

CONDOMINIUM PURCHASE AND SALE AGREEMENT

1. **Date:** _____, 20____ **SPECIFIC TERMS** **MLS No.:** _____
2. **Buyer:** _____
3. **Seller:** Veer Lofts Venture, LLC
4. **Property:** Tax Parcel No(s): 889230 (KING County)
Unit No.: _____ Residential Condominium: Veer Lofts
Address: 401 9th Avenue N., Seattle Washington
 Condominium Declaration Recording Number: _____
 Declaration Recording Number Not Available, attach NWMLS Form 29
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 _____
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:** Pacific NW Title of WA, Inc.
11. **Closing Agent:** a qualified closing agent of Buyer's choice; Pacific NW Title of WA, Inc.
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
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:** Form 22A POS Builders Addendum
Limited Warranty Addendum

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 _____
505 Fifth Ave. S. #900
Seller's Address _____
Seattle, WA 98104
City, State, Zip _____
206-342-2000 206-342-3000
Phone _____ Fax _____
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
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. 1-4
- 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. 5-21
- 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. 22-29
- 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. 30-37
- 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. 38-51
- 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 52-56

Initials: BUYER: _____ DATE: _____ SELLER: _____ DATE: _____ 57
BUYER: _____ DATE: _____ SELLER: _____ DATE: _____ 58

CONDOMINIUM PURCHASE AND SALE AGREEMENT
GENERAL TERMS
(continued)

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

CONDOMINIUM PURCHASE AND SALE AGREEMENT
GENERAL TERMS
(continued)

- 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: _____
BUYER: _____ DATE: _____ SELLER: _____ DATE: _____

CONDOMINIUM PURCHASE AND SALE AGREEMENT
GENERAL TERMS
(continued)

- 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. 197-207
- 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

**VEER LOFTS,
A CONDOMINIUM
BUILDER'S ADDENDUM TO
CONDOMINIUM CPSA**

(Use with NWMLS Form 28, Rev. 1/09,
(Replaces NWMLS Form 29))

THIS ADDENDUM between _____ ("Buyer") and Veer Lofts Venture LLC, a Washington limited liability company ("Seller"), is an addendum to a Condominium Purchase and Sale Agreement dated this _____ day of _____, 2009, between Buyer and Seller (the "CPSA") relating to Unit _____ (the "Unit") of Veer Lofts, a condominium, per Condominium Declaration recorded by Seller under King County Recording No. 20080902001626 and more particularly described in **Exhibit A**. The date the last fully-signed offer or counteroffer has been received by both Buyer and Seller shall be referred to herein as the date of "**Mutual Acceptance**" and is the date from which many deadlines are measured.

1. CLOSING DATE; BUYER DELAY. If all contingencies to the CPSA have been satisfied or waived, this transaction shall close on or before _____ (the "**Closing Date**"); provided, however, that Seller shall have the right to extend Closing by written notice to Buyer for a period of up to 14 days. In the event Seller fails to close by the Closing Date (such may be extended), Buyer shall have as its sole and exclusive remedy the right to terminate the CPSA and receive a return of the Earnest Money deposit. In the event Buyer defaults under the CPSA, i.e. Buyer fails, without legal excuse, to complete the purchase of the Property, then that portion of the Buyer's Earnest Money deposit which does not exceed 5% of the Purchase Price shall be forfeited to the Seller as the sole and exclusive remedy available to Seller for Buyer's default. If, in connection with Buyer's default, there is a dispute over whether the Earnest Money deposit shall be forfeited to Seller, Seller may sell the Unit to a third party free and clear of any claim by Buyer.

If Buyer is unable to close the purchase of the Unit by the Closing Date due to Buyer's delay, Buyer shall be charged delay damages equal to one-tenth of one percent (0.1%) of the Purchase Price for each day's delay. Such delay damages shall not limit Seller's right to terminate the CPSA in the event Buyer fails to timely close.

2. FINANCING AND QUALIFICATION OF BUYER. Buyer has elected as follows (**initial one**):

_____/_____/ Buyer's obligations **are not** conditioned upon financing a portion of the Purchase Price
_____/_____/ Buyer's obligations **are** conditioned upon financing and Buyer shall use its own Lender.

Buyer expressly authorizes and directs Buyer's lender or financial institution to provide information about the status and final disposition of financing for this sale to both Listing Agent and Selling Licensee. In addition, Buyer authorizes and directs Selling Licensee to provide

information to Listing Agent about the status, progress and final disposition of the financing for this sale.

The financing contingency reserved in NWMLS Form 22A shall be deemed automatically waived by Buyer after expiration of the time period provided in Paragraph 2 of NWMLS Form 22A without notice from Seller, and the Buyer's Earnest Money deposit shall be nonrefundable. In the event that this Paragraph 2 conflicts with any provision in NWMLS Form 22A, this Paragraph 2 shall control.

3. INTENTIONALLY DELETED.

4. EARNEST MONEY. The Earnest Money in the amount stated in the CPSA shall be deposited with Closing Agent in the amount stated in the CPSA on the date of Mutual Acceptance. The Earnest Money shall be deposited into an interest-bearing trust account, provided that Buyer completes an IRS Form W-9. Interest, if any, after deduction of bank charges and fees, will be paid to Buyer. Upon Mutual Acceptance, the Closing Agent is authorized to transfer any Buyer reservation Deposit for use as Earnest Money. 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 CPSA. Buyer and Seller instruct Closing Agent to: (a) 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 in the CPSA; and (b) commence an interpleader action in the Superior Court for King County within thirty (30) days of a party's demand for the Earnest Money (and deduct up to \$250.00 of the cost thereof) unless the parties agree otherwise in writing. This Paragraph 4 supersedes Paragraph b of the General Terms of the CPSA.

5. INTENTIONALLY DELETED.

6. BUYER'S ACCESS PRIOR TO CLOSING. Prior to Closing, Buyer shall not have access to the Unit except as part of the Walk-Through inspection described in paragraph 9 below. Seller or Seller's agent or representative must accompany Buyer when Buyer inspects or visits the Unit or the interior of the building in which the Unit is located. Only employees and contractors of Seller, acting pursuant to written instructions of Seller, are authorized to work on the Unit prior to Closing.

7. "AS IS". Prior to entering into this CPSA, Buyer has had the opportunity to inspect the Unit, including the opportunity to have a professional, engineering inspection of the Unit. Buyer has approved the condition of the Unit, and, except as specified elsewhere in this Agreement, the Unit is being conveyed on an "AS IS" basis, without representation or warranty.

8. NOISE; VIEWS; 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 further acknowledges that Seller makes no representation or warranty that the view from the Unit, as of the date the CPSA 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. In particular, Buyer acknowledges that Buyer is purchasing a Unit in the South Lake Union area of Seattle, an area that is experiencing considerable and rapid redevelopment, which may include changes in the zoning classifications and height restrictions of properties in the vicinity of the Condominium, and that such developments could adversely affect views from Units in the Condominium. It is anticipated that many of the developments may be done by companies affiliated with 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 CPSA 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 the Condominium in connection with such developments. Seller's affiliates own a substantial amount of property in the South Lake Union area. Seller's affiliates intend to redevelop much of that property; however, Seller makes no representation or guaranty that redevelopment will actually occur, or that Seller's affiliates will continue to own these properties. Buyer acknowledges that it is aware of the potential for redevelopment in the South Lake Union neighborhood and in properties immediately adjacent to the Condominium and understands and agrees that Seller has no obligation to further disclose to Buyer any intended or actual development plans for the immediate adjacent properties or other properties in the South Lake Union area. Real estate agents and sales people are generally not experts on future real estate developments, and therefore Buyer agrees that Buyer has not relied and will not rely on statements from real estate agents or sales people about future developments or their impact or lack of impact on views. If Buyer desires to investigate pending and future potential developments in the area, information is available from the City of Seattle's Department of Planning and Development and from other sources.

