



**CLARK COUNTY
STAFF REPORT**

DEPARTMENT/DIVISION: Public Works/Engineering & Construction Division/Real Property Services

DATE: June 3, 2014

REQUEST: Declare county property surplus and authorize its sale at public auction through the services of Realty Marketing Northwest; and authorize the Director of Public Works to sign the marketing agreement and any subsequent amendments. (Tax parcel numbers: 097895-000, 097900-000, 097901-000 and 097906-000.)

X Consent Chief Administrative Officer

PUBLIC WORKS GOALS:

- Provide safe and efficient transportation systems within Clark County
- Continue responsible stewardship of public funds
- Promote family-wage job creation and economic development to support a thriving community
- Maintain a desirable quality of life
- Improve environmental stewardship and protection of natural resources
- Increase partnerships and foster an engaged, informed community
- Make Public Works a great place to work

BACKGROUND: Three of these properties are at the southeast corner of Highway 99 and N.E. 88th Street, (Tax Parcel Nos. 097895-000, 097900-000 and 097901-000) and were acquired as advanced right of way for improvements that will be needed at the intersection and the NE 88th Street Project; County Road Project 330222. The fourth adjoining property (Tax Parcel No. 097906-000) is at the southwest corner of NE 88 Street and NE 13th Avenue and was acquired for the NE 88th Street Project. The property being surplusd is the remainder after NE 88th Street improvements have been constructed and right-of-way has been retained for future Highway 99 improvements. The property will be sold by sealed bids due June 25, 2014; the reserve price of \$535,000.00 was based on an appraisal.

COMMUNITY OUTREACH: Realty Marketing Northwest advertises in 18 different newspapers through out Washington, Oregon, California, and Idaho. They also direct-mail approximately 35,000 fliers to prospects from their database, operate a website that receives a high number of visits, and place highly visible auction notice signs on all sale properties. In addition, legal notices of pending sales will be published in *The Reflector*.

BUDGET AND POLICY IMPLICATIONS: Money received from the sales of these properties will be deposited back into the road fund. The properties are being marketed pursuant to County Code CCC 233A.180-(13).

FISCAL IMPACTS: Yes (see Fiscal Impacts Attachment) No

ACTION REQUESTED: Declare county property surplus and authorize its sale at public auction through the services of Realty Marketing Northwest; and authorize the Director of Public Works to sign the marketing agreement and any subsequent amendments. (Tax parcel numbers: 097895-000, 097900-000, 097901-000 and 097906-000.)

Handwritten initials: BK, gi, +

Handwritten ID: PW14-052

DISTRIBUTION: Please notify the Real Property Services Section of the Board's action by calling extension 4975.



Tom Grange, P.E.
Engineering & Construction Division Manager

Approved 

CLARK COUNTY, WASHINGTON
BOARD OF COMMISSIONERS



Heath H. Henderson, P.E.
Public Works Director/County Engineer

June 3, 2014
SR 112-14

TG/HHH/PAM/pmm
Attachments: Marketing Agreement, Fiscal Impact, Map

PW14-052

FISCAL IMPACT ATTACHMENT

Part I: Narrative Explanation

I.A - Explanation of what the request does that has fiscal impact and the assumptions for developing revenue and costing information.

The property being surplusd is the remainder after NE 88th Street improvements have been constructed and right-of-way has been retained for future Highway 99 improvements.
 Funds from the sale will be deposited into the fund from which they were acquired for an approximate amount of \$535,000.

Part II: Estimated Revenues

Fund #/Title	Current Biennium		Next Biennium		Second Biennium	
	RF	Total	RF	Total	RF	Total
Road Fund/1012	\$535,000.00	\$535,000.00				
Total:	\$535,000.00	\$535,000.00	\$0.00	\$0.00	\$0.00	\$0.00

II.A - Describe the type of revenue (grant, fees, etc.)

This is currently in the 13/14 budget for the Road Fund. These proceeds will be returned to the Road Fund.

Part III: Estimated Expenditures

III.A - Expenditures summed up

Fund #/Title	FTE's	Current Biennium		Next Biennium		Second Biennium	
		RF	Total	RF	Total	RF	Total
1012/Road Fund							
Total:		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

III.B = Expenditure by object category

Fund #/Title	Current Biennium		Next Biennium		Second Biennium	
	RF	Total	RF	Total	RF	Total
Salary/Benefits						
Contractual						
Supplies						
Travel						
Other controllables						
Capital Outlays						
Inter-fund Transfers						
Debt Service						
Total:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

**WASHINGTON SEALED BID
MARKETING AGREEMENT**

SELLER: CLARK COUNTY

DATE: May 6, 2014

THIS MARKETING AGREEMENT is entered into between Seller and RMNW (each identified below) as of the last date shown by their signatures on the signature page below.

Seller hereby engages RMNW to publicize and offer for sale at and following a sealed bid offering (the "Offering") the property described in Paragraph 3 below (the "Property"), all upon the terms and conditions of this Agreement. RMNW hereby accepts such engagement.

1. Seller: Clark County, Washington; A Municipal Corporation
P.O. Box 9810
Vancouver, Washington 98668
Attn: Pam Mason
Phone: 360-699-2375 ext. 4393
Fax: 360-397-6053
Email: Pam.Mason@clark.wa.gov

2. RMNW: R.J.& L. Enterprises, Inc.
dba Realty Marketing/Northwest
2908 228th Ave. S.E., Suite B
Sammamish, Washington 98075
Timothy P. Reinertsen, Senior Vice President and Washington Broker
Phone: 425/427-2323
Fax: 425/427-2330

- Mailing Address: 522 SW Fifth Avenue, Suite 725
Portland, Oregon 97204
Phone: 503/224-1906
Facsimile: 503/242-1814

3. Property Description: .79± Acre Commercial Development Site
As more particularly described in Exhibit A attached hereto.

4. Offering Date(s): June 25, 2014

5. Amount of Marketing Fee: \$5,350. The Marketing Fee is payable upon receipt and will be deposited into the RMNW Client Trust Account and shall be expended for the promotion of the Offering described in Paragraph 18 below.

6. Commission Rate: 6% of the purchase price for each Property.

If a cooperating broker participates by representing a buyer in the Offering, in accordance with the procedures established of the Offering, 4% of the

purchase price of each Property shall be paid to RMNW and 2% of the purchase price of each Property shall be paid to the cooperating broker.

