

**RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT  
SPECIFIC TERMS**

1. **Date:** \_\_\_\_\_, 20\_\_\_\_ **MLS No.:** \_\_\_\_\_
2. **Buyer:** \_\_\_\_\_
3. **Seller:** SB-10 Stone Building, LLC
4. **Property:** Tax Parcel No(s): N/A ( King County)  
Street Address: Seattle Washington 98133  
Legal Description: Attached as Exhibit A.
5. **Included Items:**  stove/range;  refrigerator;  washer;  dryer;  dishwasher;  hot tub;  fireplace insert;  
 wood stove;  satellite dish;  security system;  other \_\_\_\_\_
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, 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;  Seattle Escrow
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. **Agency Disclosure:** Selling Licensee represents  Buyer;  Seller;  both parties;  neither party  
Listing Agent represents  Seller;  both parties
18. **Addenda:** Seller's Addendum Form 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 \_\_\_\_\_

190 Queen Anne Ave. N #100  
Seller's Address \_\_\_\_\_

Seattle, WA 98109  
City, State, Zip \_\_\_\_\_

206-281-1500 206-568-7814  
Phone \_\_\_\_\_ Fax \_\_\_\_\_

Seller's E-mail Address \_\_\_\_\_

Williams Marketing 4720  
Listing Broker \_\_\_\_\_ MLS Office No. \_\_\_\_\_

Steve Snider & Debbie Lee 64782  
Listing Agent (Print) \_\_\_\_\_ MLS LAG No. \_\_\_\_\_

206-285-1881 206-284-1152  
Phone \_\_\_\_\_ Fax \_\_\_\_\_

**RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT**  
**GENERAL TERMS**

(continued)

- 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.
- 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.
- 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.
- 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.
- 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.

Initials: BUYER: \_\_\_\_\_ DATE: \_\_\_\_\_ SELLER: \_\_\_\_\_ DATE: \_\_\_\_\_ 53  
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**RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT**  
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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 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

Initials: BUYER: \_\_\_\_\_ DATE: \_\_\_\_\_ SELLER: \_\_\_\_\_ DATE: \_\_\_\_\_ 107  
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**RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT**  
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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.

**i. 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 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.

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

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<b>u. Agency Disclosure.</b> 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."	161 162 163 164 165 166 167
<b>v. Commission.</b> 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 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.	168 169 170 171 172 173 174 175
<b>w. Cancellation Rights/Lead-Based Paint.</b> 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.	176 177 178
<b>x. Information Verification Period and Property Condition Disclaimer.</b> 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.	179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197
<b>y. Disclosures in Form 17.</b> 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.	198 199 200 201 202 203 204 205 206 207 208

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29 ON STONE

SELLER'S ADDENDUM TO  
RESIDENTIAL PURCHASE AND SALE AGREEMENT

(Use with NWMLS Form 21, Rev. 1/09)

THIS ADDENDUM ("Addendum") is made by and between \_\_\_\_\_ ("Buyer") and SB 10 Stone Building LLC, a Washington limited liability company ("Seller"). It amends that certain Residential Real Estate Purchase and Sale Agreement dated \_\_\_\_\_ between Buyer and Seller (the "Purchase and Sale Agreement") relating to Unit Lot \_\_\_\_\_ (the "Home") of Short Subdivision No. 3005736, per plat recorded in King County, Washington, under Recording No. \_\_\_\_\_ (the "Subdivision"). The Home is subject to, among other things, a Declaration of Protective Covenants, Easements, Party Wall Provisions, Conditions and Restrictions recorded under King County Recording No. \_\_\_\_\_ (the "Home Covenants"). The date the last fully-signed offer or counteroffer has been received by both Buyer and Seller may be referred to herein as the date of "Mutual Acceptance" and is the date from which many deadlines are measured. Each party waives the time limit for acceptance of an offer or counteroffer if such party fails to object in writing seven (7) days after receipt of the last fully-signed offer or counteroffer.

1. LEGAL DESCRIPTION OF THE HOME. If this Addendum is entered into before the Home Covenants and Subdivision are recorded or the Home is substantially completed, then the Purchase and Sale Agreement shall nonetheless be binding on the parties. If the Home Covenants and Subdivision have not been recorded, the Home is legally described by reference to: (i) the legal description of the real property for the Subdivision on attached Exhibit A; (ii) the draft Subdivision; (iii) the draft Home Covenants; (iv) any floor plans and elevations attached as Exhibit B; (v) any interior specifications and description of finishes attached to this Addendum as Exhibit C; (vi) the models and displays in the sale presentation center; and (vii) the permit documents now or hereafter on file with the City of Seattle for construction of improvements comprising the Home. Buyer further acknowledges that all material terms for the description of the Home are contained in the documents and attachments referenced in this paragraph. Declarant reserves the right to change the floor plans and specifications as provided herein. Declarant is irrevocably authorized to complete the blanks in this Addendum with the recording number of the Subdivision and Home Covenants after they have been recorded.