9. BUYER'S WALK-THROUGH INSPECTION AND LIMITATION OF WARRANTIES. Buyer has inspected the Unit with Seller's representative and accepts the Unit as constructed subject only to any deficiencies from agreed upon Defined Standards and Tolerances attached to the Limited Warranty and any deficiencies disclosed by Seller on **Exhibit B** that Seller does not intend to correct. Between one (1) and three (3) days prior to close, Buyer shall have the right to conduct a final walk through inspection. In the event of any material change in the condition of the Unit from the condition at the date of this CPSA, (or not reflected in the Limited Warranty Addendum to this CPSA attached hereto as **Exhibit C**), Seller shall correct such changed condition within ten (10) days after the walk through or, Seller shall give Buyer the option to (i) rescind the CPSA, (ii) agree to a reduction in purchase price for the Unit, if offered by Seller, or (iii) accept the Unit with the deficiency. Buyer acknowledges and agrees that the Limited Warranty made a part of the CPSA is provided under the Washington Condominium Act, RCW 64.34.450. 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 with regard to warranty matters;

(b) that the implied warranties of quality provided by RCW 64.34.445(2) are to be interpreted and enforced in accordance with the provisions of the Limited Warranty;

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

(d) that the items described as "not covered" in the Limited Warranty Addendum are common and normal deviations in construction, are not "defects" as defined in Revised Code of Washington 64.35.105(10), and do not provide the basis for any claim against Seller and Seller's general contractor, subcontractors, vendors, suppliers and other professionals;

(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 general 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 and Limited Common Elements.

In addition to the Limited Warranty attached hereto as **Exhibit C**, Buyer has been provided a sample Warranty Book (attached hereto as **Exhibit E**) and has read and understands the 10-year limited warranty administered by Residential Warranty Company, LLC (the "10-Year Warranty") described in the Warranty Book. Validation of the 10-Year Warranty is not guaranteed, but is conditioned on the satisfactory completion of any required inspections, upon Seller's compliance with all of RWC's enrollment procedures, and upon Seller remaining in good standing in the RWC Program. Buyer understands and agrees that the Limited Warranty provided by Seller as **Exhibit C** to this CPSA shall be the primary Limited Warranty, and Buyer shall first look to that Limited Warranty before making any claim under the 10-Year Warranty. Buyer understands and agrees that the Limited Warranty attached as **Exhibit C** to the CPSA and the 10-Year Warranty are provided by Seller in lieu of all other warranties, verbal agreements or representations to the extent permitted by law; and Seller makes no warranty express or implied as to the quality, fitness for a particular purpose, merchantability, habitability or otherwise, except as expressly set forth in this CPSA, in the Limited Warranty, in the 10-Year Warranty, or as required by law. Buyer understands and agrees the warranties of all appliances and other consumer products installed in the Unit are those of the manufacturer or supplier and the same are assigned to Buyer, effective on the date of Closing. In any event, Seller shall not be liable for any personal injury or other consequential or secondary damages and/or losses which may arise

from or out of any and all defects. Except for the purchasers of FHA or VA financed homes, Buyer acknowledges and understands that the 10-Year Warranty includes a provision requiring all disputes that arise under the 10-Year Warranty be submitted to binding arbitration. On or prior to Closing, Buyer agrees to complete and submit the "Application for Warranty" attached hereto as **Exhibit E-1**.

10. MAINTENANCE. Buyer agrees to comply with and perform any and all maintenance recommendations provided by any contractor working on the Condominium or any manufacturer providing materials for the Condominium, and all Unit maintenance obligations. The Unit maintenance obligations shall be delivered to Buyer on or before closing. Buyer acknowledges and agrees that in the event Buyer fails to perform such ongoing maintenance, Buyer waives any claims against 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. 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.

12. SELLER'S EXISTING MORTGAGE. Buyer is advised that there may be an underlying mortgage loan on the Condominium. Buyer understands that all of the terms and provisions of the CPSA are and shall be subordinated to the lien of any such existing mortgage, but if this transaction is consummated, Seller shall cause the mortgage to be partially released upon Closing to the extent of Buyer's interest purchased.

13. TITLE INSURANCE AND CLOSING AGENT. Title insurance shall be ordered through Pacific Northwest Title Insurance Company of Washington, the escrow department of which shall act as Closing Agent for the Closing. Seller reserves the right to change the title company and the Closing Agent at any time before Closing upon notice to Buyer. Buyer has the right to utilize a different title insurance company, provided, however, that Seller shall not be obligated to pay a higher premium for a Buyer-selected title insurance company than Seller would be required to pay to Pacific Northwest Title Insurance Company. Notwithstanding Paragraph (e) of the CPSA, the Title Insurance Company shall issue a standard form Owner's Policy (ALTA 1992). Buyer shall pay one-half of the normal schedule escrow fee. Seller may be entitled to a builder's discount on its portion of the escrow fee. Contacts for the title insurance company and Closing Agent are as follows:

Title
Kelly Cornwall
Pacific Northwest Title Company of WA, Inc.
215 Columbia Street, 4th Floor
Seattle, WA 98104-1511
Phone: (206) 343-1335
Fax: (206) 343-8401

Escrow
Laura Johnson
Pacific Northwest Title Company of WA, Inc.
215 Columbia Street, 4th Floor
Seattle, WA 98104-1511
Phone: (206) 343-1342
Fax: (206) 343-4720

14. CONDITION OF TITLE AND PRORATIONS. Notwithstanding paragraph d of the CPSA, the lien of the existing South Lake Union Street Car local improvement district assessment (“**Existing LID**”) shall not be satisfied by Seller at Closing, and Buyer shall pay any portion thereof payable after Closing, the Existing LID is payable in annual installments and shall be prorated at Closing. Under the Existing LID, the City of Seattle has the ability to assess additional amounts in the event the costs of construction exceed certain anticipated costs. In the event the City increases the amount assessed under the Existing LID, such additional amount shall not be paid by Seller, but will remain an additional or increased lien against the property and paid by Buyer in annual installments as provided under the Existing LID. Further, notwithstanding Paragraph D of the CPSA, in the event any additional local improvement district assessment, other assessment or tax is created on or after the date of this CPSA (“**New Assessment**”), Seller shall not be obligated to pay off such New Assessment at Closing, and Buyer agrees to take title subject to such New Assessment. Provided, however, that upon the creation of any New Assessment, Seller shall provide Buyer with notice of such New Assessment (“**New Assessment Notice**”). If the New Assessment Notice indicates a monetary assessment that will result in an assessment against the Unit of more than \$0.90 per square foot per year, Buyer shall have the option to terminate this CPSA upon Buyer’s election within ten (10) days of receipt of such New Assessment Notice. If Buyer does not elect to terminate within ten (10) days of receipt of a New Assessment Notice, Buyer shall be deemed to have accepted such assessment and assume responsibility for such at Closing. Matters disclosed in the Public Offering Statement shall not cause title to the Unit to be unmarketable. If the New Assessment Notice indicates a monetary assessment that will result in an assessment against the Unit of less than \$0.90 per square foot per year, then Buyer agrees to purchase the Unit subject to such assessment.

