures fail due to faulty installation or materials.

b. Not Covered:

- Cosmetic damage to fixtures.
- Noise due to normal operation of electrical or electrical/mechanical equipment.
- Electrical fluctuations, provided construction is within applicable building code.
- Damage caused by faulty appliances.
- Electrical and radio noise and interference from inside or outside the building, provided construction is within applicable building code.
- Location or placement of equipment, provided it meets code.

18. Security System

a. Covered:

- Performance not meeting manufacturer's standards.

b. Not Covered:

- Replacement of security entry devices.
- Limitations in the security system that are inherent in the original design specifications or manufacturer's products.

19. Landscaping, Courtyard and Water Features

a. Covered:

- Newly planted trees and shrubs that die during first growing season unless caused by failure to maintain properly.

b. Not Covered:

- Damage to or loss of preexisting trees and plants.
- Damage to water features caused by improper maintenance or operation.
- Damage caused by freezing temperatures or severe weather.
- Location or placement of trees, shrubs, irrigation systems or other landscape elements.
- Settlement of soil or mulch in landscaped beds or planters.
- Staining and accelerated wear of planters resulting from planters resting on deck surfaces.



**PUBLIC OFFERING STATEMENT ACKNOWLEDGMENT**

In connection with the purchase of Unit \_\_\_\_\_ in the above-referenced Condominium, the undersigned Purchaser hereby acknowledges receipt, and the undersigned Selling Agent hereby certifies delivery, of the following (all of which are collectively referred to herein as the "P.O.S."):

<b>Date of Receipt</b>	<b>Purchaser's Initials</b>	<b>Description of Document</b>	<b>Date of Document</b>
		Public Offering Statement	3/8/2007
		Declaration	3/8/2007
		Declaration Amendment(s)	3/8/2007
		Survey Maps & Plans	3/8/2007
		Association Articles of Incorporation	3/8/2007
		Association Bylaws	3/8/2007
		Association Rules & Regulations	3/8/2007
		Association Budget	3/8/2007
		Association Balance Sheet	3/8/2007

Purchaser and Selling Agent further acknowledge: that Selling Agent neither has authority to make, nor has made, any representation or promise on behalf of the Seller; and that Seller is only liable for representations and promises contained either in the P.O.S. or other written document signed by the Seller.

**Purchaser**

**Dated:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Dated:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Selling Agent**

**Dated:** \_\_\_\_\_

**By:** \_\_\_\_\_

**INSTRUCTIONS TO SELLING AGENT**

Upon delivery of the P.O.S. to the Purchaser, the above acknowledgment must be: fully completed; signed by the Purchaser and Selling Agent; and returned to the Listing Agent. Purchase and Sale Agreements will not be accepted by Declarant unless accompanied by the Purchaser's written acknowledgment of receipt of the foregoing documents.

### AGENCY DISCLOSURE

Washington State law requires real estate licensees to disclose to all parties to whom the licensee renders real estate brokerage services whether the Licensee represents the Seller (or Lessor), the Buyer (or Lessee), both the Seller/Lessor and Buyer/Lessee, or neither. 1  
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YOU ARE ADVISED THAT THE UNDERSIGNED IS THE AGENT OF THE Buyer/Lessee (select 1) 4  
UNLESS OTHERWISE STATED HERE: 5

THE UNDERSIGNED REPRESENTS: \_\_\_\_\_ 6

**THE UNDERSIGNED BUYER/LESSEE OR SELLER/LESSOR ACKNOWLEDGES RECEIPT OF A 7  
COPY OF THE PAMPHLET ENTITLED "THE LAW OF REAL ESTATE AGENCY" 8**

BUYER \_\_\_\_\_ DATE \_\_\_\_\_ 9  
(Signature)

BUYER \_\_\_\_\_ DATE \_\_\_\_\_ 10  
(Signature)

SELLER \_\_\_\_\_ DATE \_\_\_\_\_ 11  
(Signature)

