

OFFER SAMPLE

RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT SPECIFIC TERMS

1. **Date:** January 1, 2013 **MLS No.:** 00000000
2. **Buyer:** Mr. & Mrs. Buyer
3. **Seller:** Mr. & Mrs. Seller
4. **Property:** Tax Parcel No(s): _____ (_____ County)
Street Address: _____ Washington _____
Legal Description: Attached as Exhibit A.
5. **Included Items:** stove/range; refrigerator; washer; dryer; dishwasher; hot tub; fireplace insert;
 wood stove; satellite dish and operating equipment; security system; attached television(s); attached speaker(s); other _____
6. **Purchase Price:** \$ 300,000.00
7. **Earnest Money:** (To be held by Selling Firm; Closing Agent)
Personal Check: \$ 9,000.00; Note: \$ _____; Other (_____): \$ _____
8. **Default:** (check only one) Forfeiture of Earnest Money; Seller's Election of Remedies
9. **Title Insurance Company:** Rainier Title Co.
10. **Closing Agent:** a qualified closing agent of Buyer's choice; Escrow Professionals of WA
11. **Closing Date:** 01/31/2013
12. **Possession Date:** on Closing; Other _____
13. **Offer Expiration Date:** _____
14. **Services of Closing Agent for Payment of Utilities:** Requested (attach NWMLS Form 22K); Waived
15. **Charges and Assessments Due After Closing:** assumed by Buyer; prepaid in full by Seller at Closing
16. **Agency Disclosure:** Selling Broker represents: Buyer; Seller; both parties; neither party
Listing Broker represents: Seller; both parties
17. **Addenda:** _____

Buyer's Signature _____ Date _____

Seller's Signature _____ Date _____

Buyer's Signature _____ Date _____

Seller's Signature _____ Date _____

Buyer's Address _____

Seller's Address _____

City, State, Zip _____

City, State, Zip _____

Phone No. _____ Fax No. _____

Phone No. _____ Fax No. _____

Buyer's E-mail Address _____

Seller's E-mail Address _____

Selling Firm _____ MLS Office No. _____

Listing Firm _____ MLS Office No. _____

Selling Firm's Assumed Name (if applicable) _____

Listing Firm's Assumed Name (if applicable) _____

Selling Broker (Print) _____ MLS LAG No. _____

Listing Broker (Print) _____ MLS LAG No. _____

Phone No. _____ Firm Fax No. _____

Phone No. _____ Firm Fax No. _____

Selling Broker's E-mail Address _____

Listing Broker's E-mail Address _____

RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT
GENERAL TERMS

Continued

a. Purchase Price. Buyer shall pay to Seller the Purchase Price, including the Earnest Money, in cash at Closing, unless otherwise specified in this Agreement. Buyer represents that Buyer has sufficient funds to close this sale in accordance with this Agreement and is not relying on any contingent source of funds, including funds from loans, the sale of other property, gifts, retirement, or future earnings, except to the extent otherwise specified in this Agreement.

b. Earnest Money. Buyer shall deliver the Earnest Money within 2 days after mutual acceptance of this Agreement to Selling Broker who will deposit any check to be held by Selling Firm, 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 Firm and is over \$10,000.00 it shall be deposited into an interest bearing trust account in Selling Firm'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 shall reimburse Selling Firm for bank charges and fees in excess of the interest earned, if any. If the Earnest Money held by Selling Firm is over \$10,000.00 Buyer has the option to require Selling Firm 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 Firm 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 Firm 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 Firm or Closing Agent may deduct and pay them therefrom. The parties instruct Closing Agent to provide written verification of receipt of the Earnest Money and notice of dishonor of any check to the parties and Brokers at the addresses and/or fax numbers provided herein.