15. OCCUPANCY REPRESENTATION. Buyer hereby represents and warrants that the Unit will be Buyer's principal residence (as defined in the U.S. Internal Revenue Treasury Regulation 1.121-1(b)) upon Closing. Buyer agrees to execute “**Buyer’s Declaration and Occupancy Addendum**” attached hereto as **Exhibit D**, the obligations of which shall survive Closing. Buyer agrees to make the same representation and warranty to any lending institution to which it makes a loan application to purchase the Unit. Buyer acknowledges that Seller is not selling the Unit as an investment vehicle or security, that no security registration has been filed or prospectus prepared for any such sale, and that no representations, expressed or implied exist with respect to the future sale, value or marketability of the Unit.

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

Insulation	Type	Thickness	R-Value
Exterior Walls (First Floor)	Rigid	3/4" +3"	3.8 + 19
Exterior Walls (2 nd to 6 th Floors)	Batt	5 1/2"	21
Top Floor/Roof	Rigid	6"	38
Garage Ceiling	Rigid	5"	30

If the above table is blank, or is changed by Seller during construction, then the insulation type, thickness and R-Value shall be disclosed to Buyer in a separate notice as they become known.

17. DECLARATION AND BYLAWS. Seller may make amendments to the Declaration, Articles, Bylaws, Survey Map and Plans, Association Budget, and Public Offering Statement, prepared by or for Seller as Seller may deem desirable (or as may reasonably be required by lenders, investors, or title insurance companies to meet reasonable requirements for title insurance and mortgagee protection); but if before this sale is closed, amendments are made substantially reducing the voting percentage, or liability for common expenses, without first obtaining the written approval of Buyer, Buyer shall be entitled to rescind the CPSPA. Buyer's failure to disapprove in writing any of the documents referred to in this paragraph (or amendments thereto) within seven days of receipt of such documents (or amendments) shall be deemed Buyer's approval thereof.

18. UNIT AREA. The Unit areas shown in the recorded Declaration are based on a surveyor's "as built" determination of the boundaries of the Units, using the interior face of the perimeter walls of the Units as the Unit boundary. The "as built" areas may be different from the areas shown on plans, specifications, listing agreements, or advertising brochures for the Condominium.

19. PARKING/STORAGE. The locations of parking and storage are shown on the final Survey Map and Plans. No changes to assigned parking or storage may be made without Seller's written approval. Any reference to the location or size of any parking space or storage area in any addendum or other document (including the Survey Map and Plans) is approximate and not intended to be an exact depiction thereof. Buyer is responsible for verifying that Buyer's vehicle or vehicles are able to enter the parking area and assigned parking space or spaces. Buyer shall have the exclusive right to use, as Limited Common Elements, the following parking space(s) and/or storage area(s), as shown on the final Survey Map and Plans for the Condominium:

Parking Space(s) _____ [Buyer initial: _____]
 Storage Area(s) _____ [Buyer initial: _____]

20. CONTINUED CONSTRUCTION. Buyer acknowledges that at the time of taking possession of the Unit and for an indefinite period thereafter, construction in the building in which the Unit is located (and other improvements and common and limited common elements) might not be completed and that renovation or construction work might be continuing.

21. ASSESSMENTS; INSURANCE. Buyer shall pay at Closing an amount equal to two (2) months' assessments which will be treated as an initial contribution to the working capital of the Association plus, if assessments have commenced, a pro rata portion of the current month's assessment. If Seller has previously paid such contribution with respect to the Unit, the Closing Agent shall pay Buyer's contribution to Seller. Seller may elect to pay all actual costs of the Association and delay commencement of monthly assessments. Buyer acknowledges that the initial level of assessments is based on a budget which is only an estimate of the future expenses of the Association and that the budget and initial level of assessments are subject to change before and after Closing.

Buyer shall be required to obtain standard owner's condominium insurance for improvements within the Unit, liability and personal contents and shall deliver to the Association at closing a certificate of insurance or other proof that such insurance has been obtained. The amount of such insurance coverage shall be no less than the amount of the Association's insurance deductibles.

22. REAL ESTATE TAXES. Real estate taxes shall be prorated between Seller and Buyer as of Closing. If real estate taxes have not been segregated among the Units by the Closing Date, the proration shall be based on the Unit's Interest in Common Elements and the total unsegregated taxes for the Condominium. If during the year in which Closing occurs, the real estate taxes due for that year are increased after Closing because of completion of construction, any tax increase shall also be prorated as of the Closing Date, provided that no adjustment shall be made unless the amount of the adjustment would exceed fifty (\$50) dollars.

23. MANAGEMENT BY SELLER. Seller, as Declarant, may retain for the period stated in the Declaration the full effective management authority of the Owners Association for the Condominium.

24. COMPLETE AGREEMENT; REPRESENTATIONS. There are no other express or implied agreements, promises or representations except as set forth herein or in the Public Offering Statement or in another document signed by Buyer and Seller. 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 Agreement, including flyers, brochures, renderings, advertisements or listing information.

25. NO AFFILIATE LIABILITY. Neither City Investors LLC, Vulcan Real Estate, Vulcan Inc, nor any member in Seller, and no affiliates or advisors of such entities is a "seller" under this CPSA or a "declarant" in the Declaration, nor shall any of them have any liability under this CPSA or in connection with the Condominium, and Veer Lofts Venture LLC, a

Washington limited liability company, is acknowledged by Buyer as being the sole and exclusive entity that is the Seller herein and declarant under the Declaration.

26. ASSIGNMENT. Notwithstanding paragraph o of the CPSA and the designation of the "Buyer" in paragraph 2 of the CPSA, Buyer may not assign Buyer's rights under the CPSA without the prior written consent of Seller, which may be withheld in Seller's sole discretion.

27. ATTORNEY REVIEW. This transaction is is not (is not, if no box checked) subject to review and approval of Buyer's attorney of the legal terms of this CPSA. If it is, such approval shall be deemed to have been given unless within five (5) days of mutual acceptance Seller receives written notice of disapproval together with an explanation for the withholding of approval.

28. RISK OF LOSS. All risks of loss shall be upon the Seller until Closing or earlier occupancy by Buyer.

29. SURVIVAL OF PROVISIONS. The following provisions of this Addendum shall survive Closing: 8, 9, 10, 11, 14, 15, 17, 18, 20, 21, 22, 23, 24, 25 and 31.

30. ONE BUYER'S SIGNATURE. Any and all amendments, addenda or exhibits to the CPSA signed by one Buyer shall be deemed authorized and approved by all persons who have signed the CPSA and this Addendum as Buyer.

31. ADDENDUM CONTROLS. The provisions of this Addendum shall control over any conflicting provisions of the CPSA or any other written document.

[End of page; signatures follow.]

SELLER:

VEER LOFTS VENTURE LLC, a Washington
limited liability company,

By: City Investors LLC, a Washington limited
liability company, its managing member

By: _____

Name: _____

Its: _____

BUYER:

EXHIBIT A

Unit _____, Veer Lofts, a condominium; a condominium intended for single family residence use only, according to Survey Map and Set of Plans, recorded in Volume 252 of Condominium Plats, Pages 76 through 89 inclusive, in the records of King County, Washington under Recording No. 20080902001625 said Survey Map setting forth and delineating a description of the land as provided in RCW 64.32.090(1); and according to Condominium Declaration recorded under King County Recording No. 20080902001626, TOGETHER WITH a percentage undivided interest in the Common Areas and Facilities appertaining to said Unit and further described in the Condominium Declaration; AND TOGETHER WITH the right of use of those Common Elements and Limited Common Elements, if any, appertaining to said Unit (as described in the Condominium Declaration), the general location of which is shown in the Survey Map and Plans, but the exact dimensions of which may not be defined;

situate in King County, Washington.