SELLER \_\_\_\_\_ DATE \_\_\_\_\_ 12  
(Signature)

LICENSEE \_\_\_\_\_ 13  
(Print/Type)

LICENSEE'S SIGNATURE \_\_\_\_\_ 14

COMPANY NAME AS LICENSED \_\_\_\_\_ 15  
(Print/Type)

### RECEIPT FOR EARNEST MONEY

This Receipt is for Earnest Money received as part of the Purchase and Sale Agreement dated \_\_\_\_\_  
between \_\_\_\_\_ ("Buyer")  
and \_\_\_\_\_ ("Seller")  
concerning \_\_\_\_\_ ("the Property")

On \_\_\_\_\_, the undersigned received earnest money from Buyer in the amount  
of \_\_\_\_\_ by  personal check  cashier's check  promissory note  cash  
 other ( \_\_\_\_\_ ).

\_\_\_\_\_  
 Selling Licensee  
 Selling Broker  
 Closing Agent  
 Other \_\_\_\_\_

NOTE: If the Earnest Money is cash, you must deposit it or deliver it not later than the first banking day following receipt, regardless of the terms of the Agreement.

### ADDENDUM/AMENDMENT TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated \_\_\_\_\_ 1  
between \_\_\_\_\_ ("Buyer") 2  
and \_\_\_\_\_ ("Seller") 3  
concerning \_\_\_\_\_ ("the Property") 4

IT IS AGREED BETWEEN THE SELLER AND BUYER AS FOLLOWS:  5

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ALL OTHER TERMS AND CONDITIONS of said Agreement remain unchanged. 41

AGENT (COMPANY) \_\_\_\_\_ 42

BY: \_\_\_\_\_ 43

Initials: BUYER: \_\_\_\_\_ DATE: \_\_\_\_\_ SELLER: \_\_\_\_\_ DATE: \_\_\_\_\_ 44

BUYER: \_\_\_\_\_ DATE: \_\_\_\_\_ SELLER: \_\_\_\_\_ DATE: \_\_\_\_\_ 45

## INSPECTION ADDENDUM TO PURCHASE & SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated \_\_\_\_\_ 1  
between \_\_\_\_\_ ("Buyer") 2  
and \_\_\_\_\_ ("Seller") 3  
concerning \_\_\_\_\_ ("the Property"). 4

1.  **a. INSPECTION CONTINGENCY.** This Agreement is conditioned on Buyer's subjective satisfaction with inspections 5  
of the Property and the improvements on the Property. Buyer's inspections may include, at Buyer's option and with- 6  
out limitation, the structural, mechanical and general condition of the improvements to the Property, compliance with 7  
building and zoning codes, an inspection of the Property for hazardous materials, a pest inspection, and a soils/ 8  
stability inspection. 9

**Buyer's Obligations.** All inspections are to be (a) ordered by Buyer, (b) performed by inspectors of Buyer's choice, 10  
and (c) completed at Buyer's expense. Buyer shall not alter the Property or any improvements on the Property with- 11  
out first obtaining Seller's permission. Buyer is solely responsible for interviewing and selecting all inspectors. Buyer 12  
shall restore the Property and all improvements on the Property to the same condition they were in prior to the 13  
inspection. Buyer shall be responsible for all damages resulting from any inspection of the Property performed on 14  
Buyer's behalf. 15

**BUYER'S NOTICE.** This inspection contingency SHALL CONCLUSIVELY BE DEEMED WAIVED unless within \_\_\_\_\_ 16  
days (10 days if not filled in) after mutual acceptance of this Agreement (the "Initial Inspection Period"), Buyer gives 17  
notice (1) approving the inspection and waiving this contingency; (2) disapproving the inspection and terminating the 18  
Agreement; (3) that Buyer will conduct additional inspections; or (4) proposing repairs to the Property or modifi- 19  
cations to the Agreement. If Buyer disapproves the inspection and terminates the Agreement, the Earnest Money 20  
shall be refunded to Buyer. If Buyer proposes repairs to the Property or modifications to the Agreement, including 21  
adjustments to the purchase price or credits for repairs to be performed after closing, the parties shall negotiate as 22  
set forth in paragraph 1.c, below. The parties may use NWMLS Form 35R to give notices required by this 23  
Addendum. 24