2. CLOSING DATE. The Closing Date is stated in Paragraph 12 of the Purchase and Sale Agreement. Seller may extend the Closing Date on one or more occasions, provided that Seller must obtain Buyer's approval for any extensions that would cause the Closing Date to be more than 180 days after the Closing Date stated in Paragraph 12 of the Purchase and Sale Agreement, which approval shall not be unreasonably withheld. Changes in market value of the Home and changes in financing conditions (e.g., increases in the down payment or interest rate) shall not be reasonable grounds for withholding approval of a delayed Closing Date. The Home shall be deemed substantially complete if Seller has received a temporary Certificate of Occupancy, if necessary. In the event that Seller is unable to close the sale in accordance with the Purchase and Sale Agreement, provided Buyer is not in default, Buyer, as Buyer's sole remedy, may elect to rescind the Purchase and Sale Agreement in writing and the Earnest Money (which does not include any nonrefundable upgrade payments) shall be refunded to 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 any liability for moving costs, temporary 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. Buyer shall be deemed to have approved the Closing Date if

Buyer fails to notify Seller in writing of its disapproval and rescission of the Purchase and Sale Agreement and the reasonable grounds for such disapproval within seven (7) days of receiving Seller's notice of the Closing Date.

3. DEFAULT. If, in connection with Buyer's default, there is a dispute over whether Buyer's earnest money deposit shall be forfeited to Seller, Seller may sell the Home to a third party free and clear of any claim by Buyer.

4. FINANCING. Buyer's obligations under the Purchase and Sale Agreement  are  are not **(are not, if not completed)** conditioned upon financing a portion of the purchase price.

a. Financing. If Buyer's obligations under the Purchase and Sale Agreement are conditioned upon financing a portion of the purchase price, then the following provisions shall be part of the Purchase and Sale Agreement.

Buyer agrees to make application for a home loan within three (3) days of Mutual Acceptance of the Purchase and Sale Agreement. Buyer shall have thirty days (30) days after Mutual Acceptance to satisfy or waive Buyer's financing contingency. If Buyer timely submitted the loan application and made a good faith and diligent effort to obtain financing but was not successful, and Buyer provides Seller with written notice within that period that Buyer's financing contingency has not been satisfied or waived, then Buyer's earnest money shall be returned to Buyer and the Purchase and Sale Agreement shall terminate. **If Buyer fails to give such notice to Seller, then Buyer's financing contingency shall be deemed satisfied or waived by Buyer.** Seller has selected Seattle Mortgage, whose contact person is Lauren Porter, 190 Queen Anne Avenue North, Suite 100, Seattle, WA, Phone (206) 219-0808, e-mail LPorter@seattlemortgage.com ("Preferred Lender") as Seller's preferred lender based on its successful track record for processing and closing transactions and the variety of programs they offer. Buyer may use a lender other than Preferred Lender only with Seller's written approval, which approval will not be unreasonably withheld. However, Seller may reasonably disapprove of another lender that conditions Buyer's loan approval on Seller obtaining any pre-sales or prior closings of homes in the Subdivision as a pre-requisite to closing Buyer's loan for the Home. Regardless of whether Buyer needs financing or has elected to use a lender other than Seller's Preferred Lender, Buyer must submit an application to Preferred Lender and furnish Seller with written evidence of the Preferred Lender's approval for financing within thirty (30) days of Mutual Acceptance. Buyer shall not be required to incur any out-of-pocket fees in submitting the application or receiving such approval of Seller's Preferred Lender. Seller may terminate the Purchase and Sale Agreement at any time after the date which is thirty (30) days after Mutual Acceptance, if Buyer has not received and furnished Seller with loan approval from Seller's Preferred Lender.

b. No Financing. If the Purchase and Sale Agreement is not subject to financing, Buyer shall demonstrate to Seller's sole satisfaction that Buyer is able to pay cash for the Home, and shall provide to Seller a current credit report and such other financing information as Seller may request within seven (7) days of Mutual Acceptance. Seller shall have fifteen (15) days after receipt of Buyer's financial information to determine in Seller's sole discretion that Buyer will be able to close without securing a loan. If Seller is not satisfied that Buyer is able to pay cash for the Home, Seller must notify Buyer in writing of its dissatisfaction within such fifteen (15) day period. If such notice is not given, the sale shall proceed to Closing. If such notice is given, Buyer's earnest money, less costs incurred, shall be returned to Buyer and the Purchase and Sale Agreement shall terminate.

5. EARNEST MONEY. The earnest money shall become nonrefundable, but remain applicable to the purchase price at closing, on the date which is thirty (30) days after Mutual Acceptance

of the Purchase and Sale Agreement (the "Condition Removal Date"). Buyer shall have no right to rescind the Purchase and Sale Agreement after the Condition Removal Date. All conditions to Buyer's obligations under the Agreement shall be deemed satisfied or waived on the Condition Removal Date without the requirement of notice or any other action of Seller or Buyer, including any conditions for review of the Home Covenants, Subdivision, and financing. Notwithstanding the foregoing, Buyer shall sign an addendum to the Purchase and Sale Agreement confirming the waiver of all contingencies at Seller's request, and Seller shall have the right to terminate the Purchase and Sale Agreement if Buyer refuses to do so. In addition, if Buyer fails to deposit the earnest money when required under the Purchase and Sale Agreement, then Seller shall have the right to terminate the Purchase and Sale Agreement in addition to any other rights or remedies. This provision shall control over any contrary provision in the Purchase and Sale Agreement or any other addenda including any financing addendum such as NWMLS Form No. 22A, which are deemed replaced by this provision.

6. MULTIPLE BUYERS AND MARRIED BUYERS. If there is more than one individual identified as the "Buyer," then each individual will be fully responsible for fulfilling all of Buyer's obligations under the Purchase and Sale agreement. Seller may enforce Seller's rights under the Purchase and Sale agreement against one or all of such individuals. If the Purchase and Sale Agreement is signed by only one spouse who is married, then the Purchase and Sale Agreement shall be fully binding upon the signing spouse even if the marital community is identified as the "Buyer." The Purchase and Sale Agreement shall also be binding on the non-signing spouse and the marital community to the fullest extent allowed by law.