EXHIBIT B
LIST OF DEFICIENCIES

List of deficiencies covered:

- inoperable heat/plumbing/electrical
- inoperable appliances
- inoperable windows, doors, and cabinets

Not covered:

- hairline cracks (not exceeding warranty tolerance of 1/4" in width) and/or discoloration in concrete floors
- discoloration and/or patches in car decking ceilings and/or glu lam beams (if applicable)
- variation in color, tone, shade, grain, and texture of natural products such as stone, wood, cork, tile, marmoleum, and concrete

EXHIBIT C

LIMITED WARRANTY ADDENDUM

VEER LOFTS, A CONDOMINIUM
LIMITED WARRANTY ADDENDUM

Addendum No. _____ to Purchase and Sale Agreement dated the _____ day of _____, 200__

Unit No. _____

Name of Buyer(s):

Seattle, Washington

Seller and Buyer agree that Seller's and Declarant's warranties to Buyer and to Buyer's successors and transferees, for the Unit and all Common Elements in the Condominium identified above, are limited to the terms stated in this Limited Warranty Addendum (this "Warranty"). The definitions of terms set forth in the Condominium Declaration apply in this Warranty. As used in this Warranty, the term "Common Elements" includes the Common Elements, the Limited Common Elements, Residential Limited Common Elements and Commercial Limited Common Elements of the Condominium.

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. In addition, this Warranty Addendum requires Buyer to execute a further disclaimer of the implied warranties with regard to additional specific defects or failures to comply with law which Seller may discover prior to closing. The parties will amend this Warranty Addendum to describe any such additional specific defects or failures.

THE PROVISIONS OF THIS LIMITED WARRANTY ADDENDUM ARE AN INTEGRAL PART OF THE SELLER'S DETERMINATION OF THE VALUE OF THE UNIT AND ARE AN INTEGRAL BASIS OF THE BARGAIN AGREED TO BY SELLER AS TO THE PURCHASE PRICE FOR THE UNIT. **THE BUYER SHOULD NOT CONSUMMATE THE PURCHASE OF THE UNIT UNLESS THE BUYER AGREES TO EACH AND EVERY TERM AND CONDITION CONTAINED IN THIS LIMITED WARRANTY ADDENDUM.**

[Buyer initial: _____]

[Buyer initial: _____]

1. Implied Warranties. Subject to the modifications and exclusions stated in Sections 2 through 4 and on attached Attachment A, and the obligation to comply with the

claims procedure stated in Section 5 and submit to mediation and arbitration pursuant to Section 6 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. 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; provided, however, there shall be no claim under this Warranty unless Buyer or the Association establishes that the alleged breach has adversely affected or will adversely affect the performance of the portion of the Unit or Common Elements alleged to be in breach to a degree that is significant to a reasonable person.

2. 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, window systems and foundation for the Improvements require regular maintenance, particularly during the first couple of years following the initial construction, and can be expected to fail at different 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.

d. Sound Transmission. Buyer realizes that the Unit is in a multi-family building in an urban environment; therefore, Seller makes no warranty or representation as to vertical or horizontal sound transmission that may arise from activities or building systems in any Unit, the interior and exterior Common Elements or outside the Condominium. 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 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 and Common Elements; including, but not limited to, noise from the heating and air conditioning equipment, noise from winds on exterior, contraction and expansion of window system, noise from overhead garage doors, fans in utility areas, air intake and exhaust, mechanical equipment on the roof or in other areas, trash chute, elevators, fluorescent lighting and the transformer vault. Buyer also realizes that nearby Lake Union is home to Kenmore Air, the largest seaplane operator in North America with more than 30,000 take-offs and landings each year. Noise has been an issue for the communities surrounding the lake but operators such as Kenmore Air have voluntarily modified flight paths, restricted hours of operation and installed quieter engines.

e. View. Seller makes no representation or warranty that the view from the Unit, 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. In particular, Buyer acknowledges that Buyer is purchasing a Unit in the South Lake Union area of Seattle, an area that is experiencing considerable and rapid redevelopment, which may include changes in the zoning classifications and height restrictions of properties in the vicinity of the Condominium, and that such developments could adversely affect views from Units in the Condominium. It is anticipated that many of the developments may be done by companies affiliated with 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 Purchase and Sale 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 the Condominium in connection with such developments. Seller's affiliates own a substantial amount of property in the South Lake Union area. Seller's affiliates intend to redevelop much of that property; however, Seller makes no representation or guaranty that redevelopment will actually occur. Specifically, Seller's affiliates own several pieces of property immediately adjacent to the Condominium, including (a) the entire block now comprising the King County Library Warehouse building; and (b) the full half block across 9th Avenue at the SE corner of 9th and Harrison; Seller's affiliates are seeking to redevelop each of these properties. Seller's affiliates do not represent that such redevelopment will occur, or that Seller's affiliates will continue to own these properties. Buyer acknowledges that it is aware of the potential for redevelopment in the South Lake Union neighborhood and in properties immediately adjacent to the Condominium and understands and agrees that Seller has no obligation to further disclose to Buyer any intended or actual development plans for the immediate adjacent properties or other properties in the South Lake Union area.

f. Mold, Mildew 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.. Currently, there are no federal or state standards for the acceptable levels of mold in a residential structure. The most common method, which is set forth by the American Board of Industrial Hygiene, is to test mold levels by comparing outside levels of mold with inside levels. Generally, mold levels inside the Condominium should be roughly the same as or lower than the levels outside. For one year after closing, should Buyer discover and Seller confirm the presence of mold in the Unit excluding normal household mold and mildew that might occur on kitchen or bathroom tile (and excluding mold and mildew that might occur in unconditioned spaces), Seller agrees to test and remediate to the appropriate levels as set forth above, at no cost to Buyer, provided however, that Seller shall have no liability or responsibility to remediate if the presence of mold arises out of any alterations or other actions of Buyer. The methods of testing and remediation, if necessary, will be at Seller's sole discretion. After one year, Seller will remediate only if the presence of mold is caused by a construction defect that is covered at such time under this Warranty. Except as specifically set forth in this notice, Seller shall not be responsible for any damages, liabilities, claims or losses incurred by Buyer arising out of or relating to mold, including, but not limited to, property damage, personal injury, loss of income, emotional distress, loss of use, or loss of value and Buyer hereby releases Seller from same.

g. Variations in Natural Products. This Warranty provides you with protection against defects in material and workmanship under normal installation, use and service but not from variations in the shade, tone, texture, and grain of the natural products used in the Units. The cork, stone, tile, linoleum and concrete surfaces comes from naturally occurring variations in grain, texture and color of the products themselves. These variations can also cause noticeable differences in the Unit's cabinets, counter tops, shower and bath surrounds, fireplace surrounds, and floors. These grain, shade, tone, texture and color differences are a natural and acceptable condition of these products. The naturally occurring variations and differences in color, tone, shade, grain and texture are within Seller's product standards and commercial tolerance. The stone, tile, concrete, linoleum and cork in the Unit are products of nature and variations in color, texture and surface smoothness are beyond the Seller's control and can be expected. All of these products have more pronounced imperfections and veining in their finished surface than man-made or manufactured products. Buyer acknowledges that Buyer has reviewed the stone, tile, concrete, cork and linoleum, samples in the sales center and understands that these variations exist and that there are inherent variations between the different stone, tile, concrete, wood, palmwood, bamboo, wood veneers and wood engineered product selections.