**ATTENTION BUYER:** If Buyer fails to give timely notice, then this inspection contingency shall be deemed waived 25  
and Seller shall not be obligated to make any repairs or modifications. 26

**b. Additional Inspections.** If an inspector recommends further evaluation of any item by a specialist, Buyer shall 27  
have an additional \_\_\_\_\_ days (5 days if not filled in) to obtain the additional inspection by a specialist at Buyer's 28  
option and expense. On or before the end of the Initial Inspection Period, Buyer shall provide a copy of the 29  
inspector's recommendation and notice that Buyer will seek additional inspections by specialists as recommended 30  
by the inspector. If Buyer gives timely notice of additional inspections, the Initial Inspection Period shall be 31  
extended by the additional period specified above. The time for conducting additional inspections shall commence 32  
on the day after Buyer gives notice under this paragraph, and shall be determined as set forth in the Computation 33  
of Time paragraph of the Agreement. 34

**c. Buyer's Requests for Repairs or Modifications.** If Buyer requests repairs or modifications under paragraph 35  
1.a above, the parties shall negotiate as set forth in this paragraph. 36

**(i) Seller's Response to Request for Repairs or Modifications.** Seller shall have \_\_\_\_\_ days (3 days if 37  
not filled in) after receipt of Buyer's request for repairs or modifications to give notice that Seller (a) agrees to 38  
the repairs or modifications proposed by Buyer; (b) agrees to some of the repairs or modifications proposed by 39  
Buyer; (c) rejects all repairs or modifications proposed by Buyer; or (d) offers different or additional repairs or 40  
modifications. If Seller agrees to the terms of Buyer's request for repairs or modifications, this contingency shall 41  
be satisfied and Buyer's Reply shall not be necessary. If Seller does not agree to all of Buyer's repairs or 42  
modifications, Buyer shall have an opportunity to reply, as follows: 43

**(ii) Buyer's Reply.** If Seller does not agree to all of the repairs or modifications proposed by Buyer, Buyer shall 44  
have \_\_\_\_\_ days (3 days if not filled in) from either the day Buyer receives Seller's response or, if Seller 45  
fails to respond, the day Seller's response period ends, whichever is earlier, to (a) accept the Seller's response 46  
at which time this contingency shall be satisfied; (b) agree with the Seller on other remedies; or (c) disapprove 47  
the inspection and terminate the Agreement, in which event, the Earnest Money shall be refunded to Buyer. 48

Initials: BUYER: \_\_\_\_\_ DATE: \_\_\_\_\_ SELLER: \_\_\_\_\_ DATE: \_\_\_\_\_ 49  
BUYER: \_\_\_\_\_ DATE: \_\_\_\_\_ SELLER: \_\_\_\_\_ DATE: \_\_\_\_\_ 50

## INSPECTION ADDENDUM TO PURCHASE & SALE AGREEMENT

(continued)

**ATTENTION BUYER:** These time periods for negotiating repairs or modifications shall not repeat. The parties must either reach a written agreement or Buyer must terminate this Agreement by the Buyer's Reply deadline set forth in paragraph 1.c.ii. Buyer's inaction during Buyer's reply period shall result in waiver of this inspection condition, in which case Seller shall not be obligated to make any repairs or modifications whatsoever AND THIS CONTINGENCY SHALL BE DEEMED WAIVED.

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**d. Repairs.** If Seller agrees to make the repairs proposed by Buyer, then repairs shall be accomplished at Seller's expense in a commercially reasonable manner prior to the Closing Date. In the case of hazardous materials, "repair" means removal or treatment (including but not limited to removal or, at Seller's option, decommissioning of any oil storage tanks) of the hazardous material at Seller's expense as recommended by and under the direction of a licensed hazardous material engineer or other expert selected by Seller. Seller's repairs are subject to reinspection and approval, prior to Closing, by the inspector who recommended the repair, if Buyer elects to order and pay for such reinspection.

