

EARNEST MONEY RECEIPT AND SALES AGREEMENT
THIS CONTRACT CONTROLS THE TERMS OF THE SALE OF THE PROPERTY
(Please read carefully before signing)

_____, Washington, _____, 200__

RECEIVED from the City of _____, hereinafter called the Buyer, the sum of _____ Dollars, (\$_____) in the form of: a Promissory Note for said \$_____ due upon closing, deposited as earnest money and as part payment on the purchase price of the following described real estate. (Agent shall deposit the earnest money note only after Buyer and Seller have signed this agreement) which Buyer agrees to buy and the Seller agrees to sell, located in _____ County, State of Washington, generally located _____, in _____, Washington, and legally described as follows:

1. PURCHASE PRICE: The total price is _____ Dollars (\$_____), Payable upon closing.
2. CONTINGENCIES: This agreement is contingent on Title (per the title insurance report) acceptable to the Buyer, on the contingencies set forth herein below, and on Approval of the sale by the _____ City Council.
3. TITLE: Unless otherwise noted on this agreement, title of Seller is to be free of encumbrances or defects. Existing reservations, existing easements not inconsistent with Buyer's intended use, building or use restrictions general to the district, and building or zoning regulations or provisions shall not be deemed encumbrances or defects. Encumbrances to be discharged by Seller shall be paid out of purchase money at date of closing.
4. PROPERTY INFORMATION/ASSURANCES: Seller shall advise the Buyer of the existence and/or status of the following: (1) any public/community water main well public sewer septic tank cesspool none of the foregoing. (2) Whether there is a Condominium of Home Owner's fee. (3) Whether the property contains leased or encumbered items identified as hot water tank(s) heating system other _____. (4) That all electrical wiring, heating, cooling, and plumbing systems will be in working order at the time Buyer is entitled to possession, (5) That Seller knows of no material structural defects. (6) That Buyer will maintain the property and yard in present or better condition until agreed possession. (7) Shares in light and/or water companies and association, if any, shall be included in the sale, unless noted. (8) That he has no notice from any governmental agency of any violation of laws relating to the subject property except _____.
5. CLOSING COSTS AND PRO-RATIONS: The cost of escrow shall be shared equally between Buyer and Seller, except those fees which are expressly limited by Federal Regulation. Seller shall pay for excise tax and revenue stamps. Taxes for the current year, rents, interest, Association, Condominium and/or Home Owner's fees, water and other utility charges, if any shall be pro-rated as of date of closing.
6. COST-CLOSING ADJUSTMENTS, COLLECTIONS AND PAYMENTS: After closing, Buyer and Seller shall reconcile the actual amount of revenues or liabilities upon receipt of payments thereof to the extent those items were prorated or credited at closing based upon estimates. Any bills or invoices received by Buyer after closing which relate to services rendered or goods delivered to the Seller or the property prior to closing shall be paid by Seller upon representation of such bill or invoice. At Buyer's option, Buyer may pay such bill or invoice

INITIALS: BUYER _____ BUYER _____ SELLER _____ SELLER _____

Page 1 of 4 DATE _____ DATE _____ DATE _____ DATE _____

and be reimbursed the amount paid plus interest at the rate of 12 percent per annum beginning fifteen (15) days from the date of Buyer's written demand to Seller for reimbursement until such reimbursed is made. Rents collected from each tenant after closing shall be applied first to rentals due most recently from such tenant for the period after closing, and the balance shall be applied for the benefit of Seller for delinquent rentals owed for a period prior to closing. The amounts applied for the benefit of Seller shall be turned over by buyer to Seller promptly after receipt.

7. CLOSING OF THE SALE: WITH THE UNDERSTANDING THAT TIME IS OF THE ESSENCE OF THIS AGREEMENT: this sale shall be closed on OR BEFORE _____, 20____ which shall also be the termination date of this agreement. Buyer and Seller will IMMEDIATELY UPON DEMAND, deposit in escrow with _____ all instruments and monies required to complete the purchase in accordance with this agreement. Closing for the purpose of this agreement is defined as the date that all documents are executed and the sale proceeds are available to the Seller.
8. POSSESSION: Buyer shall be entitled to possession on closing, or _____. Seller agrees to pay the Buyer the sum of \$_____ for each day of possession beyond the date of agreed possession. (Said payment shall be the sole responsibility of the Seller, due on demand.)
9. ADDITIONAL PROVISIONS: In addition to INCLUDED ITEMS, CONVEYANCE, TITLE INSURANCE, AND GENERAL PROVISIONS, printed on the reverse side of this agreement, the following checked items are also included: INSPECTIONS OTHER _____