h. Concrete Surfaces. Concrete surfaces are a man-made material inherent to variation. The surfaces will be uneven, will have variations in the surface and may develop cracks.

i. 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 wall ovens, range hood,, cook top, refrigerator, microwave oven, dishwasher, garbage disposal, washer and dryer, bathroom fixtures, lighting fixtures, garage doors and heating/ventilation equipment. Seller makes no warranties or representations with respect to furnishings and equipment provided to Association for use in operation or maintenance of the

Common Elements. With respect to all such appliances, furnishings and equipment, Seller's sole obligation is to assign to Buyer or the Association all warranties and guarantees furnished to Seller from the suppliers or manufacturers of the items.

j. Damage Caused by Buyer and Others. This Warranty excludes all defects and damage to the extent caused or made worse by (i) negligence, failure to inspect, lack of maintenance, improper maintenance, improper use, improper operation or other action by anyone other than Seller or its agents or contractors; (ii) failure of Buyer or the Association to minimize or prevent damage in a timely manner, including failure to allow timely access or inspections and repairs by Seller or its agents; (iii) failure of Buyer or the Association to comply with the warranty requirements of manufacturers or suppliers of appliances, fixtures or equipment; (iv) failure of Buyer or the Association or their agents, employees, contractors or consultants to follow maintenance recommendations given by Seller or its agent to Buyer or the Association or commonly accepted maintenance obligations; (v) ordinary wear and tear, misuse, abuse or neglect; (vi) use for other than its intended purpose; (vii) abnormal loading on floors, decks or other surfaces by Buyer that exceeds building design loads; (viii) making or installation of holes, penetrations, windows or skylights in the Unit or Common Elements by anyone other than Seller or its employees, agents or contractors; (ix) failure of Buyer or the Association to mitigate damages; or (x) alterations to the Unit or Common Elements by anyone other than Seller or its employees, agents or contractors.

k. Personal Injury and Consequential Damages. This Warranty excludes 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.

l. Defined Standards and Tolerances. The standards and tolerances for determining whether a breach of this Warranty has occurred are specified in Attachment A to this Warranty ("Defined Standards and Tolerances"); provided, however, notwithstanding a failure to meet the Defined Standards and Tolerances, there shall be no claim under this Warranty unless the failure has adversely affected or will adversely affect the performance of a portion of the Unit or Common Elements.

m. Warranty at Time of Purchase. This Warranty applies only to the construction and condition of the Unit and Common Elements at the time of Seller's sale of the Unit to Buyer. This Warranty does not extend to future performance or duration of any improvement or component of the Condominium, and Seller makes no such warranty.

n. Other Limitations and Exclusions. This Warranty excludes 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.

3. Apparent Unit Defects. Buyer had the opportunity to make a detailed walk-through inspection of the Unit prior to the date of the CPSA. Any defects in appearance, or damage to, the surfaces and fixtures in the Unit (“Apparent Unit Defects”) are listed on **Exhibit B** to the CPSA. Buyer waives all claims for any Apparent Unit Defects and this Warranty shall not extend to any Apparent Unit Defects. “Apparent Unit Defects” include but are not limited to defects, inconsistencies, non-conformity and pre-existing damage in and to: paint, ceilings, concrete and other floor materials, cork, tiling or ceramic surfaces, linoleum, electrical and heating/cooling/ventilation fixtures, bathroom fixtures and hardware, door and window hardware, window coverings, fireplace, cabinets, countertops and other surfaces in the Units.

4. Apparent Common Element Defects. Buyer and Seller agree that 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 damage and in order to allow Seller the opportunity to correct such defects. Therefore, within sixty (60) days after the termination of the period of Declarant control provided in the Declaration, the Association, by its board of directors, shall participate in a meeting (“Inspection Meeting”) with Seller at the Condominium to inspect the Common Elements jointly. If the Inspection Meeting has not taken place within the above time, Seller may schedule it at any time during ordinary business hours or other agreed time, by seven (7) days prior written notice to the Association. At the time of the Inspection Meeting, 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 Attachment A hereto, “Defined Standards and Tolerances”) and of which the Association timely notifies Seller in writing at the time of the Inspection Meeting. Buyer and the Association waive all claims for any Apparent Common Element Defects of which Seller is not notified in writing at the time of the Inspection Meeting, and this Warranty shall exclude any Apparent Common Element Defects of which Seller is not notified in writing at the time of the Inspection Meeting. “Apparent Common Element Defects” include but are not limited to visible or apparent defects, inconsistencies, non-conformity and pre-existing damage in and to: decks, walkways, siding, exterior surfaces, roofs, gutters and drainage pipes, landscaping, retaining walls, foundations, garages, paved surfaces, paint, wall coverings, window glass, ceilings, concrete and other floor materials, carpets, tiling or ceramic surfaces, electrical, plumbing and heating/cooling/ventilation fixtures, and door and window hardware.

5. Claims Procedure. Each claim under this Warranty which is made by Buyer with respect to the Unit, or by the Association with respect to a Common Element, shall first be made in writing, entitled “Notice of Claim,” and shall contain a detailed description of the claimed defect. Each claim shall be mailed, postage paid, to:

Veer Lofts Venture LLC
505 Fifth Avenue South Suite 900
Seattle, Washington 98104

or to such other address or addresses as Seller shall provide to Buyer. Buyer and/or the Association shall provide 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 thirty (30) days after Seller's receipt of the claim. Seller shall have the right to cure the defective construction described in the claim to conform with this Warranty within ninety (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 fourteen (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 this Warranty 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 this Warranty based upon prevailing rates for Seller's employees or contractors.

6. Legal Action; Time Limitation. Any legal action asserting a claim under this Warranty or any other claimed warranty relating to the Unit or Common Elements must be commenced within four (4) years after the cause of action accrues. A cause of action accrues, regardless of Buyer's lack of knowledge of the breach: (a) as to the Unit, the date Buyer is first entitled to possession of the Unit; and (b) as to each Common Element, at the latest of (i) the date the first Unit in the Condominium was conveyed to a bona fide purchaser, (ii) the date the Common Element was completed, or (iii) the date the Common Element was added to the Condominium.

7. Seller's Right to Inspect and Make Repairs. Seller shall have the right, but not the obligation, to conduct inspections and tests from time to time of all or any parts of the Condominium in order to ascertain the physical condition of the improvements in the Condominium and to determine whether maintenance, repairs or replacements of any such improvements are indicated. Seller shall pay all costs of such inspections and tests made pursuant to this Section, shall have the right to make such repairs as Seller deems appropriate, shall restore the affected portion of the property to its condition immediately prior thereto, and shall indemnify the Association and Owners of any affected Units from any damage resulting therefrom. Seller shall have such rights of entry on, over, under, across and through the property in the Condominium as may be reasonably necessary to exercise the rights described in this paragraph. Seller shall provide reasonable advance notice to the Association of the inspections and repairs, shall permit representative of the Association to be present during the inspections and repairs and shall provide the Association copies of inspection reports.

8. Defects Encountered in Construction Process; Further Disclaimer and Modification of Warranty. Buyer acknowledges that defects and construction problems may have occurred during the construction process and have been corrected by the general contractor and subcontractors during the course of or after the construction process, and Buyer agrees that if defects or construction problems have occurred during the construction process, this is not of itself a matter requiring disclosure to Buyer. In the event Seller encounters a problem that it does not

intend to correct or issue Seller wishes disclose to Buyer, Seller reserves the right to disclaim that problem or issue and modify this Warranty accordingly. In which event, Buyer may (a) rescind the purchase and sale agreement by written notice of rescission given to Seller within seven (7) days of receipt of the disclaimer; (b) accept a change to the purchase price, if that is offered by Seller; or (c) close the purchase of the Unit on the terms of the Warranty, as modified.