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**e. Oil Storage Tanks.** Any inspection regarding oil storage tanks or contamination from such tanks shall be limited solely to determining the presence or non-presence of oil storage tanks on the Property, unless otherwise agreed in writing by Buyer and Seller.

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**f. Form 17.** Buyer waives the right to receive an amended Seller Disclosure Statement (NWMLS Form 17) pursuant to RCW 64.06 based on conditions identified in any inspection or inspection report(s). However, if conditions identified in any inspection or inspection report(s) would require Seller to change an answer in the "Environmental" section of Form 17 to "yes", Buyer may not waive the right to receive the amended Environmental section of Form 17.

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**2. ON-SITE SEWAGE DISPOSAL SYSTEMS ADVISORY.** Buyer is advised that on-site sewage disposal systems, including "septic systems," are subject to strict governmental regulation and occasional malfunction and even failure. Buyer is advised to consider conducting an inspection of any on-site sewage system in addition to the inspection of the Property provided by this Form 35 by including an appropriate on-site sewage disposal inspection contingency such as NWMLS Form 22S (Septic Addendum).

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**3.  NEIGHBORHOOD REVIEW CONTINGENCY.** Buyer's inspection includes Buyer's subjective satisfaction that the conditions of the neighborhood in which the Property is located are consistent with the Buyer's intended use of the Property (the "Neighborhood Review"). The Neighborhood Review may include Buyer's investigation of the schools, proximity to bus lines, availability of shopping, traffic patterns, noise, parking and investigation of other neighborhood, environmental and safety conditions the Buyer may determine to be relevant in deciding to purchase the Property. If Buyer does not give notice of disapproval of the Neighborhood Review within \_\_\_\_\_ (3 days if not filled in) of mutual acceptance of the Agreement, then this Neighborhood Review condition shall conclusively be deemed satisfied (waived). If Buyer gives a timely notice of disapproval, then this Agreement shall terminate and the Earnest Money shall be refunded to Buyer.

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**4.  PREINSPECTION CONDUCTED.** Buyer, prior to mutual acceptance of this Agreement, conducted a building, hazardous substances, building and zoning code, pest or soils/stability inspection of the Property, and closing of this Agreement is not conditioned on the results of such inspections. Buyer elects to buy the Property in its present condition and acknowledges that the decision to purchase the property was based on Buyer's prior inspection and that Buyer has not relied on representations by Seller, Listing Agent or Selling Licensee.

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**5.  WAIVER OF INSPECTION.** Buyer has been advised to obtain a building, hazardous substances, building and zoning code, pest or soils/stability inspection, and to condition the closing of this Agreement on the results of such inspections, but Buyer elects to waive the right and buy the Property in its present condition. Buyer acknowledges that the decision to waive Buyer's inspection options was based on Buyer's personal inspection and Buyer has not relied on representations by Seller, Listing Agent or Selling Licensee.

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Initials: BUYER: \_\_\_\_\_ DATE: \_\_\_\_\_ SELLER: \_\_\_\_\_ DATE: \_\_\_\_\_ 94  
BUYER: \_\_\_\_\_ DATE: \_\_\_\_\_ SELLER: \_\_\_\_\_ DATE: \_\_\_\_\_ 95

# The LAW of REAL ESTATE AGENCY

*This pamphlet describes your legal rights in dealing with a real estate broker or salesperson. Please read it carefully before signing any documents.*

**The following is only a brief summary of the attached law.**

**SECTION 1. Definitions.** Defines the specific terms used in the law.

**SECTION 2. Relationships between Licensees and the Public.** States that a licensee who works with a buyer or tenant represents that buyer or tenant — unless the licensee is the listing agent, a seller's subagent, a dual agent, the seller personally or the parties agree otherwise. Also states that in a transaction involving two different licensees affiliated with the same broker, the broker is a dual agent and each licensee solely represents his or her client — unless the parties agree in writing that both licensees are dual agents.