Upon termination of this Agreement, a party or the Closing Agent may deliver a form authorizing the release of Earnest Money to the other party or the parties. The party(s) shall execute such form and deliver the same to the Closing Agent. If either party fails to execute the release form, the other party may make a written demand to the Closing Agent for the Earnest Money. If only one party makes such a demand, Closing Agent shall promptly deliver notice of the demand to the other party. If the other party does not object to the demand within 10 days of Closing Agent's notice, Closing Agent shall disburse the Earnest Money to the party making the demand. If Closing Agent complies with the preceding process, each party shall be deemed to have released Closing Agent from any and all claims or liability related to the disbursement of the Earnest Money. The parties are advised that, notwithstanding the foregoing, Closing Agent may require the parties to execute a separate agreement before disbursing the Earnest Money. If either party fails to authorize the release of the Earnest Money to the other party when required to do so under this Agreement, that party shall be in breach of this Agreement. Upon either party's request, the party holding the Earnest Money shall commence an interpleader action in the county in which the Property is located. For the purposes of this section, the term Closing Agent includes a Selling Firm holding the Earnest Money. The parties authorize the party commencing an interpleader action to deduct up to \$500.00 for the costs thereof.

c. Included Items. Any of the following items, including items identified in Specific Term No. 5 if the corresponding box is checked, located in or on the Property are included in the sale: built-in appliances; wall-to-wall carpeting; curtains, drapes and all other window treatments; window and door screens; awnings; storm doors and windows; installed television antennas; ventilating, air conditioning and heating fixtures; trash compactor; fireplace doors, gas logs and gas log lighters; irrigation fixtures; electric garage door openers; water heaters; installed electrical fixtures; lighting fixtures; shrubs, plants and trees planted in the ground; and other fixtures; and all associated operating remote controls. If any of the above Included Items are leased or encumbered, Seller shall acquire and clear title at or before Closing.

d. Condition of Title. Unless otherwise specified in this Agreement, title to the Property shall be marketable at Closing. The following shall not cause the title to be unmarketable: rights, reservations, covenants, conditions and restrictions, presently of record and general to the area; easements and encroachments, not materially affecting the value of or unduly interfering with Buyer's reasonable use of the Property; and reserved oil and/or mining rights. Monetary encumbrances or liens not assumed by Buyer, shall be paid or discharged by Seller on or before Closing. Title shall be conveyed by a Statutory Warranty Deed. If this Agreement is for conveyance of a buyer's interest in a Real Estate Contract, the Statutory Warranty Deed shall include a buyer's assignment of the contract sufficient to convey after acquired title.

e. Title Insurance. Seller authorizes Buyer's lender or Closing Agent, at Seller's expense, to apply for the then-current ALTA form of Homeowner's Policy of Title Insurance for One-to-Four Family Residence, from the Title Insurance Company. If Seller previously received a preliminary commitment from a Title Insurance Company that Buyer declines to use, Buyer shall pay any cancellation fees owing to the original Title Insurance Company. Otherwise, the party applying for title insurance shall 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, together with homeowner's additional protection and inflation protection endorsements, if available. The Title Insurance Company shall send a copy of the preliminary commitment to Seller, Listing Broker, Buyer and Selling Broker. 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,

Initials: BUYER: _____ Date: _____ SELLER: _____ Date: _____
BUYER: _____ Date: _____ SELLER: _____ Date: _____

RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT
GENERAL TERMS

Continued

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. 60
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f. Closing and Possession. This sale shall be closed by the Closing Agent on the Closing Date. If the Closing Date falls on a Saturday, Sunday, legal holiday as defined in RCW 1.16.050, or day when the county recording office is closed, the Closing Agent shall close the transaction on the next day that is not a Saturday, Sunday, legal holiday, or day when the county recording office is closed. "Closing" means the date on which all documents are recorded and the sale proceeds are available to Seller. Seller shall deliver keys and garage door remotes to Buyer on the Closing Date or on the Possession Date, whichever occurs first. Buyer shall be entitled to possession at 9:00 p.m. on the Possession Date. Seller shall maintain the Property in its present condition, normal wear and tear excepted, until the Buyer is entitled to possession. Seller shall not enter into or modify existing leases or rental agreements, service contracts, or other agreements affecting the Property which have terms extending beyond Closing without first obtaining Buyer's consent, which shall not be unreasonably withheld. 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. 63
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RCW 19.27.530 requires the seller of any owner-occupied single-family residence to equip the residence with a carbon monoxide alarm(s) in accordance with the state building code before a buyer or any other person may legally occupy the residence following the sale. The parties acknowledge that the Brokers are not responsible for ensuring that Seller complies with RCW 19.27.530. Buyer and Seller shall hold the Brokers and their Firms harmless from any claim resulting from Seller's failure to install a carbon monoxide alarm(s) in the Property. 77
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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 shall 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. 82
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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 shall 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 shall 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 shall pay all utility charges, including unbilled charges. Unless waived in Specific Term No. 14, 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 shall 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). 89
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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. 15. 100
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i. Sale Information. Listing Broker and Selling Broker are 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 Broker and/or Selling Broker, on request, any and all information and copies of documents concerning this sale. 104
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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 shall 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. 109
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k. Notices. In consideration of the license to use this and NWMLS's companion forms and for the benefit of the Listing Broker and the Selling Broker 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 113
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Initials: BUYER: _____ Date: _____ SELLER: _____ Date: _____
BUYER: _____ Date: _____ SELLER: _____ Date: _____

RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT
GENERAL TERMS

Continued

signed by at least one Buyer and shall be deemed given only when the notice is received by Seller, by Listing Broker or 117
at the licensed office of Listing Broker. Notices to Buyer must be signed by at least one Seller and shall be deemed 118
given only when the notice is received by Buyer, by Selling Broker or at the licensed office of Selling Broker. Receipt by 119
Selling Broker of a Form 17, Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards, Public 120
Offering Statement or Resale Certificate, homeowners' association documents provided pursuant to NWMLS Form 121
22D, or a preliminary commitment for title insurance provided pursuant to NWMLS Form 22T shall be deemed receipt 122
by Buyer. Selling Broker and Listing Broker have no responsibility to advise of receipt of a notice beyond either phoning 123
the party or causing a copy of the notice to be delivered to the party's address shown on this Agreement. Buyer and 124
Seller must keep Selling Broker and Listing Broker advised of their whereabouts in order to receive prompt notification 125
of receipt of a notice. 126

- i. Computation of Time.** Unless otherwise specified in this Agreement, any period of time measured in days and stated 127
in this Agreement shall start on the day following the event commencing the period and shall expire at 9:00 p.m. of the 128
last calendar day of the specified period of time. Except for the Possession Date, if the last day is a Saturday, Sunday 129
or legal holiday as defined in RCW 1.16.050, the specified period of time shall expire on the next day that is not a 130
Saturday, Sunday or legal holiday. Any specified period of 5 days or less shall not include Saturdays, Sundays or legal 131
holidays. If the parties agree that an event will occur on a specific calendar date, the event shall occur on that date, 132
except for the Closing Date, which, if it falls on a Saturday, Sunday, legal holiday as defined in RCW 1.16.050, or day 133
when the county recording office is closed, shall occur on the next day that is not a Saturday, Sunday, legal holiday, or 134
day when the county recording office is closed. If the parties agree upon and attach a legal description after this 135
Agreement is signed by the offeree and delivered to the offeror, then for the purposes of computing time, mutual 136
acceptance shall be deemed to be on the date of delivery of an accepted offer or counteroffer to the offeror, rather than 137
on the date the legal description is attached. Time is of the essence of this Agreement. 138
- m. Facsimile and E-mail Transmission.** Facsimile transmission of any signed original document, and retransmission of 139
any signed facsimile transmission, shall be the same as delivery of an original. At the request of either party, or the 140
Closing Agent, the parties will confirm facsimile transmitted signatures by signing an original document. E-mail 141
transmission of any document or notice shall not be effective unless the parties to this Agreement otherwise agree in 142
writing. 143
- n. Integration and Electronic Signatures.** This Agreement constitutes the entire understanding between the parties and 144
supersedes all prior or contemporaneous understandings and representations. No modification of this Agreement shall 145
be effective unless agreed in writing and signed by Buyer and Seller. The parties acknowledge that a signature in 146
electronic form has the same legal effect and validity as a handwritten signature. 147
- o. Assignment.** Buyer may not assign this Agreement, or Buyer's rights hereunder, without Seller's prior written consent, 148
unless the parties indicate that assignment is permitted by the addition of "and/or assigns" on the line identifying the 149
Buyer on the first page of this Agreement. 150
- p. Default.** In the event Buyer fails, without legal excuse, to complete the purchase of the Property, then the following 151
provision, as identified in Specific Term No. 8, shall apply: 152
- i. Forfeiture of Earnest Money.** That portion of the Earnest Money that does not exceed five percent (5%) of the 153
Purchase Price shall be forfeited to the Seller as the sole and exclusive remedy available to Seller for such failure. 154
- ii. Seller's Election of Remedies.** Seller may, at Seller's option, (a) keep the Earnest Money as liquidated damages 155
as the sole and exclusive remedy available to Seller for such failure, (b) bring suit against Buyer for Seller's actual 156
damages, (c) bring suit to specifically enforce this Agreement and recover any incidental damages, or (d) pursue 157
any other rights or remedies available at law or equity. 158
- q. Professional Advice and Attorneys' Fees.** Buyer and Seller are advised to seek the counsel of an attorney and a 159
certified public accountant to review the terms of this Agreement. Buyer and Seller agree to pay their own fees incurred 160
for such review. However, if Buyer or Seller institutes suit against the other concerning this Agreement the prevailing 161
party is entitled to reasonable attorneys' fees and expenses. 162
- r. Offer.** Buyer shall purchase the Property under the terms and conditions of this Agreement. Seller shall have until 9:00 163
p.m. on the Offer Expiration Date to accept this offer, unless sooner withdrawn. Acceptance shall not be effective until a 164
signed copy is received by Buyer, by Selling Broker or at the licensed office of Selling Broker. If this offer is not so 165
accepted, it shall lapse and any Earnest Money shall be refunded to Buyer. 166
- s. Counteroffer.** Any change in the terms presented in an offer or counteroffer, other than the insertion of the Seller's 167
name, shall be considered a counteroffer. If a party makes a counteroffer, then the other party shall have until 9:00 p.m. 168
on the counteroffer expiration date to accept that counteroffer, unless sooner withdrawn. Acceptance shall not be 169
effective until a signed copy is received by Seller, by Listing Broker or at the licensed office of Listing Broker. If the 170
counteroffer is not so accepted, it shall lapse and any Earnest Money shall be refunded to Buyer. 171