7. BUYER'S ACCESS PRIOR TO CLOSING. Prior to closing, Seller or Seller's agent must accompany Buyer whenever Buyer inspects or visits the Home. Only employees and contractors of Seller, acting pursuant to written instructions of Seller, are authorized to work on the Home prior to closing. Upon request, Buyer must sign a construction indemnification/hold harmless agreement prior to entering any Home under construction. Buyer must wear proper attire when touring, including hard hat and closed toe shoes. If proper attire is not available, Buyer will be entitled to a curbside viewing only. Buyer cannot, under any circumstances, enter while workmen are engaged in active construction in or about the Home.

8. CONSTRUCTION; MODEL HOMES; ARTIST'S RENDERING. The elevation and floor plan of the Home and specifications for appliances and finishes in the Home, if any, are attached to this Addendum. Seller shall construct the Home substantially in accordance with any such floor plan and specifications; provided that Seller reserves the right to make changes to the plans and specifications, appliances, and finishes to accommodate Seller's changes made during the design and construction process or to substitute materials or other items so long as the Home as constructed does not substantially differ from that described in the attached floor plans and the appliances and finishes do not differ from those specified in terms of their overall function and appearance. Minor deviations and variations involving fixtures, appliances, finishes and decorative or finish work shall not be considered substantial differences or deviations. Seller does not represent or warrant to Buyer that any materials, fixtures, equipment, appliances, finishes, design or other aspects of any model home viewed by Buyer are identical to the construction of the Home, and Buyer may only rely on items actually in the Home. Furthermore, Buyer acknowledges that any artist's renderings or models of the Home or any other home in the Subdivision on any promotional materials are artists' impression of architectural elevation drawings and should not be considered as being precise scaled models of the Home absent a specific statement to that effect. Similarly, any elevations, floor plans, floor areas, and specifications for appliances and finishes in the Home are subject to change. Seller will notify Buyer of material changes only. If Buyer signed the Purchase and Sale Agreement after the completion of the Home, then Buyer acknowledges that Buyer has had a full and fair opportunity to inspect the completed Home, and Buyer is

relying solely on its physical inspection and is not relying on any of the forgoing materials whether provided by Seller or the real estate licensees. Subject to the inspection and Punch-List procedure set forth herein, Buyer agrees to accept the Home "AS-IS," WITH ALL FAULTS. Buyer acknowledges that at the time of taking possession of the Home and for an indefinite period thereafter, completion of Punch-List work and other work may be continuing creating a possible inconvenience or nuisance. Buyer releases Seller from all claims that Buyer may have for such inconvenience or nuisance.

9. NOISE; VIEWS. Buyer acknowledges that Seller and Seller's agents, including but not limited to the marketing agent, listing agent and sales agent, make no representation or warranty as to any sounds audible within the Home or which may arise from activities in any other homes in the Subdivision or anywhere outside the Home. Buyer further acknowledges that Seller and Seller's agents, including but not limited to the marketing agent, listing agent and sales agent, makes no representation or warranty that the view from the Home, as of the date the Purchase and Sale 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 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. This means that even though Seller may know of developments that could affect views, 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 Buyer is purchasing the Home in an area that may experience considerable and rapid development, and such developments could affect views. In fact, construction of projects in the vicinity of the Home could substantially affect views from the Home or any other home in the Subdivision in all directions. Buyer acknowledges that Seller does not undertake any duty to investigate or disclose any developments that may involve Seller or any company affiliated with Seller and including any development that is now known to Seller or becomes known to Seller after the Purchase and Sale Agreement is signed. If Buyer desires to investigate the potential for future development in the area, information is available from the City of Seattle Department of Planning and Development and from other sources available to the public at large.

10. DISCLAIMER OF IMPLIED OR EXPRESS WARRANTIES. Seller did not construct or contract for the construction of a substantial portion of the Home and the other improvements in the Subdivision and does not warrant such improvements. Seller does not have extensive knowledge regarding the Subdivision improvements. ANY WRITTEN WARRANTY(IES) PROVIDED BY SELLER'S CONTRACTOR(S) AND DELIVERED TO BUYER AT CLOSING ARE THE SOLE WARRANTIES PROVIDED IN CONNECTION WITH THE SALE OF THE HOME. **SELLER HEREBY DISCLAIMS AND BUYER WAIVES ANY IMPLIED WARRANTIES, INCLUDING ANY IMPLIED WARRANTY OF HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

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

11. BUYER'S WALK-THROUGH INSPECTION. Upon seven (7) days' notice from Seller's representative that the Home is ready for inspection, Buyer will inspect the Home with a designated agent of Seller or Seller's builder and shall note any deficiencies, if any, on a punch-list (the "Punch-List"). Buyer shall sign the Punch-List and deliver it to Seller at the time of the inspection. Seller shall proceed in good-faith to correct and complete all items on the Punch-List within a reasonable time subject to the availability of labor and materials and subject to Seller's agreement that corrections or additional work is required. Buyer shall close this sale even though Punch-List items remain to be completed by Seller after closing. Buyer shall accept the Home "AS-IS," WITH ALL FAULTS, with

any defects, except for the Punch-List items which Seller has agreed to correct. Minor differences in the shades of cabinets, doors, and woodwork and distinctive markings or minor variations in design, color, shading, shape, glaze and polish may occur due to the nature, manufacturing process or installation of natural stone materials or ceramic tile, and minor difference in the shade or texture of paint may occur, none of which shall be considered a defect or a Punch list item.