**SECTION 3. Duties of a Licensee Generally.** Prescribes the duties that are owed by all licensees, regardless of who the licensee represents. Requires disclosure of the licensee's agency relationship in a specific transaction.

**SECTION 4. Duties of a Seller's Agent.** Prescribes the additional duties of a licensee representing the seller or landlord only.

**SECTION 5. Duties of a Buyer's Agent.** Prescribes the additional duties of a licensee representing the buyer or tenant only.

**SECTION 6. Duties of a Dual Agent.** Prescribes the additional duties of a licensee representing both parties in the same transaction, and requires the written consent of both parties to the licensee acting as a dual agent.

**SECTION 7. Duration of Agency Relationship.** Describes when an agency relationship begins and ends. Provides that the duties of accounting and confidentiality continue after the termination of an agency relationship.

**SECTION 8. Compensation.** Allows brokers to share compensation with cooperating brokers. States that payment of compensation does not necessarily establish an agency relationship. Allows brokers to receive compensation from more than one party in a transaction with the parties' consent.

**SECTION 9. Vicarious Liability.** Eliminates the common law liability of a party for the conduct of the party's agent or subagent, unless the agent or subagent is insolvent. Also limits the liability of a broker for the conduct of a subagent associated with a different broker.

**SECTION 10. Imputed Knowledge and Notice.** Eliminates the common law rule that notice to or knowledge of an agent constitutes notice to or knowledge of the principal.

**SECTION 11. Interpretation.** This law replaces the fiduciary duties owed by an agent to a principal under the common law, to the extent that it conflicts with the common law.



## SECTION 1

### DEFINITIONS.

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) “Agency relationship” means the agency relationship created under this chapter or by written agreement between a licensee and a buyer and/or seller relating to the performance of real estate brokerage services by the licensee.

(2) “Agent” means a licensee who has entered into an agency relationship with a buyer or seller.

(3) “Business opportunity” means and includes a business, business opportunity, and goodwill of an existing business, or any one or combination thereof.

(4) “Buyer” means an actual or prospective purchaser in a real estate transaction, or an actual or prospective tenant in a real estate rental or lease transaction, as applicable.

(5) “Buyer’s agent” means a licensee who has entered into an agency relationship with only the buyer in a real estate transaction, and includes sub-agents engaged by a buyer’s agent.

(6) “Confidential information” means information from or concerning a principal of a licensee that:

- (a) Was acquired by the licensee during the course of an agency relationship with the principal;
- (b) The principal reasonably expects to be kept confidential;
- (c) The principal has not disclosed or authorized to be disclosed to third parties;
- (d) Would, if disclosed, operate to the detriment of the principal; and
- (e) The principal personally would not be obligated to disclose to the other party.

(7) “Dual agent” means a licensee who has entered into an agency relationship with both the buyer and seller in the same transaction.

(8) “Licensee” means a real estate broker, associate real estate broker, or real estate salesperson, as those terms are defined in chapter 18.85 RCW.

(9) “Material fact” means information that substantially adversely affects the value of the property or a party’s ability to perform its obligations in a real estate transaction, or operates to materially impair or defeat the purpose of the transaction. The fact or suspicion that the property, or any neighboring property, is or was the site of a murder, suicide or other death, rape or other sex crime, assault or other violent crime, robbery or burglary, illegal drug activity, gang-related activity, political or religious activity, or other act, occurrence, or use not adversely affecting the physical condition of or title to the property is not a material fact.

(10) “Principal” means a buyer or a seller who has entered into an agency relationship with a licensee.

(11) “Real estate brokerage services” means the rendering of services for which a real estate license is required under chapter 18.85 RCW.

(12) “Real estate transaction” or “transaction” means an actual or prospective transaction involving a purchase, sale, option, or exchange of any interest in real property or a business opportunity, or a lease or rental of real property. For purposes of this chapter, a prospective transaction does not exist until a written offer has been signed by at least one of the parties.