9. Subsequent Buyers. If Buyer sells the Unit at any time within four (4) 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 Buyer's rights under this Warranty at the time of such sale. If Buyer fails to comply with this Paragraph, Buyer shall indemnify, defend and hold harmless Seller from and against all damages, costs, attorney fees and expenses caused by such failure.

10. No Other Warranties. Seller and Buyer agree that there are 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 those stated in the Implied Warranty.

11. Survival and Savings. This Warranty shall survive the conveyance of title, delivery of possession of the Unit, or other final settlement between Seller and Buyer, and shall be binding upon Seller and Buyer notwithstanding any provision to the contrary contained in the contract of purchase or other writing executed by Buyer or Seller. If any part of this Warranty is held invalid or unenforceable, such invalidity or unenforceability shall not affect the remainder hereof.

Seller and Buyer have executed this Warranty Addendum as of this _____ day of _____, 200_____.

SELLER:
Veer Lofts Venture LLC a Washington limited liability company

By: City Investors LLC, a Washington limited liability company, its manager

BUYER(S):

By: _____
Its _____

ATTACHMENT A TO WARRANTY ADDENDUM

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 Warranty, subject to all modifications, exclusions and limitations of the Warranty, provided that Buyer and/or the Association have performed proper maintenance of the affected improvements, and provided that Buyer and/or Association have complied with all applicable provisions of the Warranty, 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 to the Unit during the term of the Warranty and at the Inspection Meeting and during the term of the Warranty (for Common Elements). 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 Warranty, 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:

- (i) Concrete foundation wall cracks greater than 1/4 inch in width.
- (ii) Cracks in blocks, bricks, and mortar joints greater than 3/8 inch in width.
- (iii) Cracks in concrete garage floors greater than 1/4 inch in width or 1/4 inch in vertical displacement. Finishes with Class B tolerances shall be true planes within 1/4 inch in 10 feet, as determined by a 10 foot straight edge placed anywhere on the slab in any direction.
- (iv) Concrete slab cracks which cause finished floor coverings to rupture.

(b) Not Covered:

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

2. Grading and Drainage

(a) Covered:

- (i) Excessive ground settlement (greater than 6 inches) around foundation, utility trenches, or other filled areas (settled areas filled only once).
- (ii) 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:

- (i) Any condition not described above.

3. Foundation Waterproofing

(a) Covered:

- (i) Garage will be suitable for intended uses for parking and storage, but no warranty that garage will be waterproof and/or free from water.

(b) Not Covered:

- (i) Seepage of water or wetness in garage areas.
- (ii) Water infiltration (and any resulting damage) caused by improper use or maintenance procedures, such as pressure washing or excessive overspray.
- (iii) Seepage of water between levels of parking garage due to small cracks in concrete walls or floors.
- (iv) Mold/mildew and related odors in storage areas.
- (v) Actual flow and accumulation of a material amount of water in garage areas.

4. Carpentry

(a) Covered:

- (i) 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.
- (ii) Large areas of subfloor that are loose.

(b) Not Covered:

- (i) Movement, creaks and squeaks in framing members and fasteners caused by expansion, contraction and normal settlement.
- (ii) Vibration or deflection of floors, provided construction is within applicable building code.
- (iii) Expansion, contraction and shrinkage due to improper heating, cooling or ventilation.

5. Roofing

(a) Covered:

- (i) Roof leaking and flashing leaks due to improper installation or materials, when not caused by snow and ice buildup.
- (ii) Leaks in gutters and downspouts not caused by debris.
- (iii) Water stays in gutter (in excess of one inch) not caused by debris or excessive rainfall.
- (iv) Inadequate insulation that does not meet applicable building code.
- (v) Leakage through louvers and vents greater than .01oz/sf at 700 fpm air velocity.

(b) Not Covered:

- (i) Leakage caused or made worse by buildup of snow, ice or debris.

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

6. Siding and Caulking

(a) Covered:

- (i) Separation of exterior trim joints in excess of 1/4 inch.
- (ii) Exterior joint separation of siding, delamination of veneer siding or loose siding, if due to improper installation or materials.

(b) Not Covered:

- (i) Cracks in caulking and shrinkage of caulking due to weather or normal wear.
- (ii) Damage or change in color due to atmospheric conditions or accumulation of dirt or other contaminants.
- (iii) Color variation due to repair or replacement.

7. Decks and Terraces

(a) Covered:

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

(b) Not Covered:

- (i) Damage due to lack of regular maintenance or improper care, such as use of solvents or improper use of pressure washer that could destroy the membrane.
- (ii) Imperfections in deck coating, texture or color, including variations due to repair or replacement.
- (iii) Cracks from expansion and contraction of wood or other floor materials.
- (iv) Vibration or deflection, provided construction is within applicable building code.
- (v) Water buildup caused by debris in drains or lack of maintenance.
- (vi) Damage or change in color due to atmospheric conditions or accumulation of dirt or other contaminants.
- (vii) Damage caused by improper loading or storage.
- (viii) Location of equipment or other items on decks or terraces.
- (ix) Stains from natural materials falling on decks or terraces such as leaves or tree branches.

8. Windows, doors and bi-pass doors or panels

(a) Covered:

- (i) 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.
 - (ii) Door panel splits caused by faulty materials or installation.
 - (iii) Windows do not operate with reasonable pressure applied.
 - (iv) Drafts around windows and doors due to defective weatherstripping or improper fit.
 - (v) Faulty glass or window seals.
- (b) Not Covered:
- (i) Warpage of doors caused by owner heating, cooling or ventilation practices, unusually high heat, or temperature or humidity fluctuations.
 - (ii) Binding or sticking due to expansion and contraction.
 - (iii) Discoloration around vents.
 - (iv) Damage or water intrusion resulting from windows or doors left open.
 - (v) Light, noise or odor infiltration, provided construction is within applicable building code.
 - (vi) Derailed bi-fold, pocket or bi-pass doors or panels.
 - (vii) Gaps around doors for ventilation purposes.
 - (viii) Damage caused by failure to maintain vents and weeps, including resultant damage.
 - (ix) Adjustments to door or window hinges and hardware that are considered maintenance items.

9. Glass and Mirrors

- (a) Not Covered:
- (i) Scratches or flaws in windows, glass and mirrors.

10. Interior Walls and Trim

- (a) Covered:
- (i) Faulty installation of trim (separation greater than 1/4 inch).
 - (ii) Walls or ceiling cracks greater than 1/8 inch in width and cracks in tile grout. Fixed one time only during first twelve months of ownership.
- (b) Not Covered:
- (i) Differences in wood grain or color.
 - (ii) Color differences in ceramic tile, glass tile or concrete finishes.
 - (iii) Surface irregularities in woodwork.
 - (iv) Cracking of materials or surfaces caused by building movement or settlement.
 - (v) Cracks at wall/ceiling joint due to building movement or settlement.
 - (vi) Nail pops.
 - (vii) Evenness of wall texture or smoothness unless noticeable beyond a distance of four feet under permanent lighting conditions.

11. Interior and Exterior Paint

- (a) Covered:
 - (i) Peeling paint on railings due to improper installation or defective materials.
- (b) Not Covered:
 - (i) Imperfections existing at closing; paint accepted "as is."
 - (ii) Color variations, fading or staining due to aging or atmospheric conditions.
 - (iii) Color variations due to repair or replacement.