7. **Terms of Financing to be Provided by Seller:** All Cash to Seller at Closing.
8. Each person who submits a Sealed Bid shall be required, as a condition of bidding, to submit to RMNW a certified or cashier's check equal to ten percent (10%) of the bid price as earnest money. Such earnest money shall be held "uncashed" by RMNW until Seller's acceptance or rejection of the bid. Upon acceptance of a bid, the earnest money shall be deposited into RMNW Client Trust Account, and thereafter forwarded to escrow to be credited toward the purchase price. All other earnest money deposits shall be returned to unsuccessful bidders by RMNW.
9. RMNW may, but is not obligated to, offer the Property together with other property ("Other Property") owned by other parties at the same Offering pursuant to Marketing Agreements similar to this Agreement, on the following terms and conditions:
- a. The Property and Other Property shall be offered for Sealed Bids individually in the order RMNW judges best for marketing purposes, provided that no seller(s) of Other Property shall be accorded preferential treatment.
 - b. RMNW may jointly promote the Property and the Other Property, including, but not limited to, consolidation of the Property and Other Property into the same advertisements, catalogs and sales literature.
10. The Offering Date shall be designated by RMNW on the date set forth above. RMNW and Seller shall not unreasonably withhold consent to a change in the Offering Date, provided that the Offering Date shall not be held later than three months after the date set forth above. If the Offering cannot be held within three months after the date set forth above, any unused portion of Seller's Marketing Fee shall be refunded. This Agreement shall be terminated, and RMNW will no longer be listing or Seller's broker, unless further agreed to in writing.
11. Each Property shall be offered subject to a published reserve (the "Reserve"), as set forth below:

<u>Property</u>	<u>Last Asking Price</u>	<u>Published Reserve</u>
.72± ac Commercial Development Site	First Time Offer	\$535,000

12. Within seven days of the Offering Date, Seller shall accept and execute a Purchase Agreement with each bidder who submits the high Sealed Bid which is equal to or greater than the Reserve for each Property, or such lesser price acceptable to Seller.
- a. Each Purchase Agreement shall provide for escrow to be opened at Clark County Title and for

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closing to occur no later than 45 days following the date of its execution unless extended by Seller. At RMNW's request, Seller shall extend any escrow for up to an additional 45 days.

- b. RMNW shall obtain, at Seller's expense a preliminary title report which has been prepared no later than 120 days prior to the date of this Agreement. Thereafter, Seller shall obtain at Seller's expense a title insurance policy to each buyer upon closing of each sale of a Property. RMNW, at Seller's request, may place the order for the preliminary title report and/or the title insurance policy on behalf of Seller, provided, however, RMNW shall not be responsible for any costs incurred therefore, including, but not limited to, policy premiums and/or cancellation fees which may be assessed by reason of the failure of the Property to sell pursuant to this Agreement.
 - c. Seller shall follow the practices customary in the area where each Property is located as to which party bears items of closing costs.
 - d. Seller and RMNW shall share equally any amounts paid to Seller under any liquidated damage clause.
13. RMNW shall not be responsible for providing such personnel; however, at Seller's request, RMNW will assist in arranging for the services of appropriately experienced escrow, loan processing and other personnel as are necessary to process all purchase, escrow and loan documents in an efficient and timely manner and to close escrows by the original closing dates specified in the Purchase Agreements. Seller shall use best and diligent efforts to expedite closings and to resolve any problems which would hinder or delay such closings. RMNW shall periodically report to Seller the status of each escrow and any actual or potential problems of which RMNW becomes aware.
14. Seller grants RMNW the exclusive authorization and right to sell the Property from the date of this Agreement until August 31, 2014, subject to the following:
- a. If the Offering date is changed pursuant to this Agreement, the exclusive authorization and right to sell granted RMNW under this Agreement will expire on the 60th day after the new Offering date, at which time this Agreement will be terminated and RMNW will no longer be listing or Seller's broker, unless further agreed upon in writing by the parties hereto.
 - b. If any Property sold at the Offering later becomes available for sale because the original or subsequent buyer fails or refuses to enter into or perform under the Purchase Agreement, does not receive credit approval, or exercises any right of rescission or cancellation expressly available under law or provisions of the Purchase Agreement (the "Post-Offering Listing Date"), then the exclusive authorization and right to sell granted RMNW under this Agreement will expire on the 90th day after the Post-Offering Listing Date, at which time this Agreement will be terminated and RMNW will no longer be listing or Seller's broker, unless further agreed upon in writing by the parties hereto.
15. If necessary, Seller agrees to cooperate with a buyer in the arrangement of a property exchange in

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accordance with the terms of Section 1031 of the Internal Revenue Code, provided such exchange shall not cause Seller to expend any funds including closing costs, in excess of those which would be required in a conventional sales transaction, or delay closing beyond the period provided herein.

16. Within 10 days of the execution of this Agreement, Seller agrees to gather and report to RMNW in writing all material information within the knowledge of its officers, employees and agents responsible for the operation, management or disposition of the Property concerning the physical condition of the Property (including all improvements located thereon) and related common areas, if applicable, and any title defects or problems regarding the status of title to the Property. In addition, Seller shall provide copies of all relevant documentation reasonably available to Seller, to include, but not be limited to, environmental reports, permits, leases, operating statements, and all disclosures required by law. Conditions which Seller or RMNW reasonably determines are material shall be disclosed to prospective purchasers.
 - a. If the Property consists of no more than four dwelling units, Seller shall be responsible to complete the Real Property Transfer Statement in Exhibit B.
 - b. Seller agrees and understands that RMNW is relying upon information provided by Seller and, to the extent permitted by law, will not make independent investigations or verification of the accuracy of information provided.

17. To the extent permitted by law, the Property shall be sold in an "As Is" condition:
 - a. Except that Seller shall, not later than 25 days before the Offering Date, make whatever repairs Seller and RMNW in good faith determine are necessary to render the Property fit for safe and secure entry and inspection by prospective purchasers.
 - b. Each buyer of a Property shall be required to sign an acknowledgment that he has inspected the Property, is relying solely on such inspection, and to the extent permitted by law, is purchasing the Property "As Is", with all faults and without reliance on any warranty or representation, express or implied, by Seller or RMNW.

18. Prior to the Offering Date, RMNW shall be responsible for the promotion of the Offering.
 - a. Such promotion shall include, but not be limited to:
 - (1) Preparation of an Offering brochure describing the Property and, if appropriate, Other Properties, and the Offering procedures.
 - (2) Advertising of the Property and the Offering, in selected targeted markets.
 - (3) Placing a sign on the Property advertising the Offering and a phone number to be called to obtain the Offering brochure. At the conclusion of the Offering, signs shall be left on the Property.

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- (4) Preparation of a package of Property-specific materials (Supplemental Information Package ("SIP")) and distribution of SIP's to those who request further information.
- (5) Direct telephone contacts by trained telephone personnel to persons requesting further information.
- (6) At RMNW's option, issuing press releases and securing news coverage to promote the Offering and the sale of the Property.
- (7) Holding Property open for general public inspection at such times prior to the Offering Date as are appropriate to coordinate with the scheduled advertising and marketing plan and with public response thereto.
- (8) Web Page Design.

b. RMNW shall submit to Seller for its approval in advance of dissemination all advertising, publicity and promotional material. Seller's review shall include verification of the accuracy and completeness of the information provided. Seller shall not unreasonably withhold approval and approval shall be deemed given unless Seller disapproves in writing within two business days of receipt of material.

c. RMNW shall pay from the Client Trust Account for all costs it incurs in connection with promotional activities outlined above to the extent that RMNW receives funds from Seller. RMNW agrees to spend at least 50% of such amount for production, placement and dissemination of advertising and Offering brochure.

19. RMNW shall provide to Seller a verified final accounting at the end of each calendar quarter and within 75 days following the Offering Date or 15 working days following termination of promotional activities pursuant to this Agreement, whichever is the later event. The Accounting shall include all the information required by applicable laws and regulations. With the final accounting, RMNW shall remit to Seller its proportionate share of any Marketing Fees not expended. Seller's proportionate share shall be based on the ratio of the total amount RMNW actually receives from Seller and sellers of Other Property, less any refunds made to Seller. If total expenses exceed Marketing Fees collected, RMNW shall bear the excess.