Initials: BUYER: _____ Date: _____ SELLER: _____ Date: _____
BUYER: _____ Date: _____ SELLER: _____ Date: _____

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

Continued

- 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. 172-174
- u. **Agency Disclosure.** Selling Firm, Selling Firm's Designated Broker, Selling Broker's Branch Manager (if any) and Selling Broker's Managing Broker (if any) represent the same party that Selling Broker represents. Listing Firm, Listing Firm's Designated Broker, Listing Broker's Branch Manager (if any), and Listing Broker's Managing Broker (if any) represent the same party that the Listing Broker represents. If Selling Broker and Listing Broker are different persons affiliated with the same Firm, then both Buyer and Seller confirm their consent to Designated Broker, Branch Manager (if any), and Managing Broker (if any) representing both parties as dual agents. If Selling Broker and Listing Broker are the same person representing both parties then both Buyer and Seller confirm their consent to that person and his/her Designated Broker, Branch Manager (if any), and Managing Broker (if any) representing both parties as dual agents. All parties acknowledge receipt of the pamphlet entitled "The Law of Real Estate Agency." 175-183
- 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 Firm's commission shall be apportioned between Listing Firm and Selling Firm as specified in the listing. Seller and Buyer hereby consent to Listing Firm or Selling Firm receiving compensation from more than one party. Seller and Buyer hereby assign to Listing Firm and Selling Firm, as applicable, a portion of their funds in escrow equal to such commission(s) and irrevocably instruct the Closing Agent to disburse the commission(s) directly to the Firm(s). In any action by Listing or Selling Firm to enforce this paragraph, the prevailing party is entitled to court costs and reasonable attorneys' fees. Seller and Buyer agree that the Firms are intended third party beneficiaries under this Agreement. 184-191
- 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. 192-194
- 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 Firm 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. 195-199