12. Flooring and Covering

- (a) Covered:
 - (i) Cracks in concrete flooring greater than ¼ inch in width or ¼ inch in vertical displacement.
 - (ii) Floor covering that becomes loose or bubbles within six months after closing, if due to improper installation.
 - (iii) Gaps in floor covering in excess of 1/8 inch if due to improper installation and reported within six months after closing.
- (b) Not Covered:
 - (i) Cracks or separation from expansion and contraction of wood or other floor materials.
 - (ii) Fading of floors and floor materials, including wood or other materials.
 - (iii) Color variations in concrete, ceramic, stone, wood or other flooring materials.
 - (iv) Noises caused by expansion and contraction of wood or other floor materials.
 - (v) Scratches or damage to flooring.
 - (vi) Location of carpet seams or slightly raised carpet seams.
 - (vii) Damage caused by improper heating, cooling or ventilation practices.
 - (viii) Re-sealing of tile, stone, grout or other surfaces after initial sealing by Seller. (Buyer is responsible for sealing and ongoing maintenance.)

13. Cabinets and Countertops

- (a) Covered:
 - (i) Cabinet doors and drawers warp in excess of 3/8 inch caused by faulty materials or installation.
 - (ii) Cabinet separates from wall or ceiling in excess of 1/4 inch.
- (b) Not Covered:
 - (i) Differences in wood grain or color.
 - (ii) Differences in grain or color of wood, stone, concrete, laminate or other material in cabinets or countertops.
 - (iii) Scratches, flaws or damage to cabinets or countertops.
 - (iv) Cracking of grout.
 - (v) Cracking of materials or surfaces caused by building movement or settlement.

- (vi) Warpage of cabinet doors caused by owner heating or cooling practices, unusually high heat, or temperature or humidity fluctuations.
- (vii) Delamination or separation due to excessive moisture.
- (viii) Re-sealing/re-waxing of concrete countertops after initial sealing/waxing by Seller. (Buyer is responsible for sealing and ongoing maintenance.)
- (ix) Staining of concrete countertops.

14. Cooling, Heating and Ventilation

(a) Covered:

- (i) Insufficient cooling, heating or ventilation due to manufacturing defect or malfunction.
- (ii) Insufficient cooling, heating and ventilation provided the interior loads do not exceed the design criteria.

(b) Not Covered:

- (i) Insufficient cooling due to natural ventilation program design.
- (ii) Noise due to normal expansion and contraction and air flow.
- (iii) Clogged condensation lines.
- (iv) Damage or failure due to lack of maintenance or failure to operate heating, cooling or ventilation elements as recommended.
- (v) 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.
- (vi) Damage to any item or materials stored in unheated areas.

15. Plumbing, Sprinkler System and Irrigation

(a) Covered:

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

(b) Not Covered:

- (i) Noise due to normal expansion and contraction and water flow.
- (ii) Cosmetic damage to fixtures.
- (iii) Cracking of materials, surfaces or tub, shower or basin units caused by building movement or settlement.
- (iv) "Sudsing" or backflow in sinks and other plumbing fixtures, provided plumbing is within applicable code.
- (v) Staining and performance problems due to water quality.
- (vi) Unsatisfactory water pressure, provided construction is within applicable building code.
- (vii) Damage to or blockage of sprinkler or plumbing systems caused by improper use or storage of materials in close proximity.

16. Electrical and Telephone

(a) Covered:

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

(b) Not Covered:

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

17. Security System

(a) Covered:

- (i) Performance not meeting manufacturer's standards.

(b) Not Covered:

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

18. Landscaping

(a) Covered:

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

(b) Not Covered:

- (i) Damage to or loss of preexisting trees and plants.
- (ii) Damage to water features caused by improper maintenance or operation.
- (iii) Damage caused by freezing temperatures or severe weather.
- (iv) Location or placement of trees, shrubs, irrigation systems or other landscape elements.
- (v) Settlement of soil or mulch in landscaped beds or planters.

19. Cosmetic Items

(a) Not Covered:

- (i) Chips, scratches, or marks on tile, woodwork, walls, floors, ceilings, porcelain, brick, mirrors, plumbing fixtures, stone and concrete countertops, lighting fixtures, appliances, cabinets, and the like for the Unit or not identified during Initial Meeting for Common Elements.
- (ii) Irregularities in painting or staining.
- (iii) Checking or cracking of wood due to drying-out process.
- (iv) Upkeep of any cosmetic element.

(v) Stains on concrete countertops.

Buyer Initials: _____/_____

EXHIBIT D
BUYER'S DECLARATION AND OCCUPANCY ADDENDUM

DATE: _____

SELLER: Veer Lofts Venture LLC

BUYER: _____

PROPERTY: Veer Lofts, a condominium, Unit _____

This Buyer's Declaration and Occupancy Addendum is attached to and forms a part of the Condominium Purchase and Sale Agreement (the "CPSA") between Buyer and Seller dated _____, 20__ for the purchase by Buyer from Seller of the Property described above (the "Unit").

Buyer acknowledges that it is the policy of Seller to provide as many people as possible with the opportunity for home ownership, to promote stability in home ownership within the community in which the Unit is located and to discourage speculation. Buyer acknowledges that Seller is proceeding with the construction of the condominium in substantial reliance on sales to Buyers who intend to complete the purchase of Units for their own account rather than for resale. Seller is not willing to enter into purchase and sale agreements with Buyers who intend to sell their Unit shortly after purchasing them. These speculative Buyers are more likely than those Buyers purchasing for their own accounts to breach their purchase agreements and fail to close if they determine that they will not be able to re-sell their Units at a profit shortly after purchasing it. As a result, sales to speculative Buyers significantly increase Seller's risk of successfully completing the sale of all Units and ultimately could jeopardize the success of the project. Therefore, in order to induce Seller to agree to sell the Unit to Buyer, Buyer declares and agrees as follows:

1. Use as Residence. Buyer represents and covenants to Seller that: (i) Buyer is purchasing the Unit for use as Buyer's principal residence; (ii) Buyer will occupy the Unit as Buyer's principal residence upon the Closing under the CPSA; (iii) Buyer will not transfer Buyer's rights under the CPSA nor enter into any agreement for the lease, sale or other transfer of the Unit that would prevent Buyer from occupying the Unit as Buyer's principal residence or prevent Buyer from holding fee title interest in the Unit, from and after the Closing date for a period of nine (9) months (the "Occupancy Period"). Buyer acknowledges that Seller has materially relied upon the foregoing representations in entering into the CPSA and would not have agreed to sell the Unit to Buyer without such representations.

2. Breach of Representation; Transfer Prior to Close of Escrow. If Seller determines prior to Closing that Buyer has misrepresented its intended occupancy of the Unit as stated in Section 15 of the CPSA Addendum, or made any false statements, misrepresentations or material omissions to Seller's preferred lender, Seller shall have the right to terminate the CPSA and

ADDENDUM TO CPSA, PAGE 29 of 33

Buyer Initials: _____ / _____

retain the Earnest Money and retain any fees or upgrade payments made by Buyer as liquidated damages. Any assignment or other transfer of Buyer's rights under the CPSA, or any lease, sale or other transfer of the Unit prior to Closing shall constitute: (i) a material breach of the CPSA, entitling Seller, at Seller's sole option, to terminate the CPSA and retain all amounts paid by Buyer under the CPSA pursuant to the terms of the CPSA (including the Earnest Money), and (ii) a failure of a condition precedent to Seller's obligation to sell the Unit to Buyer. The provisions of this paragraph shall in no event limit the remedies available to Seller under the CPSA should Buyer otherwise be in default under the CPSA.