20. Completed Sale.

a. For purposes of this Agreement, "Completed Sale" means the deed or land sale contract conveying or contracting to convey a Property to a buyer:

- (1) who entered into a Purchase Agreement during the term of this Agreement, or
- (2) whose name is on the Prospect List and who entered into a Purchase Agreement within 180

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days from the Offering Date (provided RMNW delivers to Seller a copy the Prospect List upon the expiration of this Agreement).

which has been recorded in the official records of the County in which the Property is located.

b. "Completed Sale" also means a purchase that is not consummated by reason of Seller's default under this Agreement or under a Purchase Agreement, or Seller's cancellation of a Purchase Agreement for a reason other than the buyer's default, inability to obtain credit approval or exercise of a right of rescission or cancellation expressly granted under the law or in the Purchase Agreement.

21. As compensation for its services in connection with this Agreement, Seller shall pay to RMNW and the co-operating broker, if any, a commission (the "Commission") for each Property for which a Completed Sale occurs at the rate(s) set forth in Paragraph 6.

a. The Commission shall be payable in money from escrow as the escrow for each Property becomes a Completed Sale or, with respect to Completed Sale not made through escrow, shall be payable by Seller immediately upon occurrence of the Completed Sale.

b. Seller hereby assigns to RMNW its right to proceeds for each Property to the extent required to pay the Commission.

c. When RMNW or Seller deposits this Agreement, or a copy, with the agent, it shall constitute notice and irrevocable escrow instructions from Seller authorizing and directing the escrow agent to disburse the Commission due RMNW automatically from each escrow directly to RMNW upon a Completed Sale, and no further instruction or authorization from Seller to this effect shall be necessary. Neither Seller nor RMNW shall give unilateral instructions or directions regarding commissions to escrow agent; escrow agent shall regard any such unilateral instructions or directions as null and void.

d. Escrow agent shall not disburse any sales proceeds from a Completed Sale to Seller (or Seller's designee) until escrow agent also disburses the Commission to RMNW in accordance with this paragraph.

22. If RMNW does not perform, in a timely manner, any of its obligations under this Agreement or if any representation or warranty by RMNW made in this Agreement proves to be false or misleading, Seller may demand in writing that RMNW perform its obligations or cure the problems resulting from the false or misleading representation or warranty. If performance or cure is not made or done or diligently being pursued within ten (10) days after RMNW receives written demand, Seller may withdraw the affected Property from the Auction, and/or terminate this Agreement by written notice to RMNW effective upon receipt.

In the event Seller withdraws the Property from the market prior to the expiration of this Agreement as

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provided for herein, RMNW shall be entitled to retain the Marketing Fee as reimbursement for RMNW's time and expenses incurred in connection with marketing the Property prior to such withdrawal.

23. RMNW may elect to suspend implementation of the Auction promotion and Auction event if Seller does not make any payment in the amount and at the time provided in Paragraph 5 or does not perform, in a timely manner, any of its obligations under this Agreement, or if any representation or warranty by Seller made pursuant to this Agreement proves to be false or misleading. RMNW will immediately resume the Auction promotion when the amount due is paid, or the act in question is performed, or the problems resulting from the false or misleading representation or warranty are cured; however, if Seller does not pay, perform or cure within five days after it is notified by RMNW of the matter, RMNW may at its option, cancel the Auction, delete affected Property from the Auction, and/or terminate this Agreement by notice to Seller effective immediately, and/or (c) pursue any other remedies available by law or in equity, including but not limited to damages for lost commissions.

24. Any dispute shall be submitted to binding arbitration in accordance with the rules of the American Arbitration Association and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The parties have agreed on this mechanism in order to obtain prompt and expeditious resolution of such disputes. The parties shall diligently cooperate with one another in selecting the arbitrator and in working with the arbitrator, and shall perform such acts as may be necessary to obtain a prompt and expeditious resolution. The arbitrator shall be an attorney experienced in real estate brokerage matters. The venue of any arbitration shall be in the County of King, State of Washington and such arbitration shall be conducted in accordance with the laws of the State of Washington. The cost of the proceeding (except any petition to appoint an arbitrator) shall initially be borne equally by the parties to the dispute, but the prevailing party in such proceeding shall be entitled to recover, in addition to reasonable attorneys' fees and all other costs, its contribution for the reasonable cost of the arbitrator as an item of damage and/or recoverable costs. The arbitrator shall include such costs in his award.

25. RMNW represents and warrants as follows:
 - a. RMNW is licensed as a real estate broker in the State of Washington.
 - b. RMNW has full power and authority to enter into and perform this Agreement in accordance with its terms.
 - c. RMNW will perform this Agreement to substantially the same standard of diligence, effort and quality which are employed for offerings of similar properties with similar promotional budgets.

26. Seller represents, warrants and covenants as follows:
 - a. Seller is the owner of the Property described in Paragraph 3.
 - b. Seller has full power and authority to enter into and perform this Agreement in accordance with its

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terms, and the person or persons signing this Agreement for or on behalf of Seller has or have full power and authority to represent, act for and bind Seller to all its terms and conditions.

- c. Seller has no knowledge of any lawsuits or proceedings, pending or threatened, or of any material physical or title defects affecting the Property except those which Seller has disclosed to RMNW in writing prior to the date of this Agreement or pursuant to Paragraph 16, and if Seller becomes aware of any such lawsuits, proceedings or Property defects, Seller will immediately and fully inform RMNW and provide RMNW copies of any documents relating thereto.
 - d. Seller has conducted a reasonable and thorough inspection of the Property and has disclosed to RMNW the existence of all reasonably discoverable environmental hazards, including, but not limited to, the presence of asbestos, PCB transformers, or other toxic, hazardous or contaminated substances, and/or underground storage tanks.
 - e. To the best of Seller's knowledge and belief, all information supplied to RMNW by Seller is and will be true, complete and correct.
 - f. No broker other than RMNW is or will be retained or authorized by Seller to sell, offer for sale or negotiate the sale of the Property prior to the Offering or during any exclusive period hereunder.
 - g. The total of all liens affecting Property plus Commissions and other closing costs for the Property can be satisfied by the sale of such Property at its Reserve.
27. Seller understands and acknowledges that RMNW has copyrighted and otherwise protected its rights in all materials it prepares under this Agreement and that RMNW maintains such copyright and rights upon termination of this Agreement.
28. Seller and RMNW each hereby indemnify and agree to defend, save and hold harmless the other party and its officers, directors, employees, agents and representatives (collectively referred to as the "Other Party") from any damage, claim, loss, demand, costs, expense (including reasonable attorney's fees) obligation, lien, liability, action and cause of action (collectively, "Claims"), which the Other Party, or any of them, may suffer or incur arising out of (a) the indemnifying party's breach or default under this Agreement, or (b) the negligence or intentional misconduct by an indemnifying party in connection with the obligations under this Agreement, or (c) any defect or material fact affecting any Property or common area of a Property (if applicable), which was not disclosed to a buyer, unless RMNW has actual knowledge of such defect or fact and fails to disclose it to prospective buyers or unless Seller failed to disclose such defect or fact to RMNW or prospective buyer.
29. The parties shall, in the performance of this Agreement and sale of the Property, each observe and comply with all applicable federal, state and local laws and ordinances.
30. The waiver by one party of any provision of this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by such party of any other provision of this Agreement. The waiver by any or all

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parties of the time for performing any act shall not constitute a waiver of the time for performing any other act or identical act required to be performed at a later time.