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 Broker. The parties acknowledge that the Brokers are not responsible for assuring that the parties perform their obligations under this Agreement and that none of the Brokers has 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 Broker. In addition, Brokers 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. Brokers do not have the expertise to identify or assess defective products, materials, or conditions. Buyer is urged to use due diligence to inspect the Property to Buyer's satisfaction and to retain inspectors qualified to identify the presence of defective materials and evaluate the condition of the Property as there may be defects that may only be revealed by careful inspection. Buyer is advised to investigate whether there is a sufficient water supply to meet Buyer's needs. Buyer and Seller acknowledge that home protection plans may be available which may provide additional protection and benefit to Buyer and Seller. Brokers may assist the parties with locating and selecting third party service providers, such as inspectors or contractors, but Brokers 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. 200-216

Initials: BUYER: _____ Date: _____ SELLER: _____ Date: _____
 BUYER: _____ Date: _____ SELLER: _____ Date: _____

**FINANCING ADDENDUM TO
PURCHASE & SALE AGREEMENT**

The following is part of the Purchase and Sale Agreement dated January 1, 2013 1
between Mr. & Mrs. Buyer ("Buyer") 2
and Mr. & Mrs. Seller ("Seller") 3
concerning _____ (the "Property"). 4

1. DOWN PAYMENT/LOAN APPLICATION. 5

- a. Loan Application.** This Agreement is contingent on Buyer obtaining the following loan or loans to purchase 6
the Property (the "Loan(s)"): Conventional First; Conventional Second; Bridge; VA; FHA; Rural 7
Development ("RD"); Home Equity Line of Credit; Other _____ (the 8
"Financing Contingency"). Buyer shall pay \$; or % of the Purchase Price _____ 9
down, in addition to the Loans and to make written application for the Loans to pay the balance of the 10
Purchase Price and pay the application fee, if required, for the subject Property within _____ days 11
(5 days if not filled in) after mutual acceptance of this Agreement. If not waived, the Financing Contingency 12
shall survive the Closing Date. 13
- b. Waiver of Financing Contingency.** If Buyer (i) fails to make application for financing for the Property within 14
the agreed time; (ii) changes the type of loan without Seller's prior written consent; or (iii) changes the lender 15
without Seller's prior written consent after the agreed upon time to apply for financing expires, then the 16
Financing Contingency shall be deemed waived. For purposes of this Addendum, "lender" means the party 17
funding the loan. 18

2. SELLER'S RIGHT TO TERMINATE. 19

- a. Right to Terminate Notice.** At any time _____ days (30 days if not filled in) after mutual acceptance, 20
Seller may give notice to Buyer that Seller may terminate the Agreement at any time 3 days after delivery of 21
that notice (the "Right to Terminate Notice"). NWMLS Form 22AR may be used for this notice. 22
- b. Termination Notice.** If Buyer has not previously waived the Financing Contingency, Seller may give notice of 23
termination of this Agreement (the "Termination Notice") any time following 3 days after delivery of the Right 24
to Terminate Notice. If Seller gives the Termination Notice before Buyer has waived the Financing 25
Contingency, this Agreement is terminated and the Earnest Money shall be refunded to Buyer. NWMLS Form 26
22AR shall be used for this notice. 27

- 3. LOAN COST PROVISIONS.** Seller shall pay up to \$; or % of the Purchase Price _____ 28
(\$0.00 if not filled in), which shall be applied to Buyer's Loan(s) and settlement costs, including, but not limited to 29
prepaids, loan discount, loan fee, interest buy down, financing, closing, or other costs allowed by lender. If this 30
sale is contingent on Buyer obtaining an FHA, RD, or VA loan, Seller shall also pay up to \$300.00 for that portion 31
of Buyer's Loan and settlement costs that the Lender is prohibited from collecting from Buyer under FHA/RD/VA 32
regulations. If this sale is contingent on Buyer obtaining a VA loan, Seller shall also pay the full escrow fee for the 33
closing of this Agreement. 34

- 4. EARNEST MONEY.** If Buyer has not waived the Financing Contingency, and is unable to obtain financing after a 35
good faith effort then, on Buyer's notice, this Agreement shall terminate. The Earnest Money shall be refunded to 36
Buyer after Buyer delivers to Seller written confirmation from Buyer's lender confirming (a) the date Buyer's loan 37
application for the subject property was made; (b) that Buyer possessed sufficient funds to close; and (c) the 38
reasons Buyer's application was denied. If Seller terminates this Agreement, the Earnest Money shall be refunded 39
without need for such confirmation from Buyer's lender. 40