10. AGREEMENT TO PURCHASE: Buyer hereby acknowledges receipt of a copy of this agreement. Buyer offers to purchase the above property on the above terms and conditions. Notice of acceptance given to Agent by Seller shall be considered as given to Buyer.
11. TIME FOR ACCEPTANCE: Seller shall have until midnight of _____, 20____ to accept this offer by delivering a signed copy hereof to the City (City Clerk's Office).
12. COUNTEROFFERS: In the event that by change hereon or attached hereto, the Seller shall make a counter offer, the Buyer shall have two days within which to accept the same. Said counter offer shall be personally delivered or sent by certified mail to Buyer's address on the front of this agreement. The above number of days shall commence on the day after its delivery or, if mailed, then on the third day following its deposit into the mail. In either case, said two days shall expire at midnight of the last day unless that day is a Saturday, Sunday or legal holiday, in which event it shall expire at midnight of the next business day.
13. CONVEYANCE: Title shall be conveyed by Warranty Deed free of encumbrances, except as approved by the City.
14. TITLE INSURANCE: Seller authorizes, at Seller's sole expense, the City or other agent to immediately apply for a preliminary commitment for a standard form Buyer's policy of title insurance to be issued by such title insurance company as the Buyer may designate. Said preliminary commitment, and the title policy to be issued, shall contain no exceptions other than those provided for in such standard form and encumbrances or defects noted in paragraph 3 hereof. If title cannot be made so insurable prior to the closing date called herein, the earnest money shall, unless Buyer elects to waive such defects or encumbrances, be returned to the Buyer, less any costs incurred or advances by Agent for Buyer, and this agreement shall hereupon be terminated.
15. GENERAL PROVISIONS: Seller and Buyer warrant that no representations have been made concerning the condition of the property, boundary lines or size. TIME IS OF THE ESSENCE OF THIS AGREEMENT.

INITIALS: BUYER _____ BUYER _____ SELLER _____ SELLER _____

Page 2 of 4 DATE _____ DATE _____ DATE _____ DATE _____

There have been no verbal or other agreements which modify or affect this agreement. THIS AGREEMENT CONSTITUTES THE FULL UNDERSTANDING BETWEEN THE SELLER, BUYER AND AGENT.

16. HAZARDOUS SUBSTANCES: Seller represents and warrants to buyers that to the best of its knowledge: (i) there are no Hazardous Substances (as defined below) currently located in, on or under the property in a manner or quality that presently violates any Environmental Law (as defined below); (ii) there are no underground storage tanks located on the property; and (iii) there is no pending or threatened investigation or remedial action by any governmental agency regarding the release of Hazardous Substances or the violation of Environmental Law at the property. As used herein, the term "Hazardous Substances" shall mean any substance or material now or hereafter defined or regulated as a hazardous substance, hazardous-waste, toxic substance, pollutant, or contaminant under any federal, state or local law, regulation, or ordinance governing any substance that could cause actual or suspected harm to human health or the environment (Environmental Law). The term "Hazardous Substance" specifically includes but is not limited to, petroleum, petroleum by-products, and asbestos. Seller agrees to indemnify, defend and hold Buyer harmless from and against any and all claims, liabilities, losses, penalties, remediation costs and expenses (including attorney's and consultant's fees and costs) that Buyer may incur or have assessed against it as a result of the presence of any Hazardous Substance in, on, or under the property which violates any Environmental Law at any time prior to closing. The provisions of this Section shall survive closing.
17. CONDITION OF SEPTIC TANK: Seller warrants that the Septic tank, if any, serving the property is in good working order and Seller has no knowledge of any needed repairs.
18. INSPECTIONS - MAY BE REQUIRED. Seller understands that the Buyer MAY REQUIRE THAT THE PROPERTY COMPLY WITH APPLICABLE BUILDING CODES and other governmental requirements of the city or county in which it is located, and require other inspections including, but not limited to, termite, heating, plumbing, roof, electrical, septic tank and well water.
19. CONDEMNATION AND CASUALTY: Buyer may terminate this agreement and obtain the refund of the earnest money, less any costs advanced or committed for Buyer, if improvements on the property are destroyed or materially changed by casualty before closing, or if condemnation proceedings commenced against all or a portion of the property before closing.
20. COSTS OF INSPECTION: Seller agrees to pay, in advance, upon request of Agent, costs of any of the above inspections.
21. OBLIGATION TO MAKE REPAIRS: Seller understands that as a result of any governmental or utility inspections, Seller may be required to make repairs to the property in order to comply with the applicable codes whether or not a sale is completed under this Agreement.
22. ASSIGNMENT: Buyer may may not (may not assign, if not completed) assign this Agreement, or Buyer's rights hereunder without Seller's prior written Consent, unless provided otherwise.
23. NOTICE AND COMPETITION TIME: Unless otherwise specified, any notice requirement to required or permitted in, or related to, this agreement must be in writing and signed by any one Buyer or Seller, including either husband or wife. Seller appoints Listing Agent as Seller's Agent, and Buyer appoints Seller's Licensee as Buyer's agent to receive notices and other documents related to this transaction that may be delivered from one party to another, including but not limited to Seller's Real Property Transfer Disclosure Statement (RCW 46.06), and any additional written notices, responses or communications relating to such documents. The party to whom such notice or any other document is directed shall be deemed to have received and to have notice of the contents of the notice or document upon receipt by or at the office of the party's appointed agent. Any time