31. The unenforceability of any provision of this Agreement shall not affect the enforceability of the other provisions of this Agreement.
32. No modification to this Agreement shall be valid unless executed in writing by all parties.
33. This Agreement may be executed in any number of counterparts. Each such counterpart hereof shall be deemed to be an original instrument but all such counterparts together shall constitute but one Agreement.
34. Notices.
 - a. Notices, requests, demands, instructions or other documents to be given hereunder shall be deemed given when:
 - (1) Delivered personally to the party hereto or its officer or designated agent, or
 - (2) If sent by U.S. mail or courier, when received on the date shown by the addressee's receipt or the date delivery to the appropriate address is refused, as shown on the records or manifest of the U.S. Postal Service or courier, or
 - (3) If sent by fax, when received on the date shown on the printed fax record generated by the sender's fax machine.
 - b. The addresses and facsimile numbers of the parties for notification are respectively set forth in Paragraphs 1 and 2 and may be changed by giving written notice of such change in the manner provided for giving notice. All sums payable to RMNW under this Agreement shall be paid at the mailing address set forth in Paragraph 2.
35. All of the terms and conditions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties and their respective successors and assigns, provided, however, that this Agreement may not be assigned by either party without the prior written consent of the other.
36. In the event any personal property of Seller is sold as part of a Property, Seller and RMNW shall determine the portion of the purchase price allocable thereto, and upon closing escrow agent shall retain from the sale proceeds for such Property and pay directly to the appropriate taxing authority any state, local and special district sales tax or other similar tax with request to the sale of such personal property. The commission payable to RMNW shall be calculated on the total sales price, including any personal property.
37. At the signing of this Agreement, RMNW is the selling and listing agent in this transaction and shall represent Seller in this transaction. Seller acknowledges receipt of The Law of Real Estate Agency, attached hereto as Exhibit C.

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38. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person may require.
39. This Agreement, the rights and obligations of the parties hereto and any claims or disputes relating thereto, shall be governed by and construed in accordance with the laws of the State of Washington.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the last date written below.

“OWNER”

Clark County, Washington, a political subdivision
of the State of Washington

Date: _____, 2014

By: _____
Pete Capell
Its: Director of Public Works

“RMNW”

R.J. & L. Enterprises, Inc.
dba REALTY MARKETING/NORTHWEST

Date: _____, 2014

By: _____
Timothy P. Reinertsen
Its: Broker and Senior Vice President

EXHIBITS:

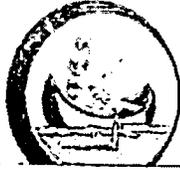
- A. Legal Description
- B. Real Property Transfer Disclosure Statement – Unimproved Property
- C. The Law of Real Estate Agency

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EXHIBIT A
LEGAL DESCRIPTION

LEGAL DESCRIPTION, PAGE 1



proud past, promising future

CLARK COUNTY
WASHINGTON

Superior service that is responsive and cost justified

PUBLIC WORKS
COUNTY SURVEYOR'S OFFICE

EXHIBIT "A"

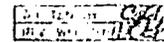
CLARK COUNTY SURPLUS DESCRIPTION

A parcel of land lying in the Southwest 1/4 of Section 2, Township 2 North, Range 1 East of the Willamette Meridian in Clark County, Washington, described as follows:

All that portion of that parcel described in that Statutory Warranty Deed to Clark County, a political subdivision of the State of Washington, recorded November 26, 2012 under Auditor's file # 4915018, , together with all that portion of that parcel described in that Statutory Warranty Deed to Clark County, a political subdivision of the State of Washington, recorded August 27, 2009 under Auditor's file # 4597510, listed as Serial No.'s 097895-000, 097900-000, 097901-000, and 097906-000, records of Clark County, Washington, lying southerly of the following described line:

Beginning at a point on the south line of the north 100 feet of Lot 11, King Hill Acres, according to the plat thereof, recorded in Book "D" of plats, at Page 71, records of Clark County, Washington, being 4.00 feet west of the southeast corner thereof; thence to a point 83.00 feet southerly of, when measured at right angles to the centerline of Northeast 88th Street, as described in Exhibit "B", attached, opposite Engineer's station 106+72.00; thence to a point 49.50 feet southerly of, when measured at right angles to said centerline opposite station 106+38.00; thence to a point 44.50 feet southerly of, when measured at right angles to said centerline opposite station 105+00.00; thence to a point 50.00 feet southerly of, when measured at right angles to said centerline opposite station 104+41.50; thence to a point 87.50 feet southerly of, when measured at right angles to said centerline opposite station 103+97.00; thence to a point 198.00 feet southerly of, when measured at right angles to said centerline opposite station 103+67.00; thence South 30°28'39" West 43.40 feet, more or less, to a point on the southerly line of said parcel, and there terminating, all in Clark County, Washington.

This description contains 34,514 square feet as calculated by the double meridian distance method.



1300 FRANKLIN STREET • P.O. BOX 9810 • VANCOUVER, WASHINGTON 98666-9810 • <http://www.clark.wa.gov>
E-mail: surplus.dsq@360 397-6118, EXTENSION 5130 • FAX (360) 798-6046 • TDD (360) 397-6057

LEGAL DESCRIPTION, PAGE 2



proud past, promising future

CLARK COUNTY
WASHINGTON

Superior service that is responsive and cost justified

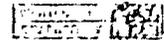
PUBLIC WORKS
COUNTY SURVEYOR'S OFFICE

EXHIBIT "B"
NE 88th STREET CENTERLINE DESCRIPTION
CRP #330222

A strip of land lying in Section 2, Township 2 North, Range 1 East of the Willamette Meridian, the centerline of said strip being more particularly described as follows:

Beginning at a brass cap on the north line of the W. Kelly DLC #37, said point bears North $00^{\circ}39'53''$ East 11.63 feet from a brass cap marking the west quarter corner of said Section 2, said point also being designated as Engineer's station 100+00.00; thence South $89^{\circ}07'22''$ East 693.45 feet to a brass cap marking the intersection of Northeast 88th Street and Northeast 13th Avenue; thence South $89^{\circ}07'09''$ East 2584.57 feet to a brass cap marking the northeast corner of said Kelly DLC; thence South $88^{\circ}06'51''$ East 706.29 feet; thence South $89^{\circ}06'33''$ East 1332.51 feet to a brass cap marking the east quarter corner of said Section 2, and there terminating, all in Clark County, Washington

Bearings hereon used are based on the south line of the northwest quarter of said Section 2 as being South $89^{\circ}06'32''$ East based on the Washington State Plane Coordinate System, South zone, NAD83(91) adjustment. The control scheme is on file at the Clark County Surveyor's office.