- 5. INSPECTION.** Seller agrees to permit inspections required by Buyer's lender, including but not limited to 41
structural, pest, heating, plumbing, roof, electrical, septic, and well inspections. Seller is not obligated to pay for 42
such inspections unless otherwise agreed. 43

Initials: BUYER: _____ Date: _____ SELLER: _____ Date: _____
BUYER: _____ Date: _____ SELLER: _____ Date: _____

**FINANCING ADDENDUM TO
PURCHASE & SALE AGREEMENT**
Continued

- 6. APPRAISAL LESS THAN SALE PRICE.** 44
- a. Notice of Low Appraisal.** If Buyer's lender's appraised value of the Property is less than the Purchase Price, Buyer may, within 3 days after receipt of a copy of lender's appraisal, give notice of low appraisal, which notice shall include a copy of lender's appraisal. 45
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- b. Seller's Response to Notice of Low Appraisal.** Seller shall, within 10 days after Buyer's notice of low appraisal, give notice of: 48
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- (i) A reappraisal or reconsideration of value, at Seller's expense, by the same appraiser or another appraiser acceptable to lender, in an amount not less than the Purchase Price. Buyer shall promptly seek lender's approval of such reappraisal or reconsideration of value. The parties are advised that Buyer's lender may elect not to accept a reappraisal or reconsideration of value; 50
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- (ii) Seller's consent to reduce the Purchase Price to an amount not more than the amount specified in the appraisal or reappraisal by the same appraiser, or an appraisal by another appraiser acceptable to lender, whichever is higher. (This provision is not applicable if this Agreement is conditioned on FHA, VA, or RD financing. FHA, VA, and RD financing does not permit the Buyer to be obligated to buy if the Seller reduces the Purchase Price to the appraised value. Buyer, however, has the option to buy at the reduced price.); or 54
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- (iii) Seller's rejection of Buyer's notice of low appraisal. 60
- If Seller timely delivers notice of reappraisal, reconsideration of value, or consent to reduce the Purchase Price, and Buyer's lender accepts Seller's response, then Buyer shall be bound by Seller's response. 61
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- c. Buyer's Reply.** Buyer shall have 3 days from either Seller's notice of rejection of low appraisal or, if Seller fails to respond, the day Seller's response period ends, whichever is earlier, to (a) waive the Financing Contingency or (b) terminate the Agreement, in which event the Earnest Money shall be refunded to Buyer. Buyer's inaction during this reply period shall result in termination of the Agreement and return of the Earnest Money to Buyer. The Closing date shall be extended as necessary to accommodate the foregoing times for notices. Buyer's waiver of the Financing Contingency constitutes waiver of this Paragraph 6. 63
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- 7. FHA/VA/RD - Appraisal Certificate.** If this Agreement is contingent on Buyer obtaining FHA, VA, or RD financing, notwithstanding any other provisions of this Agreement, Buyer is not obligated to complete the purchase of the Property unless Buyer has been given in accordance with HUD/FHA, VA, or RD requirements a written statement by FHA, VA, RD or a Direct Endorsement lender, setting forth the appraised value of the Property (excluding closing costs). Buyer shall pay the costs of any appraisal. If the appraised value of the Property is less than the Purchase Price, Paragraph 6 above shall apply. 69
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- Purpose of Appraisal.** The appraised valuation is arrived at only to determine the maximum mortgage FHA, VA, or RD will insure. FHA, VA, or RD do not warrant the value or the condition of the Property. Buyer agrees to satisfy himself/herself that the price and condition of the Property are acceptable. 75
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- 8. EXTENSION OF CLOSING TO ACCOMMODATE REQUIREMENTS OF REGULATION Z OF THE TRUTH IN LENDING ACT.** In the event the Annual Percentage Rate ("APR") of Buyer's Loan(s) varies from the APR initially disclosed to Buyer in the Good Faith Estimate provided by Buyer's lender(s) by .125% or more in the case of a fixed rate loan or .250% in an adjustable rate loan, the Closing Date shall be extended for up to four (4) days to accommodate the requirements of Regulation Z of the Truth in Lending Act. This paragraph shall survive Buyer's waiver of the Financing Contingency. 78
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Initials: BUYER: _____ Date: _____ SELLER: _____ Date: _____
BUYER: _____ Date: _____ SELLER: _____ Date: _____