(13) “Seller” means an actual or prospective seller in a real estate transaction, or an actual or prospective landlord in a real estate rental or lease transaction, as applicable.

(14) “Seller’s agent” means a licensee who has entered into an agency relationship with only the

seller in a real estate transaction, and includes subagents engaged by a seller's agent.

(15) "Subagent" means a licensee who is engaged to act on behalf of a principal by the principal's agent where the principal has authorized the agent in writing to appoint subagents.

## SECTION 2

### RELATIONSHIPS BETWEEN LICENSEES AND THE PUBLIC.

(1) A licensee who performs real estate brokerage services for a buyer is a buyer's agent unless the:

- (a) Licensee has entered into a written agency agreement with the seller, in which case the licensee is a seller's agent;
- (b) Licensee has entered into a subagency agreement with the seller's agent, in which case the licensee is a seller's agent;
- (c) Licensee has entered into a written agency agreement with both parties, in which case the licensee is a dual agent;
- (d) Licensee is the seller or one of the sellers; or
- (e) Parties agree otherwise in writing after the licensee has complied with section 3(1)(f) of this act.

(2) In a transaction in which different licensees affiliated with the same broker represent different parties, the broker is a dual agent, and must obtain the written consent of both parties as required under section 6 of this act. In such a case, each licensee shall solely represent the party with whom the licensee has an agency relationship, unless all parties agree in writing that both licensees are dual agents.

(3) A licensee may work with a party in separate transactions pursuant to different relationships, including, but not limited to, representing a party in one transaction and at the same time not representing that party in a different transaction involving that party, if the licensee complies with this chapter in establishing the relationships for each transaction.

## SECTION 3

### DUTIES OF A LICENSEE GENERALLY.

(1) Regardless of whether the licensee is an agent, a licensee owes to all parties to whom the licensee renders real estate brokerage services the following duties, which may not be waived:

- (a) To exercise reasonable skill and care;
- (b) To deal honestly and in good faith;
- (c) To present all written offers, written notices and other written communications to and from either party in a timely manner, regardless of whether the property is subject to an existing contract for sale or the buyer is already a party to an existing contract to purchase;
- (d) To disclose all existing material facts known by the licensee and not apparent or readily ascertainable to a party; provided that this subsection shall not be construed to imply any duty to investigate matters that the licensee has not agreed to investigate;
- (e) To account in a timely manner for all money and property received from or on behalf of either party;
- (f) To provide a pamphlet on the law of real estate agency in the form prescribed in section 13 of this act to all parties to whom the licensee renders real estate brokerage services, before the party signs

an agency agreement with the licensee, signs an offer in a real estate transaction handled by the licensee, consents to dual agency, or waives any rights, under section 2(1)(e), 4(1)(e), 5(1)(e), or 6(2)(e) or (f) of this act, whichever occurs earliest; and

(g) To disclose in writing to all parties to whom the licensee renders real estate brokerage services, before the party signs an offer in a real estate transaction handled by the licensee, whether the licensee represents the buyer, the seller, both parties, or neither party. The disclosure shall be set forth in a separate paragraph entitled “Agency Disclosure” in the agreement between the buyer and seller or in a separate writing entitled “Agency Disclosure.”

(2) Unless otherwise agreed, a licensee owes no duty to conduct an independent inspection of the property or to conduct an independent investigation of either party’s financial condition, and owes no duty to independently verify the accuracy or completeness of any statement made by either party or by any source reasonably believed by the licensee to be reliable.