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LEGAL DESCRIPTION, PAGE 3

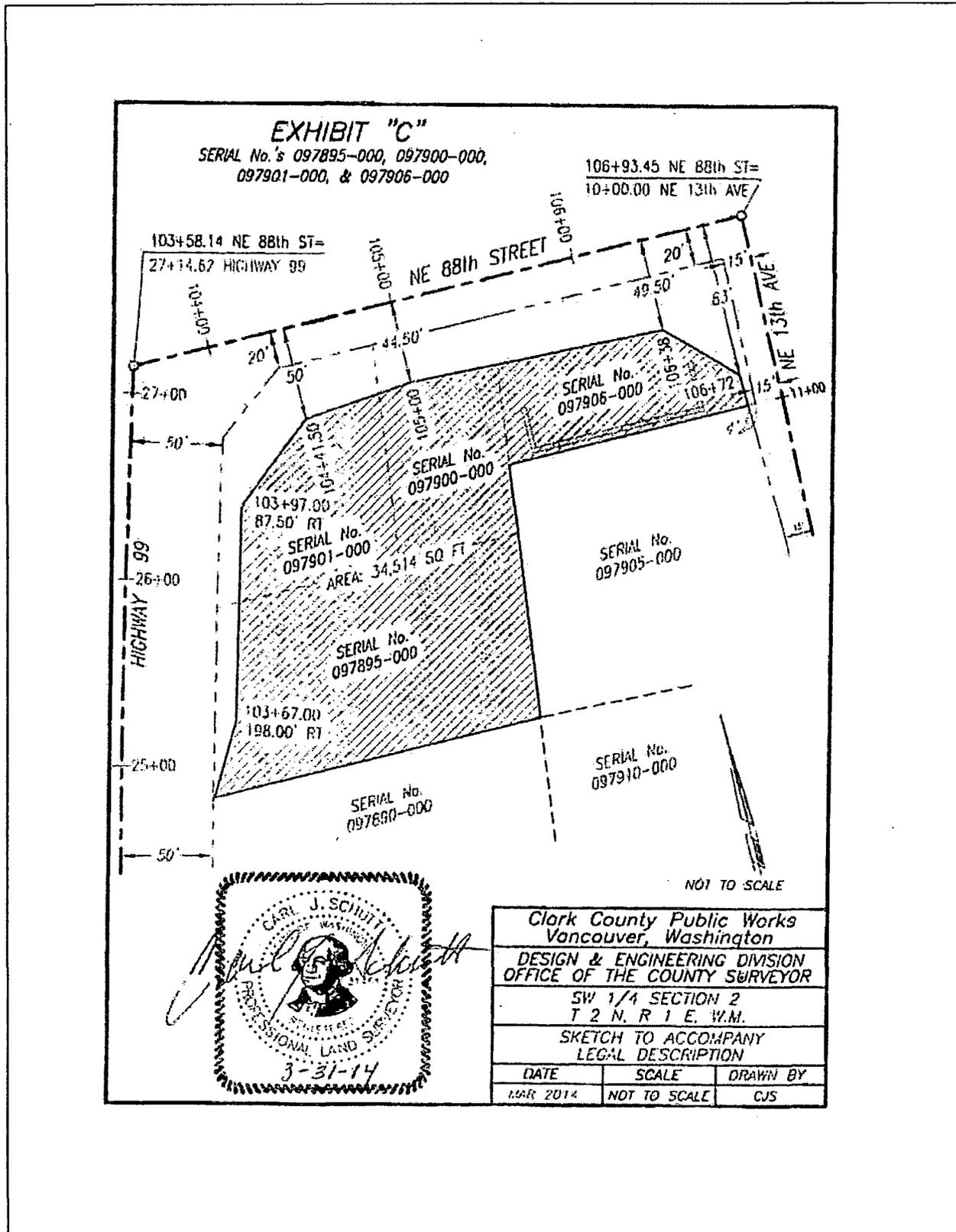


EXHIBIT B

SEE ATTACHED "REAL PROPERTY TRANSFER DISCLOSURE STATEMENT"

Owner's Initials

RMNW's Initials

**SELLER DISCLOSURE STATEMENT †
UNIMPROVED PROPERTY**

SELLER:

† To be used in transfers of unimproved residential real property, including property zoned for residential use that is not improved by one or more residential dwelling units, a residential condominium, a residential timeshare or a mobile or manufactured home. Unimproved residential real property does not include commercial real estate as defined in RCW 60.42.005 or property defined as "timber land" under RCW 84.34.020. See RCW Chapter 64.06 for further explanations.

INSTRUCTIONS TO THE SELLER

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

NOTICE TO THE BUYER

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

CITY _____, COUNTY _____, ("THE PROPERTY")

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

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

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

Seller is/ is not occupying the property.

I. SELLER'S DISCLOSURES:

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

1. TITLE

- | | YES | NO | DON'T KNOW | |
|---|--------------------------|--------------------------|--------------------------|----|
| A. Do you have legal authority to sell the property? If no, please explain. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 41 |
| *B. Is title to the property subject to any of the following? | | | | 42 |
| (1) First right of refusal | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 43 |
| (2) Option | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 44 |
| (3) Lease or rental agreement | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 45 |
| (4) Life estate? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 46 |
| *C. Are there any encroachments, boundary agreements, or boundary disputes? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 47 |
| *D. Is there a private road or easement agreement for access to the property? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 48 |
| *E. Are there any rights-of-way, easements, or access limitations that affect the Buyer's use of the property? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 49 |
| *F. Are there any written agreements for joint maintenance of an easement or right-of-way? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 50 |
| *G. Is there any study, survey project, or notice that would adversely affect the property? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 51 |
| *H. Are there any pending or existing assessments against the property? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 52 |
| *I. Are there any zoning violations, nonconforming uses, or any unusual restrictions on the property that affect future construction or remodeling? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 54 |
| *J. Is there a boundary survey for the property? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 55 |
| *K. Are there any covenants, conditions, or restrictions recorded against title to the property? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 56 |

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

SELLER'S INITIALS: _____ DATE: _____ SELLER'S INITIALS: _____ DATE: _____

**SELLER DISCLOSURE STATEMENT
 UNIMPROVED PROPERTY**

(Continued)

	YES	NO	DON'T KNOW	60 61
2. WATER				
A. Household Water				62
(1) Does the property have potable water supply?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	63
(2) If yes, the source of water for the property is:				64
<input type="checkbox"/> Private or publicly owned water system				65
<input type="checkbox"/> Private well serving only the property				66
* <input type="checkbox"/> Other water system				67
*If shared, are there any written agreements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	68
* (3) Is there an easement (recorded or unrecorded) for access to and/or maintenance of the water source?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	69 70
* (4) Are there any problems or repairs needed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	71
(5) Is there a connection or hook-up charge payable before the property can be connected to the water main?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	72 73
(6) Have you obtained a certificate of water availability from the water purveyor serving the property? (If yes, please attach a copy.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	74 75
(7) Is there a water right permit, certificate, or claim associated with household water supply for the property? (If yes, please attach a copy.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	76 77
(a) If yes, has the water right permit, certificate, or claim been assigned, transferred or changed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	78 79
*(b) If yes, has all or any portion of the water right not been used for five or more successive years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	80 81
(c) If no or don't know, is the water withdrawn from the water source less than 5,000 gallons a day?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	82
* (8) Are there any defects in the operation of the water system (e.g. pipes, tank, pump, etc.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	83
B. Irrigation Water				84
(1) Are there any irrigation water rights for the property, such as a water right permit, certificate, or claim? (If yes, please attach a copy.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	85 86
(a) If yes, has all or any portion of the water right not been used for five or more successive years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	87 88
(b) If yes, has the water right permit, certificate, or claim been assigned, transferred, or changed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	89 90
* (2) Does the property receive irrigation water from a ditch company, irrigation district, or other entity? If so, please identify the entity that supplies irrigation water to the property: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	91 92 93
C. Outdoor Sprinkler System				94
(1) Is there an outdoor sprinkler system for the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	95
* (2) If yes, are there any defects in the system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	96
* (3) If yes, is the sprinkler system connected to irrigation water?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	97
3. SEWER/SEPTIC SYSTEM				98
A. The property is served by:				99
<input type="checkbox"/> Public sewer system				100
<input type="checkbox"/> On-site sewage system (including pipes, tanks, drainfields, and all other component parts)				101
<input type="checkbox"/> Other disposal system				102
Please describe: _____				103
B. Is the property subject to any sewage system fees or charges in addition to those covered in your regularly billed sewer or on-site sewage system maintenance service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	104 105