12. TITLE INSURANCE AND ESCROW. Title insurance shall be ordered through First American Title Insurance Company, whose contact person is Donna Koerber, 818 Stewart Street, Suite 800, Seattle, WA, 98101, telephone number (206) 615-3021, e-mail DKoerber@firstam.com. Seattle Escrow shall act as escrow agent for closing, whose contact person is Tammee Chin, 190 Queen Anne Avenue North, Suite 100, Seattle, WA 98109, telephone number (206) 436-3039, e-mail TChinn@Seattle-Escrow.com. Seller reserves the right to change the title company and the escrow agent at any time before closing upon notice to Buyer. Buyer shall pay one-half of the normal scheduled escrow fees. Seattle Escrow is an affiliate of the Seller and will provide escrow services to Seller at a discounted rate.

13. CONDITION OF TITLE. Seller shall deliver marketable title to the Home, free of all liens and encumbrances, subject only to easements, reservations and conditions of record, including, without limitation, the Home Covenants and the Subdivision, copies of which have been furnished to Buyer, as they may be amended from time to time thereafter.

14. AMENDMENT OF PLANS, PERMIT DRAWING AND DOCUMENTS. Seller may have made changes during construction including changes to any floor plans, design elements, construction methods, materials and finishes without formally amending any plans and specifications on file with the City for the construction of the improvements for the Subdivision (the "Permit Drawings"). In addition, Seller may need to make changes to any plans for the Home. There may be various reasons for these changes including availability of materials, requirements imposed by permitting authorities, market conditions, value engineering, economic waste, or unexpected events encountered during construction of improvements for the Subdivision. In addition, Seller may amend any of the other documents provided to Buyer, including the Home Covenants, Subdivision, Articles, Bylaws, Association Rules and Regulations, if any, or Association Budget, as Seller may deem necessary or desirable. There may be various reasons for these changes including the requests of lenders, investors, title insurance companies, the County Assessor, County Recording Office, City of Seattle Department of Planning and Development, City of Seattle Department of Transportation or other City departments. Provided however, if any amendments described in this paragraph are material in the sense that they substantially defeat the purpose of the Purchase and Sale Agreement, and Buyer has not approved the amendments, which approval shall not be unreasonably withheld, then Buyer shall be entitled to rescind the Purchase and Sale Agreement and receive a full refund of the Earnest Money as Buyer's sole remedy. Buyer shall be deemed to have approved any amendment if Buyer fails to give Seller notice of disapproval within seven (7) days of receipt of the amendment. Any notice of disapproval by Buyer must include a statement of reasonable grounds for such disapproval.

15. OCCUPANCY REPRESENTATION. Buyer hereby represents that the Home will be Buyer's  primary residence  second home  investment property (check one) upon closing of the purchase thereof. Buyer agrees to make the same representation to any lending institution to which application is made for a loan to purchase the Home.

16. INSULATION. Federal law may require disclosure of the following information:

<b>Insulation</b>	<b>Type</b>	<b>Thickness</b>	<b>R-Value</b>
Exterior wall	Fiberglass batts	6"	R-21
Ceiling	Fiberglass batts	11 ½"	R-38
Floor (above garage)	Fiberglass batts	9"	R-30

17. HOME COVENANTS. The Home is subject to, among other things, the recording of the final Subdivision and Home Covenants. Buyer acknowledges receipt of a copy of the Home Covenants and Subdivision (drafts if not yet recorded). If the Home Covenants have not been recorded as of the mutual execution of this Addendum, then Seller's obligations under the Purchase and Sale Agreement are conditioned on the recording of the final Subdivision and Home Covenants. Upon the recording of the final Subdivision and Home Covenants, Seller is authorized to insert the recording numbers therefore in paragraph 1 above. This authorization is coupled with an interest and may not be revoked by Buyer.

18. CONTINUED CONSTRUCTION. Buyer acknowledges that at the time of taking possession of the Home and for an indefinite period thereafter, construction in and around the Home might not be completed and that renovation or construction work will be continuing until all the homes in the Subdivision are built and any inspection or maintenance work or responsibilities are completed or fulfilled, as required by municipal authorities or private utility companies.

19. ASSESSMENTS. Buyer acknowledges and agrees that Buyer will be obligated to pay its share of assessments as defined in the Home Covenants, which are for the maintenance of certain portions of the Subdivision and other expenses and charges. Seller estimates that the monthly assessment for the Home shall be \$29.17. 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 Seller has previously paid the contributions for the initial working capital with respect to the Home, 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.

20. MANAGEMENT BY SELLER. Seller, as Declarant, may retain for the period stated in the Home Covenants the full effective management authority of the Association.

21. TREES AND VEGETATION. Trees and vegetation, if any, may not survive and may need to be replaced at the expense of the Buyer.

22. HOME AREAS. The area of the Home and lot on which it is or will be located shown in the Subdivision, the Home Covenants or any marketing materials may have been taken from the architect's determination of the areas of the homes based on plans, or estimated by others based on plans, prior to the construction of the improvements or recording of the final Subdivision, and may differ from as-built completed construction. In addition, architects typically measure from the centerline between the homes to the exterior surface of the perimeter walls of the home. The actual usable area of the homes in the Subdivision as constructed, and as measured from the inside face of the perimeter walls, will be less than the architect's measurements or any other estimates.