#### SECTION 4

##### **DUTIES OF A SELLER’S AGENT.**

(1) Unless additional duties are agreed to in writing signed by a seller’s agent, the duties of a seller’s agent are limited to those set forth in section 3 of this act and the following, which may not be waived except as expressly set forth in (e) of this subsection:

- (a) To be loyal to the seller by taking no action that is adverse or detrimental to the seller’s interest in a transaction;
- (b) To timely disclose to the seller any conflicts of interest;

(c) To advise the seller to seek expert advice on matters relating to the transaction that are beyond the agent’s expertise;

(d) Not to disclose any confidential information from or about the seller, except under subpoena or court order, even after termination of the agency relationship; and

(e) Unless otherwise agreed to in writing after the seller’s agent has complied with section 3(1)(f) of this act, to make a good faith and continuous effort to find a buyer for the property; except that a seller’s agent is not obligated to seek additional offers to purchase the property while the property is subject to an existing contract for sale.

(2) (a) The showing of properties not owned by the seller to prospective buyers or the listing of competing properties for sale by a seller’s agent does not in and of itself breach the duty of loyalty to the seller or create a conflict of interest.

(b) The representation of more than one seller by different licensees affiliated with the same broker in competing transactions involving the same buyer does not in and of itself breach the duty of loyalty to the sellers or create a conflict of interest.

#### SECTION 5

##### **DUTIES OF A BUYER’S AGENT.**

(1) Unless additional duties are agreed to in writing signed by a buyer’s agent, the duties of a buyer’s agent are limited to those set forth in section 3 of this act and the following, which may not be waived except as expressly set forth in (e) of this subsection:

- (a) To be loyal to the buyer by taking no action that is adverse or detrimental to the buyer’s interest in a transaction;
- (b) To timely disclose to the buyer any conflicts of interest;

(c) To advise the buyer to seek expert advice on matters relating to the transaction that are beyond the agent's expertise;

(d) Not to disclose any confidential information from or about the buyer, except under subpoena or court order, even after termination of the agency relationship; and

(e) Unless otherwise agreed to in writing after the buyer's agent has complied with section 3(1)(f) of this act, to make a good faith and continuous effort to find a property for the buyer; except that a buyer's agent is not obligated to:

(i) seek additional properties to purchase while the buyer is a party to an existing contract to purchase; or

(ii) show properties as to which there is no written agreement to pay compensation to the buyer's agent.

(2) (a) The showing of property in which a buyer is interested to other prospective buyers by a buyer's agent does not in and of itself breach the duty of loyalty to the buyer or create a conflict of interest.

(b) The representation of more than one buyer by different licensees affiliated with the same broker in competing transactions involving the same property does not in and of itself breach the duty of loyalty to the buyers or create a conflict of interest.

## SECTION 6

### DUTIES OF A DUAL AGENT.

(1) Notwithstanding any other provision of this chapter, a licensee may act as a dual agent only with the written consent of both parties to the transaction after the dual agent has complied with section 3(1)(f) of this act, which consent must include a statement of the terms of compensation.

(2) Unless additional duties are agreed to in writing signed by a dual agent, the duties of a dual agent are limited to those set forth in section 3 of this act and the following, which may not be waived except as expressly set forth in (e) and (f) of this subsection:

(a) To take no action that is adverse or detrimental to either party's interest in a transaction;

(b) To timely disclose to both parties any conflicts of interest;

(c) To advise both parties to seek expert advice on matters relating to the transaction that are beyond the dual agent's expertise;

(d) Not to disclose any confidential information from or about either party, except under subpoena or court order, even after termination of the agency relationship;

(e) Unless otherwise agreed to in writing after the dual agent has complied with section 3(1)(f) of this act, to make a good faith and continuous effort to find a buyer for the property; except that a dual agent is not obligated to seek additional offers to purchase the property while the property is subject to an existing contract for sale; and

(f) Unless otherwise agreed to in writing after the dual agent has complied with section 3(1)(f) of this act, to make a good faith and continuous effort to find a property for the buyer; except that a dual agent is not obligated to:

(i) Seek additional properties to purchase while the buyer is a party to an existing contract to purchase; or

(ii) show properties as to which there is no written agreement to pay compensation to the dual agent.

(3)(a) The showing of properties not owned by the seller to prospective buyers or the listing of competing properties for sale by a dual agent does not in and of itself constitute action that is adverse or detrimental to the seller or create a conflict of interest.