INSPECTION ADDENDUM TO PURCHASE AND SALE AGREEMENT

The following is part of the Purchase and Sale Agreement dated January 1, 2013 1
between Mr. & Mrs. Buyer ("Buyer") 2
and Mr. & Mrs. Seller ("Seller") 3
concerning _____ (the "Property"). 4

1. **a. INSPECTION CONTINGENCY.** This Agreement is conditioned on Buyer's subjective satisfaction with 5
inspections of the Property and the improvements on the Property. Buyer's inspections may include, at 6
Buyer's option and without limitation, the structural, mechanical and general condition of the improvements 7
to the Property, compliance with building and zoning codes, an inspection of the Property for hazardous 8
materials, a pest inspection, and a soils/stability inspection. 9

Buyer's Obligations. All inspections are to be (a) ordered by Buyer, (b) performed by inspectors of Buyer's 10
choice, and (c) completed at Buyer's expense. Buyer shall not alter the Property or any improvements on the 11
Property without first obtaining Seller's permission. Buyer is solely responsible for interviewing and selecting 12
all inspectors. Buyer shall restore the Property and all improvements on the Property to the same condition 13
they were in prior to the inspection. Buyer shall be responsible for all damages resulting from any inspection 14
of the Property performed on Buyer's behalf. 15

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

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

b. Additional Inspections. If an inspector so recommends, Buyer may obtain further evaluation of any 27
item by a specialist at Buyer's option and expense if, on or before the end of the Initial Inspection Period, 28
Buyer provides Seller a copy of the inspector's recommendation and notice that Buyer will seek additional 29
inspections. If Buyer gives timely notice of additional inspections, Buyer shall have _____ (5 days if 30
not filled in) after giving the notice to obtain the additional inspection(s) by a specialist. 31

c. Buyer's Requests for Repairs or Modifications. If Buyer requests repairs or modifications under 32
paragraph 1.a above, the parties shall negotiate as set forth in this paragraph. All requests, responses, and 33
replies made in accordance with the following procedures are irrevocable for the time period provided. 34

(i) Seller's Response to Request for Repairs or Modifications. Seller shall have _____ days 35
(3 days if not filled in) after receipt of Buyer's request for repairs or modifications to give notice that 36
Seller (a) agrees to the repairs or modifications proposed by Buyer; (b) agrees to some of the repairs or 37
modifications proposed by Buyer; (c) rejects all repairs or modifications proposed by Buyer; or (d) offers 38
different or additional repairs or modifications. If Seller agrees to the terms of Buyer's request for repairs 39
or modifications, this contingency shall be satisfied and Buyer's Reply shall not be necessary. If Seller 40
does not agree to all of Buyer's repairs or modifications, Buyer shall have an opportunity to reply, as 41
follows: 42

(ii) Buyer's Reply. If Seller does not agree to all of the repairs or modifications proposed by Buyer, 43
Buyer shall have _____ days (3 days if not filled in) from either the day Buyer receives Seller's 44
response or, if Seller fails to respond, the day Seller's response period ends, whichever is earlier, to (a) 45
accept the Seller's response at which time this contingency shall be satisfied; (b) agree with the Seller 46
on other remedies; or (c) disapprove the inspection and terminate the Agreement, in which event, the 47
Earnest Money shall be refunded to Buyer. 48

Initials: BUYER: _____ Date: _____ SELLER: _____ Date: _____
BUYER: _____ Date: _____ SELLER: _____ Date: _____

INSPECTION ADDENDUM TO PURCHASE AND SALE AGREEMENT

Continued

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

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

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

f. Licensed Home Inspector. If the person performing the inspection is required to be licensed under Chapter 18.280 RCW, then that person must be so licensed.

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

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

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

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

Initials: BUYER: _____ Date: _____ SELLER: _____ Date: _____
BUYER: _____ Date: _____ SELLER: _____ Date: _____