23. ARBITRATION. All disputes and unresolved claims under the Purchase and Sale Agreement and this Addendum shall also be determined by arbitration in King County, Washington, under the American Arbitration Association (AAA) Commercial Arbitration Rules with Expedited Procedures in effect on the date hereof, as modified by this Seller's Addendum. There shall be one (1)

arbitrator selected by the parties within seven (7) days of the arbitration demand or if not, then pursuant to the AAA Rules, who shall be an attorney with at least five years' real estate experience. Any issue about whether a dispute or claim must be arbitrated pursuant to this Seller's Addendum shall be determined by the arbitrator. At the request of either party made not later than seventy-five (75) days after the arbitration demand, the parties agree to submit the dispute or unresolved claim to non-binding mediation which shall not delay the arbitration hearing date. There shall be no substantive motions or discovery, except the arbitrator shall authorize such discovery as may be necessary to ensure a fair hearing, which shall be held within one hundred twenty (120) days of the demand and concluded within two (2) days. These time limits are not jurisdictional. The arbitrator shall apply substantive law and may award injunctive relief or any other remedy available from a judge including attorney fees and costs to the prevailing party, but the arbitrator shall not have the power to award punitive damages. The decision rendered by the arbitrator shall be final and binding without appeal or review and may be enforced in any court of competent jurisdiction.

24. COMPLETE AGREEMENT; REPRESENTATIONS. There are no other express or implied agreements, promises or representations except as set forth in the Purchase and Sale Agreement as it may be amended by this Addendum. Buyer and all agents acknowledge that no agent has the authority to make, or has made, any agreement, promise, or representation on behalf of Seller and that Buyer may not rely on any representations or agreements that are not contained in this Purchase and Sale Agreement, including flyers, brochures, renderings, advertisements or listing information.

25. ASSIGNMENT. Buyer may not assign Buyer's rights under the Purchase and Sale Agreement without the prior written consent of Seller, which consent may be withheld by Seller in Seller's sole discretion.

26. TRANSFER DISCLOSURE STATEMENT. Buyer acknowledges receipt of Seller's Form 17.

27. RISK OF LOSS. All risks of loss shall be upon the Seller until closing or earlier occupancy by Buyer. Following closing, the responsibility for insuring the Home and Buyer's contents and personal liability as a homeowner rests solely with the Buyer as set forth in the Home Covenants.

**[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

28. ADDENDUM CONTROLS. The provisions of this Addendum shall control over any conflicting provisions of the Purchase and Sale Agreement or any other written document.

NOTICE REGARDING COMMENCEMENT OF LAWSUIT. CHAPTER 64.50 RCW CONTAINS IMPORTANT REQUIREMENTS YOU MUST FOLLOW BEFORE YOU MAY FILE A LAWSUIT FOR DEFECTIVE CONSTRUCTION AGAINST 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.

THIS ADDENDUM REGARDING THE WARRANTIES HAS BEEN SPECIFICALLY NEGOTIATED AND HAS ENTERED INTO AND BECOME A BASIS FOR THE SALE OF THE HOME. SELLER WOULD NOT SELL THE HOME WITHOUT THE PROVISIONS OF THIS ADDENDUM BEING A PART OF THAT SALE.

THIS ADDENDUM CONTAINS BINDING ARBITRATION PROVISIONS WHICH MAY BE ENFORCED BY THE PARTIES.

BUYER:

\_\_\_\_\_  
\_\_\_\_\_

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

Address: \_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

SELLER:

SB 10 Stone Building LLC, a Washington  
limited liability company

By: Seattle Bank, a Washington state chartered  
stock savings bank, Managing Member

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

Its: \_\_\_\_\_

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

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

Its: \_\_\_\_\_

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

Address: \_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

**EXHIBIT A**

**LEGAL DESCRIPTION OF THE PROPERTY**

ALL THAT CERTAIN LAND SITUATED IN THE STATE OF WASHINGTON,  
COUNTY OF KING, DESCRIBED AS FOLLOWS:

LOTS 16, 17, 18, 19, 20 AND 21 AND THE SOUTH 20 FEET OF LOT 22, BLOCK 7, OAK LAKE  
VILLA TRACTS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 18 OF  
PLATS, PAGE 33, IN KING COUNTY, WASHINGTON.

## Exhibit B

# 29<sup>00</sup> STONE

### Finish Specifications

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Home # \_\_\_\_\_, Address \_\_\_\_\_

#### Kitchen

**Appliances:** All Stainless Steel fronts ....Kenmore 4 cycle Dishwasher 22-15233, Kenmore All-Gas Self-cleaning Free- standing Range 22-79653, Kenmore Microwave/ Hood Combo 22-81043 (Units 12-23, 26-29 only)

**Countertops:** 12" x12" Pental Parc: Dark Cabinet Scheme: Botteccino Brushed finish, Medium Cabinet Color Scheme: Sand Beige Brushed finish, Light Cabinet Color Scheme: Noce Brushed Finish

**Kitchen Faucets:** Moen Chrome single lever with pullout Spray

**Back Splash:** 4" Pental Parc: Dark Cabinet Scheme: Botteccino Brushed finish, Medium Cabinet Color Scheme: Sand Beige Brushed finish, Light Cabinet Color Scheme: Noce Brushed Finish

**Lighting:** Recessed Can lights

Other:

#### Guest Bath

**Countertops:** 12" x12" Pental Parc: Dark Cabinet Scheme: Botteccino Brushed finish, Medium Cabinet Color Scheme: Sand Beige Brushed finish, Light Cabinet Color Scheme: Noce Brushed Finish