SELLER'S INITIALS: _____ DATE: _____ SELLER'S INITIALS: _____ DATE: _____

**SELLER DISCLOSURE STATEMENT
 UNIMPROVED PROPERTY**

(Continued)

	YES	NO	DON'T KNOW	106 107
C. If the property is connected to an on-site sewage system:				108
* (1) Was a permit issued for its construction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	109
* (2) Was it approved by the local health department or district following its construction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	110
(3) Is the septic system a pressurized system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	111
(4) Is the septic system a gravity system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	112
* (5) Have there been any changes or repairs to the on-site sewage system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	113
(6) Is the on-site sewage system, including the drainfield, located entirely within the boundaries of the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	114 115
If no, please explain: _____				116
* (7) Does the on-site sewage system require monitoring and maintenance services more frequently than once a year?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	117 118
4. ELECTRICAL/GAS				119
A. Is the property served by natural gas?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	120
B. Is there a connection charge for gas?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	121
C. Is the property served by electricity?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	122
D. Is there a connection charge for electricity?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	123
*E. Are there any electrical problems on the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	124
5. FLOODING				125
A. Is the property located in a government designated flood zone or floodplain?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	126
6. SOIL STABILITY				127
*A. Are there any settlement, earth movement, slides, or similar soil problems on the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	128
7. ENVIRONMENTAL				129
*A. Have there been any flooding, standing water, or drainage problems on the property that affect the property or access to the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	130 131
*B. Does any part of the property contain fill dirt, waste, or other fill material?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	132
*C. Is there any material damage to the property from fire, wind, floods, beach movements, earthquake, expansive soils, or landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	133 134
D. Are there any shorelines, wetlands, floodplains, or critical areas on the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	135
*E. Are there any substances, materials, or products in or on the property that may be environmental concerns, such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, or contaminated soil or water?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	136 137 138
*F. Has the property been used for commercial or industrial purposes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	139
*G. Is there any soil or groundwater contamination?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	140
*H. Are there transmission poles or other electrical utility equipment installed, maintained, or buried on the property that do not provide utility service to the structures on the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	141 142
*I. Has the property been used as a legal or illegal dumping site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	143
*J. Has the property been used as an illegal drug manufacturing site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	144
*K. Are there any radio towers that cause interference with cellular telephone reception?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	145

SELLER'S INITIALS: _____ DATE: _____ SELLER'S INITIALS: _____ DATE: _____

**SELLER DISCLOSURE STATEMENT
 UNIMPROVED PROPERTY**

(Continued)

	YES	NO	DON'T KNOW	
8. HOMEOWNERS' ASSOCIATION/COMMON INTERESTS				146
A. Is there a homeowners' association?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	148
Name of association and contact information for an officer, director, employee, or other authorized agent, if any, who may provide the association's financial statements, minutes, bylaws, fining policy, and other information that is not publicly available:				149
_____				150
				151
				152
B. Are there regular periodic assessments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	153
\$ _____ per <input type="checkbox"/> month <input type="checkbox"/> years				154
<input type="checkbox"/> Other _____				155
*C. Are there any pending special assessments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	156
*D. Are there any shared "common areas" or any joint maintenance agreements (facilities such as walls, fences, landscaping, pools, tennis courts, walkways, or other areas co-owned in undivided interest with others)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	157
				158
				159
				160
9. OTHER FACTS				
*A. Are there any disagreements, disputes, encroachments, or legal actions concerning the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	161
*B. Does the property have any plants or wildlife that are designated as species of concern, or listed as threatened or endangered by the government?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	162
				163
*C. Is the property classified or designated as forest land or open space?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	164
D. Do you have a forest management plan? If yes, attach.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	165
*E. Have any development-related permit applications been submitted to any government agencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	166
If the answer to E is "yes", what is the status or outcome of those applications?				167
_____				168
F. Is the property located within a city, county, or district or within a department of natural resources fire protection zone that provides fire protection services?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	169
				170
10. FULL DISCLOSURE BY SELLERS				171
A. Other conditions or defects:				172
*Are there any other existing material defects affecting the property that a prospective buyer should know about?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	173
				174
B. Verification				175
The foregoing answers and attached explanations (if any) are complete and correct to the best of Seller's knowledge and Seller has received a copy hereof. Seller agrees to defend, indemnify and hold real estate licensees harmless from and against any and all claims that the above information is inaccurate. Seller authorizes real estate licensees, if any, to deliver a copy of this disclosure statement to other real estate licensees and all prospective buyers of the property.				176
				177
				178
				179
Date: _____ Date: _____				180
Seller: _____ Seller: _____				181

NOTICES TO THE BUYER

SEX OFFENDER REGISTRATION

INFORMATION REGARDING REGISTERED SEX OFFENDERS MAY BE OBTAINED FROM LOCAL LAW ENFORCEMENT AGENCIES. THIS NOTICE IS INTENDED ONLY TO INFORM YOU OF WHERE TO OBTAIN THIS INFORMATION AND IS NOT AN INDICATION OF THE PRESENCE OF REGISTERED SEX OFFENDERS.

PROXIMITY TO FARMING

THIS NOTICE IS TO INFORM YOU THAT THE REAL PROPERTY YOU ARE CONSIDERING FOR PURCHASE MAY LIE IN CLOSE PROXIMITY TO A FARM. THE OPERATION OF A FARM INVOLVES USUAL AND CUSTOMARY AGRICULTURAL PRACTICES, WHICH ARE PROTECTED UNDER RCW 7.48.305, THE WASHINGTON RIGHT TO FARM ACT.

SELLER'S INITIALS: _____ DATE: _____ SELLER'S INITIALS: _____ DATE: _____

**SELLER DISCLOSURE STATEMENT
UNIMPROVED PROPERTY**
(Continued)

II. BUYER'S ACKNOWLEDGEMENT

Buyer hereby acknowledges that:

- A. Buyer has a duty to pay diligent attention to any material defects that are known to Buyer or can be known to Buyer by utilizing diligent attention and observation. 193 194
- B. The disclosures set forth in this statement and in any amendments to this statement are made only by the Seller and not by any real estate licensee or other party. 195 196
- C. Buyer acknowledges that, pursuant to RCW 64.06.050 (2), real estate licensees are not liable for inaccurate information provided by Seller, except to the extent that real estate licensees know of such inaccurate information. 197 198
- D. This information is for disclosure only and is not intended to be a part of the written agreement between Buyer and Seller. 199
- E. Buyer (which term includes all persons signing the "Buyer's acceptance" portion of this disclosure statement below) has received a copy of this Disclosure Statement (including attachments, if any) bearing Seller's signature(s). 200 201

DISCLOSURES CONTAINED IN THIS DISCLOSURE STATEMENT ARE PROVIDED BY SELLER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE. UNLESS BUYER AND SELLER OTHERWISE AGREE IN WRITING, BUYER SHALL HAVE THREE (3) BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A SALE AGREEMENT.

BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS DISCLOSURE STATEMENT AND ACKNOWLEDGES THAT THE DISCLOSURES MADE HEREIN ARE THOSE OF THE SELLER ONLY, AND NOT OF ANY REAL ESTATE LICENSEE OR OTHER PARTY.