INITIALS: BUYER _____ BUYER _____ SELLER _____ SELLER _____

Page 3 of 4 DATE _____ DATE _____ DATE _____ DATE _____

limit applicable to a notice shall commence on the day following receipt of the notice by the appointed agent or party, and shall expire at 5:00 p.m. on the last calendar day of the specified period of time, unless the day is a Saturday, Sunday, or a legal holiday is defined in RCW 1.16.050, in which event the time shall expire on the end of the next business day. Any specified period of five (5) days or less shall include business days only. SELLER AND BUYER MUST KEEP THEIR APPOINTED AGENT ADVISED OF THEIR WHEREABOUTS TO RECEIVE PROMPT NOTIFICATION OF RECEIPT OF A NOTICE. SELLING LICENSEE AND LISTING AGENT HAVE NO RESPONSIBILITY TO ADVISE OF RECEIPT OF A NOTICE BEYOND EITHER PHONING THE PARTY OR CAUSING A COPY OF THE NOTICE TO BE DELIVERED TO THE PARTY'S ADDRESS OF THIS AGREEMENT.

24. DEFAULT AND ATTORNEY'S FEES: In the event Buyer fails, without legal excuse, to complete the purchase of the property, then Seller may, at its option, bring suit against Buyer for Seller's actual damages, or pursue any other rights or remedies available at law or in equity. In the event Seller fails, without legal excuse, to complete the sale of the property, then Buyer may, at its option, bring suit against the Seller, for specific performance of the property sale transaction, and for its actual damages, or for any other rights or remedies available at law or in equity.

If Buyer or Seller institutes suit concerning this Agreement, the prevailing party is entitled to court costs and reasonable attorney's fees. In the event of trial, the amount of the attorney's fees shall be fixed by the court. Venue of any suit shall be in the county in which the property is located, and this Agreement is to be governed by the laws of the state where the property is located.

Buyer _____ Date _____ Home Phone _____

Buyer _____ Date _____ Office Phone _____

Print Buyer's name(s) _____

Buyer's address _____ FAX _____

Seller's Licensee (Company) _____

Office phone _____ Fax _____

Address _____

By _____ Print name _____

Seller _____ Date _____ Home Phone _____

Seller _____ Date _____ Office Phone _____

Print Seller's name(s) _____

Seller's address _____ FAX _____

25. BUYER'S RECEIPT: Buyer acknowledges receipt of a Seller's signed copy of this Agreement on _____ (date). Buyer _____ Buyer _____

INITIALS: BUYER _____ BUYER _____ SELLER _____ SELLER _____

Page 4 of 4 DATE _____ DATE _____ DATE _____ DATE _____