**Plumbing Faucets:** Moen Chrome single lever Lavatory

#### Second Bath

**Countertops:** 12" x12" Pental Parc: Dark Cabinet Scheme: Botteccino Brushed finish, Medium Cabinet Color Scheme: Sand Beige Brushed finish, Light Cabinet Color Scheme: Noce Brushed Finish

**Plumbing Faucets:** Moen Chrome single lever Lavatory, American Standard Chrome Single Lever -Shower

**Master Bath**

**Countertops:** 12" x12" Pental Parc : Dark Cabinet Scheme: Botteccino Brushed finish, Medium Cabinet Color Scheme: Sand Beige Brushed finish, Light Cabinet Color Scheme: Noce Brushed Finish

**Plumbing Faucets:** Moen Chrome single lever Lavatory, American Standard Chrome Single Lever -Shower

**General**

**Carpet:** Dark Cabinet Scheme: Shaw Concord "Chic Ivory", Medium Cabinet Color Scheme: Shaw Concord "Sahara Buff", Light Cabinet Color Scheme: Shaw Concord "Sahara Buff" ...all with 8lb Re-Bond Pad

**Hardwood:** Deep Stain Wood Grain Bamboo

**Heating:** Carrier Electric Compressor Heat-pump w/ Forced-air, electric back-up Furnace

**Air-Conditioning:** Carrier Electric Compressor

**Water Heater-** Electric

**Optional Upgrade Items**

**Refrigerator if included in sale:** Kenmore Side by Side, Stainless Front, 25 CF Model #: 46-58943 Cost including tax: \$1,200.00 installed

**Washer/Dryer if included in sale:** Kenmore Electric 24" stack W/D with 1.5 CF Washer Capacity (White) Model #: #26-88752 Cost including tax: \$1,000.00 installed

Buyer:

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

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

SELLER DISCLOSURE STATEMENT †  
IMPROVED PROPERTY

SELLER: SB 10 Stone Building, LLC

† To be used in transfers of improved residential real property, including residential dwellings up to four units, new construction, condominiums not subject to a public offering statement, certain timeshares, and manufactured and mobile homes. See RCW Chapter 64.06 and Section 43.22.432 for further explanations.

INSTRUCTIONS TO THE SELLER

Please complete the following form. Do not leave any spaces blank. If the question clearly does not apply to the property write "NA." If the answer is "yes" to any asterisked (\*) item(s), please explain on attached sheets. Please refer to the line number(s) of the question(s) when you provide your explanation(s). For your protection you must date and initial each page of this disclosure statement and each attachment. Delivery of the disclosure statement must occur not later than five (5) business days, unless otherwise agreed, after mutual acceptance of a written purchase and sale agreement between Buyer and Seller.

NOTICE TO THE BUYER

THE FOLLOWING DISCLOSURES ARE MADE BY THE SELLER ABOUT THE CONDITION OF THE PROPERTY LOCATED AT

Seattle King COUNTY Washington ("THE PROPERTY") OR AS LEGALLY DESCRIBED ON THE ATTACHED EXHIBIT A. SELLER MAKES THE FOLLOWING DISCLOSURES OF EXISTING MATERIAL FACTS OR MATERIAL DEFECTS TO BUYER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE STATEMENT. UNLESS YOU AND SELLER OTHERWISE AGREE IN WRITING, YOU HAVE THREE (3) BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO YOU TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. IF THE SELLER DOES NOT GIVE YOU A COMPLETED DISCLOSURE STATEMENT, THEN YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A PURCHASE AND SALE AGREEMENT.

THE FOLLOWING ARE DISCLOSURES MADE BY SELLER AND ARE NOT THE REPRESENTATIONS OF ANY REAL ESTATE LICENSEE OR OTHER PARTY. THIS INFORMATION IS FOR DISCLOSURE ONLY AND IS NOT INTENDED TO BE A PART OF ANY WRITTEN AGREEMENT BETWEEN BUYER AND SELLER.

FOR A MORE COMPREHENSIVE EXAMINATION OF THE SPECIFIC CONDITION OF THIS PROPERTY YOU ARE ADVISED TO OBTAIN AND PAY FOR THE SERVICES OF QUALIFIED EXPERTS TO INSPECT THE PROPERTY, WHICH MAY INCLUDE, WITHOUT LIMITATION, ARCHITECTS, ENGINEERS, LAND SURVEYORS, PLUMBERS, ELECTRICIANS, ROOFERS, BUILDING INSPECTORS, ON-SITE WASTEWATER TREATMENT INSPECTORS, OR STRUCTURAL PEST INSPECTORS. THE PROSPECTIVE BUYER AND SELLER MAY WISH TO OBTAIN PROFESSIONAL ADVICE OR INSPECTIONS OF THE PROPERTY OR TO PROVIDE APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN THEM WITH RESPECT TO ANY ADVICE, INSPECTION, DEFECTS OR WARRANTIES.

Seller  is/  is not occupying the property.

I. SELLER'S DISCLOSURES:

\* If you answer "Yes" to a question with an asterisk (\*), please explain your answer and attach documents, if available and not otherwise publicly recorded. If necessary, use an attached sheet.