DATE: _____ DATE: _____ 211
BUYER: _____ BUYER: _____ 212

BUYER'S WAIVER OF RIGHT TO REVOKE OFFER

Buyer has read and reviewed the Seller's responses to this Seller Disclosure Statement. Buyer approves this statement and waives Buyer's right to revoke Buyer's offer based on this disclosure. 213 214 215

DATE: _____ DATE: _____ 216
BUYER: _____ BUYER: _____ 217

BUYER'S WAIVER OF RIGHT TO RECEIVE COMPLETED SELLER DISCLOSURE STATEMENT

Buyer has been advised of Buyer's right to receive a completed Seller Disclosure Statement. Buyer waives that right. However, if the answer to any of the questions in the section entitled "Environmental" would be "yes", Buyer may not waive the receipt of the "Environmental" section of the Seller Disclosure Statement. 218 219 220 221

DATE: _____ DATE: _____ 222
BUYER: _____ BUYER: _____ 223

If the answer is "Yes" to any asterisked (*) items, please explain below (use additional sheets if necessary). Please refer to the line number(s) of the question(s). 224 225

_____ 226

_____ 227

_____ 228

_____ 229

_____ 230

_____ 231

_____ 232

_____ 233

SELLER'S INITIALS: _____ DATE: _____ SELLER'S INITIALS: _____ DATE: _____

EXHIBIT C

SEE ATTACHED "THE LAW OF REAL ESTATE AGENCY" PAMPHLET

Owner's Initials

RMNW's Initials

The Law of Real Estate Agency

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

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

Sec. 1. Definitions. Defines the specific terms used in the law.

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

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

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

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

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

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

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

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

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

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

RCW 18.86.010 Sec. 1. Definitions

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

- (1) "Agency relationship" means the agency relationship created under this chapter or by written agreement between a licensee and a buyer and/or seller relating to the performance of real estate brokerage services by the licensee.
- (2) "Agent" means a licensee who has entered into an agency relationship with a buyer or seller.
- (3) "Business opportunity" means and includes a business, business opportunity, and goodwill of an existing business, or any one or combination thereof.
- (4) "Buyer" means an actual or prospective purchaser in a real estate transaction, or an actual or prospective tenant in a real estate rental or lease transaction, as applicable.
- (5) "Buyer's agent" means a licensee who has entered into an agency relationship with only the buyer in a real estate transaction, and includes subagents engaged by a buyer's agent.
- (6) "Confidential information" means information from or concerning a principal of a licensee that:
 - (a) Was acquired by the licensee during the course of an agency relationship with the principal;
 - (b) The principal reasonably expects to be kept confidential;
 - (c) The principal has not disclosed or authorized be disclosed to third parties;
 - (d) Would, if disclosed, operate to the detriment of the principal; and
 - (e) The principal personally would not be obligated to disclose to the other party.
- (7) "Dual Agent" means a licensee who has entered into an agency relationship with both the buyer and seller in the same transaction.
- (8) "Licensee" means a real estate broker, associate real estate broker, or real estate salesperson, as those terms are defined in chapter 18.85 RCW.
- (9) "Material fact" means information that substantially adversely affects the value of the property or a party's ability to perform its obligations in a real estate transaction, or operates to materially impair or defeat the purpose of the transaction. The fact or suspicion that the property, or any neighboring property, is or was the site of a murder, suicide or other death, rape or other sex crime, assault or other violent crime, robbery or burglary, illegal drug activity, gang-related activity, political or religious activity, or other act, occurrence, or use not adversely affecting the physical condition of or title to the property is not a material fact.
- (10) "Principal" means a buyer or a seller who has entered into an agency relationship with a licensee.
- (11) "Real estate brokerage services" means the rendering of services for which a real estate license is required under chapter 18.85 RCW.
- (12) "Real estate transaction" or "transaction" means an actual or prospective transaction involving a purchase, sale, option, or exchange of any interest in real property or a business opportunity, or a lease or rental of real property. For purposes of this chapter, a prospective transaction does not exist until a written offer has been signed by at least one of the parties.
- (13) "Seller" means an actual or prospective seller in a real estate transaction, or an actual or prospective landlord in a real estate rental or lease transaction, as applicable.
- (14) "Seller's agent" means a licensee who has entered into an agency relationship with only the seller in a real estate transaction, and includes subagents engaged by a seller's agent.
- (15) "Subagent" means a licensee who is engaged to act on behalf of a principal by the principal's agent where the principal has authorized the agent in writing to appoint subagents.

RCW 18.86.020 Sec. 2. Agency Relationship.

- (1) A licensee who performs real estate brokerage services for a buyer is a buyer's agent unless the:
 - (a) Licensee has entered into a written agency agreement with the seller, in which case the licensee is a seller's agent;
 - (b) Licensee has entered into a subagency agreement with the seller's agent, in which case the licensee is a seller's agent;

- (c) Licensee has entered into a written agency agreement with both parties, in which case the licensee is a dual agent;
 - (d) Licensee is the seller or one of the sellers; or
 - (e) Parties agree otherwise in writing after the licensee has complied with RCW 18.86.030 (1) (f).
- (2) In a transaction in which different licensees affiliated with the same broker represent different parties, the broker is a dual agent, and must obtain the written consent of both parties as required under section 6 of this act. In such a case, each licensee shall solely represent the party with whom the licensee has an agency relationship, unless all parties agree in writing that both licensees are dual agents.
- (3) A licensee may work with a party in separate transactions pursuant to different relationships, including, but not limited to, representing a party in one transaction and at the same time not representing that party in a different transaction involving that party, if the licensee complies with this chapter in establishing the relationships for each transaction.

RCW 18.86.030 Sec. 3. Duties of Licensee.

- (1) Regardless of whether the licensee is an agent, a licensee owes to all parties to whom the licensee renders real estate brokerage services the following duties, which may not be waived:
- (a) To exercise reasonable skill and care;
 - (b) To deal honestly and in good faith;
 - (c) To present all written offers, written notices and other written communications to and from either party in a timely manner, regardless of whether the property is subject to an existing contract for sale or the buyer is already a party to an existing contract to purchase;
 - (d) To disclose all existing material facts known by the licensee and not apparent or readily ascertainable to a party; provided that this subsection shall not be construed to imply any duty to investigate matters that the licensee has not agreed to investigate;
 - (e) To account in a timely manner for all money and property received from or on behalf of either party;

- (f) To provide a pamphlet on the law of real estate agency in the form prescribed in RCW 18.86.120 to all parties to whom the licensee renders real estate brokerage services, before the party signs an agency agreement with the licensee, signs an offer in a real estate transaction handled by the licensee, consents to dual agency, or waives any rights, under section RCW 18.86.020 (1) (e), 18.86.040 (1) (e), 18.86.050 (1) (e), or 18.86.060 (2) (e) or (f), whichever occurs earliest; and
- (g) To disclose in writing to all parties to whom the licensee renders real estate brokerage services, before the party signs an offer in a real estate transaction handled by the licensee, whether the licensee represents the buyer, the seller, both parties, or neither party. The disclosure shall be set forth in a separate paragraph entitled "Agency Disclosure" in the agreement between the buyer and seller or in a separate writing entitled "Agency Disclosure".

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

RCW 18.86.040 Sec. 4. Seller's Agent - Duties.