3. Transfer at or After Close of Escrow.

(a) Except for "hardship situations" described in Paragraph 4 of this Addendum, any listing for sale, attempt or advertisement for sale, or any sale or other transfer of the Unit by Buyer at or after Closing (a "Sales Event") that results in or is intended to or would result in Buyer not holding fee title interest in the Unit, for the entire Occupancy Period, shall constitute a material breach of the CPSA requiring Buyer to pay to Seller the "Transfer Charge" as calculated below. The Transfer Charge shall equal the excess of sale price of the Unit payable upon the subsequent sale above the purchase price of the Unit paid by the Buyer pursuant to the CPSA, less the following to the extent actually paid by Buyer upon the subsequent sale: (i) brokerage commissions not in excess of 6% of the sales price; (ii) real estate excise taxes; and (iii) title premiums and escrow fees. Notwithstanding the foregoing, the total of all amounts listed in (i), (ii), and (iii) shall not exceed 8.5% of the sales price for the subsequent sale. Buyer shall pay the Transfer Charge to Seller on the date of the Closing of the subsequent sale. The Transfer Charge shall bear interest at the rate of 12% per annum if not paid when due. Seller may provide a copy of this Occupancy Addendum to any escrow agent for the subsequent sale and this Occupancy Addendum shall constitute escrow instructions to such escrow agent. Buyer hereby releases escrow agent from any liability for disbursing the Transfer Charge to Seller from the sales proceeds otherwise due to Buyer from the subsequent sale.

(b) If Buyer has directly or indirectly effected one or more sales or a series of transactions (including, but not limited to, a lease with a purchase option) in order to attempt to reduce the amount payable to Seller under this paragraph, then such sales or series of transactions shall be viewed as one transaction for purposes hereof and the "Sales Event" shall be deemed to have occurred upon the date of the first transaction.

4. Hardship Situations. The following events shall be deemed to constitute hardship situations under which Buyer may sell, lease or otherwise transfer (collectively, a "Transfer") its right, title and interest in the Unit without occupying and holding title to the Unit for the entire Occupancy Period:

(a) A Transfer resulting from the permanent disability or death of either person comprising Buyer (if more than one person);

(b) A Transfer resulting from a decree of dissolution of marriage or legal separation or from a property settlement agreement incident to such decree involving any person comprising Buyer (if more than one);

(c) A Transfer by Buyer (where Buyer is not self-employed) necessary to accommodate a mandatory job transfer outside King, Snohomish or Pierce counties by Buyer's employer;

(d) A Transfer which, in the sole independent judgment of Seller, constitutes a hardship situation consistent with the intentions of this Addendum.

5. No Unreasonable Restraint. Buyer acknowledges and agrees that the purpose of this Addendum is to comply with Seller's current intention to sell homes only to persons who will actually occupy the homes as their principal residence, create a stabilized community of owner-occupied homes, and prevent a shortage of homes for permanent residents. Buyer further acknowledges and agrees that the provisions and restrictions set forth in this Addendum do not constitute an unreasonable restraint upon alienation of the Unit.

6. Survival Severability. All of the representations and covenants contained in this Addendum shall survive the delivery and recordation of the deed conveying the Unit from Seller to Buyer. The provisions of this Addendum shall be independent and severable, and determination of the invalidity, partial invalidity or enforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision of this Addendum or the CPSA.

7. Subordination. Seller and Buyer hereby acknowledge and agree that a violation of this Addendum by Buyer shall not defeat or render invalid (and the covenants and provisions of this Addendum shall be inferior and subordinate to) the lien of any first mortgage or deed of trust made in good faith and for value which is recorded concurrently with the deed conveying the Unit to Buyer or any refinancing thereof.

8. Recordation. At the Closing Seller may record a Memorandum of the terms and conditions of this Addendum or include notice of Seller's rights under this Addendum in the conveyance deed to Buyer.

9. Integration. The terms of this Addendum are incorporated into and made a part of the CPSA. All terms and conditions contained in the CPSA, unless expressly modified or supplemented hereby, shall remain in full force and effect.

SELLER:

Veer Lofts LLC,
a Washington limited liability company

By: City Investors LLC, a Washington limited
liability company, its Managing Member

By: _____

Its: _____

Date: _____

BUYER:

Date: _____

EXHIBIT E

SAMPLE WARRANTY BOOK (ATTACHED)

ADDENDUM TO CPSA, PAGE 33 of 33

Buyer Initials: _____/_____



Real Estate Agent Compensation
("Site Registration Policy")

John L. Scott is pleased to offer compensation (a "Selling Office Commission" or "SOC") to a real estate agent representing a buyer who is the procuring cause of a sale at Veer Lofts.

A commission of three percent (3%) of the purchase price will be paid to real estate agents identified as the buyer's agent in the buyer's purchase and sale agreement and qualifying under any one of the following circumstances:

1. Agents who have registered their buyer through the lottery process;
2. Agents who accompany their buyer at the buyer's first visit to the Discovery Center and register as the buyer's agent at that time;
3. Agents who register their buyer with Jon Hunter by telephone at 206 269 2270 or by email at Jonhunter@johnlscott.com in advance of the buyer's first visit to the Discovery Center;
4. Agents who are registered by their buyer on the buyer's first visit to the Discovery Center; or
5. Agents who personally assist their buyer in the review of the purchase and sale agreement before their buyer signs it.

The SOC will be calculated on the base price of the unit purchased, and not on the price for upgrades, additional parking, storage or the like. No SOC shall be paid if the sale is cancelled or fails to close, whether by reason of rescission, cancellation, buyer's default or otherwise. Any earnest money retained as liquidated damages shall be retained by the seller only.

The foregoing offer of a Selling Office Commission applies only to Veer Lofts.

Acknowledged:

Agent's signature

Date

Please print name

Buyer's signature

Date

Please print name

VEER LOFTS, A CONDOMINIUM

PUBLIC OFFERING STATEMENT ACKNOWLEDGEMENT

In connection with the purchase of a Unit in Veer Lofts, a condominium, the undersigned Purchaser hereby acknowledges receipt, and the undersigned Selling Agent hereby certifies delivery, of a Public Offering Statement dated September 3, 2008, together with copies of all of the documents referred to therein (the "POS").

Purchaser and Selling Agent further acknowledge: that Selling Agent does not have the authority to make, and has not made, any representation or promise on behalf of Seller; and that Seller is liable only for representations and promises contained either in the POS or other written document signed by Seller.

PURCHASER:

Dated: _____

Signature

Print Name

Dated: _____

Signature

Print Name

SELLING AGENT:

Dated: _____

By _____

Its _____

INSTRUCTIONS TO SELLING AGENT

Upon delivery of the POS to the Purchaser, the above acknowledgement must be signed by the Purchaser and Selling Agent; and returned to the Listing Agent. Purchase and Sale Agreements will not be accepted by Seller unless accompanied by the Purchaser's written acknowledgement of receipt of the foregoing documents.

RECEIPT FOR EARNEST MONEY

This Receipt is for Earnest Money received as part of the Purchase and Sale Agreement dated _____
between _____ ("Buyer")
and Veer Lofts Venture, LLC ("Seller")
concerning 401 Ninth Avenue North, Seattle, WA 98109 ("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 LISTING AGENT

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.