(b) The representation of more than one seller by different licensees affiliated with the same broker in competing transactions involving the same buyer does not in and of itself constitute action that is adverse or detrimental to the sellers or create a conflict of interest.

(4)(a) The showing of property in which a buyer is interested to other prospective buyers or the presentation of additional offers to purchase property while the property is subject to a transaction by a dual agent does not in and of itself constitute action that is adverse or detrimental to the buyer or create a conflict of interest.

(b) The representation of more than one buyer by different licensees affiliated with the same broker in competing transactions involving the same property does not in and of itself constitute action that is adverse or detrimental to the buyer or create a conflict of interest.

## SECTION 7

### **DURATION OF AGENCY RELATIONSHIP.**

(1) The agency relationships set forth in this chapter commence at the time that the licensee undertakes to provide real estate brokerage services to a principal and continue until the earliest of the following:

- (a) Completion of performance by the licensee;
- (b) Expiration of the term agreed upon by the parties;
- (c) Termination of the relationship by mutual agreement of the parties; or
- (d) Termination of the relationship by notice from either party to the other. However, such a termi-

nation does not affect the contractual rights of either party.

(2) Except as otherwise agreed to in writing, a licensee owes no further duty after termination of the agency relationship, other than the duties of:

- (a) Accounting for all moneys and property received during the relationship; and
- (b) Not disclosing confidential information.

## SECTION 8

### **COMPENSATION.**

(1) In any real estate transaction, the broker's compensation may be paid by the seller, the buyer, a third party, or by sharing the compensation between brokers.

(2) An agreement to pay or payment of compensation does not establish an agency relationship between the party who paid the compensation and the licensee.

(3) A seller may agree that a seller's agent may share with another broker the compensation paid by the seller.

(4) A buyer may agree that a buyer's agent may share with another broker the compensation paid by the buyer.

(5) A broker may be compensated by more than one party for real estate brokerage services in a real estate transaction, if those parties consent in writing at or before the time of signing an offer in the transaction.

(6) A buyer's agent or dual agent may receive compensation based on the purchase price without breaching any duty to the buyer.

(7) Nothing contained in this chapter negates the requirement that an agreement authorizing or employing a licensee to sell or purchase real estate for compensation or a commission be in writing and signed by the seller or buyer.

## SECTION 9

### **VICARIOUS LIABILITY.**

(1) A principal is not liable for an act, error, or omission by an agent or subagent of the principal arising out of an agency relationship:

- (a) Unless the principal participated in or authorized the act, error, or omission; or
- (b) Except to the extent that:
  - (i) The principal benefited from the act, error, or omission; and
  - (ii) the court determines that it is highly probable that the claimant would be unable to enforce a judgment against the agent or subagent.

(2) A licensee is not liable for an act, error, or omission of a subagent under this chapter, unless the licensee participated in or authorized the act, error or omission. This subsection does not limit the liability of a real estate broker for an act, error, or omission by an associate real estate broker or real estate salesperson licensed to that broker.

## SECTION 10

### **IMPUTED KNOWLEDGE AND NOTICE.**

(1) Unless otherwise agreed to in writing, a principal does not have knowledge or notice of any facts known by an agent or subagent of the principal that are not actually known by the principal.

(2) Unless otherwise agreed to in writing, a licensee does not have knowledge or notice of any facts known by a subagent that are not actually known by the licensee. This subsection does not limit the knowledge imputed to a real estate broker of any facts known by an associate real estate broker or real estate salesperson licensed to such broker.

## SECTION 11

### **INTERPRETATION.**

This chapter supersedes only the duties of the parties under the common law, including fiduciary duties of an agent to a principal, to the extent inconsistent with this chapter. The common law continues to apply to the parties in all other respects. This chapter does not affect the duties of a licensee while engaging in the authorized or unauthorized practice of law as determined by the courts of this state. This chapter shall be construed broadly.