I. TITLE

- |   | YES                                 | NO                       | DON'T KNOW                          |
|---|-------------------------------------|--------------------------|-------------------------------------|
| A. Do you have legal authority to sell the property? If no, please explain.   | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            |
| *B. Is title to the property subject to any of the following?   | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (1) First right of refusal  | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (2) Option  | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (3) Lease or rental agreement   | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (4) Life estate?  | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| *C. Are there any encroachments, boundary agreements, or boundary disputes?   | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| *D. Is there a private road or easement agreement for access to the property?   | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| *E. Are there any rights-of-way, easements, or access limitations that may affect the Buyer's use of the property?  | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| *F. Are there any written agreements for joint maintenance of an easement or right-of-way?  | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| *G. Is there any study, survey project, or notice that would adversely affect the property?   | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| *H. Are there any pending or existing assessments against the property?   | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| *I. Are there any zoning violations, nonconforming uses, or any unusual restrictions on the property that would affect future construction or remodeling? | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| *J. Is there a boundary survey for the property?  | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| *K. Are there any covenants, conditions, or restrictions recorded against the property?   | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

PLEASE NOTE: Covenants, conditions, and restrictions which purport to forbid or restrict the conveyance, encumbrance, occupancy, or lease of real property to individuals based on race, creed, color, sex, national origin, familial status, or disability are void, unenforceable, and illegal. RCW 49.60.224.

SELLER'S INITIAL: [Signature] DATE: 8/28/09 SELLER'S INITIAL: [Signature] DATE: 8/28/09

**SELLER DISCLOSURE STATEMENT  
IMPROVED PROPERTY**

**2. WATER**

YES NO DON'T KNOW 57 58

**A. Household Water**

- (1) The source of water for the property is:  Private or publicly owned water system  
 Private well serving only the subject property \*  Other water system

\*If shared, are there any written agreements?    59

- \*(2) Is there an easement (recorded or unrecorded) for access to and/or maintenance of the water source?    60

- \*(3) Are there any problems or repairs needed?    61

- (4) During your ownership, has the source provided an adequate year-round supply of potable water?    62

If no, please explain: \_\_\_\_\_ 63

- \*(5) Are there any water treatment systems for the property?    64

If yes, are they:  Leased  Owned 65

- \*(6) Are there any water rights for the property, associated with its domestic water supply, such as a water right permit, certificate, or claim?    66

- (a) If yes, has the water right permit, certificate, or claim been assigned, transferred, or changed?    67

- \*(b) If yes, has all or any portion of the water right not been used for five or more successive years?    68

- \*(7) Are there any defects in the operation of the water system (e.g. pipes, tank, pump, etc.)?    69

**B. Irrigation Water**

- (1) Are there any irrigation water rights for the property, such as a water right permit, certificate, or claim?    70

- \*(a) If yes, has all or any portion of the water right not been used for five or more successive years?    71

- \*(b) If so, is the certificate available? (If yes, please attach a copy.)    72

- \*(c) If so, has the water right permit, certificate, or claim been assigned, transferred, or changed?    73

- \*(2) Does the property receive irrigation water from a ditch company, irrigation district, or other entity?    74

If so, please identify the entity that supplies water to the property: \_\_\_\_\_ 75

**C. Outdoor Sprinkler System**

- (1) Is there an outdoor sprinkler system for the property?    76

- \*(2) If yes, are there any defects in the system?    77

- \*(3) If yes, is the sprinkler system connected to irrigation water?    78

**3. SEWER/ON-SITE SEWAGE SYSTEM**

**A. The property is served by:**

- Public sewer system  On-site sewage system (including pipes, tanks, drainfields, and all other component parts) 79

- Other disposal system 80

Please describe: \_\_\_\_\_ 81

- B. If public sewer system service is available to the property, is the house connected to the sewer main?    82

If no, please explain: \_\_\_\_\_ 83

- \*C. Is the property subject to any sewage system fees or charges in addition to those covered in your regularly billed sewer or on-site sewage system maintenance service?    84

**D. If the property is connected to an on-site sewage system:**

- \*(1) Was a permit issued for its construction, and was it approved by the local health department or district following its construction?    85

- (2) When was it last pumped? \_\_\_\_\_ 86

- \*(3) Are there any defects in the operation of the on-site sewage system?    87

- (4) When was it last inspected? \_\_\_\_\_ 88

By whom: \_\_\_\_\_ 89

- (5) For how many bedrooms was the on-site sewage system approved? \_\_\_\_\_ bedrooms 90

SELLER'S INITIAL:   g  

DATE:   8/28/09  

SELLER'S INITIAL:   MJD  

DATE:   8/28/09

**SELLER DISCLOSURE STATEMENT  
IMPROVED PROPERTY**

	YES	NO	DON'T KNOW	
E. Are all plumbing fixtures, including laundry drain, connected to the sewer/on-site sewage system?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	112 113
If no, please explain: _____				114 115
*F. Have there been any changes or repairs to the on-site sewage system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	116
G. Is the on-site sewage system, including the drainfield, located entirely within the boundaries of the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	117 118
If no, please explain: _____				119
*H. Does the on-site sewage system require monitoring and maintenance services more frequently than once a year?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	120 121

NOTICE: IF THIS RESIDENTIAL REAL PROPERTY DISCLOSURE IS BEING COMPLETED FOR NEW CONSTRUCTION WHICH HAS NEVER BEEN OCCUPIED, SELLER IS NOT REQUIRED TO COMPLETE THE QUESTIONS LISTED IN ITEM 4 (STRUCTURAL) OR ITEM 5 (SYSTEMS AND FIXTURES).