- (1) Unless additional duties are agreed to in writing signed by a seller's agent, the duties of a seller's agent are limited to those set forth in RCW 18.86.030 and the following, which may not be waived except as expressly set forth in (e) of this subsection:
- (a) To be loyal to the seller by taking no action that is adverse or detrimental to the seller's interest in a transaction;
 - (b) To timely disclose to the seller any conflicts of interest;
 - (c) To advise the seller to seek expert advice on matters relating to the transaction that are beyond the agent's expertise;

- (d) Not to disclose any confidential information from or about the seller, except under subpoena or court order, even after termination of the agency relationship; and
 - (e) Unless otherwise agreed to in writing after the seller's agent has complied with RCW 18.86.030 (1) (f), to make a good faith and continuous effort to find a buyer for the property; except that a seller's agent is not obligated to seek additional offers to purchase the property while the property is subject to an existing contract for sale.
- (2) (a) The showing of properties not owned by the seller to prospective buyers or the listing of competing properties for sale by a seller's agent does not in and of itself breach the duty of loyalty to the seller or create a conflict of interest.
- (b) The representation of more than one seller by different licensees affiliated with the same broker in competing transactions involving the same buyer does not in and of itself breach the duty of loyalty to the sellers or create a conflict of interest.

RCW 18.86.050 Sec. 5. Buyer's Agent - Duties.

- (1) Unless additional duties are agreed to in writing signed by a buyers agent, the duties of a buyer's agent are limited to those set forth in RCW 18.86.030 and the following, which may not be waived except as expressly set forth in (e) of this subsection:
- (a) To be loyal to the buyer by taking no action that is adverse or detrimental to the buyer's interest in a transaction;
 - (b) To timely disclose to the buyer any conflicts of interest;
 - (c) To advise the buyer to seek expert advise on matters relating to the transaction that are beyond the agent's expertise;
 - (d) Not to disclose any confidential information from or about the buyer, except under subpoena or court order, even after termination of the agency relationship; and
 - (e) Unless otherwise agreed to in writing after the buyer's agent has complied with RCW 18.86.030 (1) (f), to make a good faith and continuous effort to find a property for the

buyer; except that a buyer's agent is not obligated to: (i) Seek additional properties to purchase while the buyer is a party to an existing contract to purchase; or (ii) show properties as to which there is no written agreement to pay compensation to the buyer's agent.

- (2)
- (a) The showing of property in which a buyer is interested to other prospective buyers by a buyer's agent does not in and of itself breach the duty of loyalty to the buyer or create a conflict of interest.
 - (b) The representation of more than one buyer by different licensees affiliated with the same broker in competing transactions involving the same property does not in and of itself breach the duty of loyalty to the buyers or create a conflict of interest.

RCW 18.86.060 Sec. 6. Dual Agent - Duties.

- (1) Notwithstanding any other provision of this chapter, a licensee may act as a dual agent only with the written consent of both parties to the transaction after the dual agent has complied with RCW 18.86.030 (1) (f), which consent must include a statement of the terms of compensation.
- (2) Unless additional duties are agreed to in writing signed by a dual agent, the duties of a dual agent are limited to those set forth in RCW 18.86.030 and the following, which may not be waived except as expressly set forth in (e) and (f) of this subsection:
- (a) To take no action that is adverse or detrimental to either party's interest in a transaction;
 - (b) To timely disclose to both parties any conflicts of interest;
 - (c) To advise both parties to seek expert advice on matters relating to the transaction that are beyond the dual agent's expertise;
 - (d) Not to disclose any confidential information from or about either party, except under subpoena or court order, even after termination of the agency relationship;
 - (e) Unless otherwise agreed to in writing after the dual agent has complied with RCW 18.86.030 (1) (f), to make a good faith and

continuous effort to find a buyer for the property; except that a dual agent is not obligated to seek additional offers to purchase the property while the property is subject to an existing contract for sale; and

- (f) Unless otherwise agreed to in writing after the dual agent has complied with RCW 18.86.030 (1) (f), to make a good faith and continuous effort to find a property for the buyer; except that a dual agent is not obligated to: (i) Seek additional properties to purchase while the buyer is a party to an existing contract to purchase; or (ii) show properties as to which there is no written agreement to pay compensation to the dual agent.

(3)

- (a) The showing of properties not owned by the seller to prospective buyers or the listing of competing properties for sale by a dual agent does not in and of itself constitute action that is adverse or detrimental to the seller or create a conflict of interest.
- (b) The representation of more than one seller by different licensees affiliated with the same broker in competing transactions involving the same buyer does not in and of itself constitute action that is adverse or detrimental to the sellers or create a conflict of interest.

(4)

- (a) The showing of property in which a buyer is interested to other prospective buyers or the presentation of additional offers to purchase property while the property is subject to a transaction by a dual agent does not in and of itself constitute action that is adverse or detrimental to the buyer or create a conflict of interest.
- (b) The representation of more than one buyer by different licensees affiliated with the same broker in competing transactions involving the same property does not in and of itself constitute action that is adverse or detrimental to the buyers or create a conflict of interest.

RCW 18.86.070 Sec. 7. Duration of Agency Relationship.

- (1) The agency relationships set forth in this chapter commence at the time that the licensee undertakes to provide real estate brokerage services to a principal and continue until the earliest of the following;
- (a) Completion of performance by the licensee;
- (b) Expiration of the term agreed upon by the parties;
- (c) Termination of the relationship by mutual agreement of the parties; or
- (d) Termination of the relationship by notice from either party to the other. However, such a termination does not affect the contractual rights of either party.
- (2) Except as otherwise agreed to in writing, a licensee owes no further duty after termination of the agency relationship, other than the duties of:
- (a) Accounting for all monies and property received during the relationship; and
- (b) Not disclosing confidential information.

RCW 18.86.080 Sec. 8. Compensation.

- (1) In any real estate transaction, the broker's compensation may be paid by the seller, the buyer, a third party, or by sharing the compensation between brokers.
- (2) An agreement to pay or payment of compensation does not establish an agency relationship between the party who paid the compensation and the licensee.
- (3) A seller may agree that a seller's agent may share with another broker the compensation paid by the seller.
- (4) A buyer may agree that a buyer's agent may share with another broker the compensation paid by the buyer.
- (5) A broker may be compensated by more than one party for real estate brokerage services in a real estate transaction, if those parties consent in writing at or before the time of signing an offer in the transaction.
- (6) A buyer's agent or dual agent may receive compensation based on the purchase price without breaching any duty to the buyer.
- (7) Nothing contained in this chapter negates the requirement that an agreement authorizing or

employing a licensee to sell or purchase real estate for compensation or a commission be in writing and signed by the seller or buyer.

RCW 18.86.090 Sec. 9. Vicarious Liability.

- (1) A principal is not liable for an act, error or omission by an agent or subagent of the principal arising out of an agency relationship:
 - (a) unless the principal participated in or authorized the act, error or omission, or
 - (b) except to the extent that: (i) the principal benefited from the act, error, or omission; and (ii) the court determines that it is highly probable that the claimant would be unable to enforce a judgment against the agent or subagent.
- (2) A licensee is not liable for an act, error, or omission of a subagent under this chapter, unless the licensee participated in or authorized the act, error or omission. This subsection does not limit the liability of a real estate broker for an act, error or omission by an associate real estate broker or real estate salesperson licensed to that broker.

RCW 18.86.100 Sec. 10. Imputed Knowledge and Notice.

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

RCW 18.86.110 Sec 11. Application.

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