**4. STRUCTURAL**

*A. Has the roof leaked within the last 5 years?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	125 126
*B. Has the basement flooded or leaked?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	127
*C. Have there been any conversions, additions or remodeling?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	128
*(1) If yes, were all building permits obtained?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	129
*(2) If yes, were all final inspections obtained?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	130
D. Do you know the age of the house?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	131
If yes, year of original construction: _____				132
*E. Has there been any settling, slippage, or sliding of the property or its improvements?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	133
*F. Are there any defects with the following: (if yes, please check applicable items and explain.)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	134
<input type="checkbox"/> Foundations	<input type="checkbox"/> Decks	<input type="checkbox"/> Exterior Walls		135
<input type="checkbox"/> Chimneys	<input type="checkbox"/> Interior Walls	<input type="checkbox"/> Fire Alarms		136
<input type="checkbox"/> Doors	<input type="checkbox"/> Windows	<input type="checkbox"/> Patios		137
<input type="checkbox"/> Ceilings	<input type="checkbox"/> Slab Floors	<input type="checkbox"/> Driveways		138
<input type="checkbox"/> Pools	<input type="checkbox"/> Hot Tub	<input type="checkbox"/> Saunas		139
<input type="checkbox"/> Sidewalks	<input type="checkbox"/> Outbuildings	<input type="checkbox"/> Fireplaces		140
<input type="checkbox"/> Garage Floors	<input type="checkbox"/> Walkways	<input type="checkbox"/> Wood Stoves		141
<input type="checkbox"/> Siding	<input type="checkbox"/> Other _____			142
*G. Was a structural pest or "whole house" inspection done?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	143
If yes, when and by whom was the inspection completed? _____				144 145
H. During your ownership, has the property had any wood destroying organism or pest infestation?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	146
I. Is the attic insulated?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	147
J. Is the basement insulated?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	148

**5. SYSTEMS AND FIXTURES**

*A. If any of the following systems or fixtures are included with the transfer, are there any defects?				149 150
If yes, please explain: _____				151
Electrical system, including wiring, switches, outlets, and service	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	152
Plumbing system, including pipes, faucets, fixtures, and toilets	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	153
Hot water tank	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	154
Garbage disposal	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	155
Appliances	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	156
Sump pump	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	157
Heating and cooling systems	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	158
Security system <input type="checkbox"/> Owned <input type="checkbox"/> Leased	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	159
Other _____	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	160

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**SELLER DISCLOSURE STATEMENT  
IMPROVED PROPERTY**

	YES	NO	DON'T KNOW	162
*B. If any of the following fixtures or property is included with the transfer, are they leased? (If yes, please attach copy of lease.)				163
Security System _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	164
Tanks (type): _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	165
Satellite dish _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	166
Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	167
*C. Are any of the following kinds of wood burning appliances present at the property?				168
(1) Woodstove?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	169
(2) Fireplace insert?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	170
(3) Pellet stove?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	171
(2) Fireplace?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	172
If yes, are all of the (1) woodstoves or (2) fireplaces inserts certified by the U.S. Environmental Protection Agency as clean burning appliances to improve air quality and public health?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	173
				174
<b>6. HOMEOWNERS' ASSOCIATION/Common INTERESTS</b>				175
A. Is there a Homeowners' Association?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	176
Name of Association and contact information for an officer, director, employee, or other authorized agent, if any, who may provide the association's financial statements, minutes, bylaws, financing policy, and other information that is not publicly available: _____				177
				178
				179
B. Are there regular periodic assessments?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	180
_____ per <input type="checkbox"/> month <input type="checkbox"/> year				181
<input type="checkbox"/> Other _____				182
*C. Are there any pending special assessments?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	183
*D. Are there any shared "common areas" or any joint maintenance agreements (facilities such as walls, fences, landscaping, pools, tennis courts, walkways, or other areas co-owned in undivided interest with others)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	184
				185
<b>7. ENVIRONMENTAL</b>				187
*A. Have there been any flooding, standing water, or drainage problems on the property that affect the property or access to the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	188
				189
*B. Does any part of the property contain fill dirt, waste, or other fill material?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	190
*C. Is there any material damage to the property from fire, wind, floods, beach movements, earthquake, expansive soils, or landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	191
				192
D. Are there any shorelines, wetlands, floodplains, or critical areas on the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	193
*E. Are there any substances, materials, or products in or on the property that may be environmental concerns, such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, or contaminated soil or water?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	194
				195
*F. Has the property been used for commercial or industrial purposes?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	197
*G. Is there any soil or groundwater contamination?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	198
*H. Are there transmission poles or other electrical utility equipment installed, maintained, or buried on the property that do not provide utility service to the structures on the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	199
				200
*I. Has the property been used as a legal or illegal dumping site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	201
*J. Has the property been used as an illegal drug manufacturing site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	202
*K. Are there any radio towers in the area that cause interference with cellular telephone reception?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	203
<b>8. LEAD BASED PAINT (Applicable if the house was built before 1978.)</b>				204
A. Presence of lead-based paint and/or lead-based paint hazards (check one below):				205
<input type="checkbox"/> Known lead-based paint and/or lead-based paint hazards are present in the housing (explain) _____				206
				207
<input type="checkbox"/> Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.				208
B. Records and reports available to the Seller (check one below):				209
<input type="checkbox"/> Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below) _____				210
				211
				212
<input type="checkbox"/> Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.				213
<b>9. MANUFACTURED AND MOBILE HOMES</b>				214
If the property includes a manufactured or mobile home,				215
*A. Did you make any alterations to the home?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	216
If yes, please describe the alterations: _____				217
*B. Did any previous owner make any alterations to the home?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	218
*C. If alterations were made, were permits or variances for these alterations obtained?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	219
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**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  
2  
3

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 SB 10 Stone Building LLC ("Seller")  
concerning 29 on Stone ("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.



# 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.