

BY ANGIE DEARTH

2024-2025 **CURRENT**

ISSUES IN WASHINGTON
RESIDENTIAL REAL ESTATE

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A Washington State Approved Real
Estate School for Clock Hour
Education under R.C.W.18.85.

CORRESPONDENCE CLOCKHOURS

INSTRUCTIONS:

1. Print out the class.
2. Read the class material.
3. At the end of the material there is a quiz (all the answers are in the material that you have read).
4. Answer the questions.
5. Return to me the Quiz, evaluation and a check for the class payable to **CLOCKHOURS BY ANGIE** or complete your credit/debit card information on the sheet provided.
6. Upon receipt, I will email you a certificate.

Disclaimer: I try very hard to have the latest known information on a subject in these classes, but, the real estate industry is forever changing with new updates all the time. The class materials are not to be used for legal advice. In our State, some items are handled differently in the different regions. If you have any concerns, please do not hesitate to contact me at 509-216-3220 or at clockhoursbyangie@gmail.com

COURSE OBJECTIVE:

- The agent will be able to identify forms that are currently being used.
- Have a better understanding of recent legislation and the effect it has on the daily practices of real estate activity.
- Be able to identify common concepts relating to best practices and professional standards.

CURRICULUM

Session/Hours	Topics	Method of instruction
60 minutes	Forms updates	Read material/discussion
30 minutes	Legislature updates	Read material/discussion
90 minutes	Business practices updated and professional standards	Read material/discussion

TOPIC AREA I: FORMS UPDATED

I must give credit where credit is due on the following: I contacted Ken Sax of Professional Realty Services and he provided this information.

EVIDENCE OF FUNDS #NWMLS 22EF

What does it mean “evidence of funds” or “proof of funds” from a buyer? Sellers often require proof of funds from a homebuyer when that buyer is obtaining a loan. Most sellers typically want to see evidence that the buyer has a down payment and/or closing costs before agreeing to sell to that buyer. A preapproval letter isn’t always enough. A buyer’s word is not enough.

Every closer will tell you that all “cash” buyers are not created equally. When we see “cash” buyer we typically don’t believe that it will really end up being cash. Simply put, a cash buyer is someone who has cash on hand to close. Many cash buyers consider themselves to be cash buyers but are not. The following are some of the cases we have seen in the past where it really is not a “cash” purchase:

1. A buyer is obtaining a loan from “private banking” branch of their bank – they really don’t feel this is a loan. It is cash they can get any time in their minds.
2. Buyer is borrowing money from relatives....and usually the relatives will require the closer to prepare the note and trust deed and record.
3. The buyer is refinancing another property to raise the “cash”.
4. Liquidating funds from a retirement account
5. In the process of selling stocks or mutual funds.

And, once again I went to my Designated Broker for a scenario of what could happen on the Evidence of Funds form and here is his example:

“Evidence of Funds: This comes up in Form 22EF. Let’s say Buyer shows in 22A they have a 20% down payment. Listing Agent/Seller would counter with a 22EF as paragraph 2 compels buyer to show evidence of that 20% or risk of being terminated. Or Buyer is a “cash” buyer. I’d expect Listing Agent/Seller to counter with the 22EF as paragraph 2 would compel buyer “show me the money” or risk being terminated. 22 EF is not required.... but I’d argue that we are held to the standard and care of an attorney so Listing Agent would be expected to have the 22 EF conversation with Seller at least...and document that conversation and have as “material communication” in the transaction file if Seller objects to using a 22EF. 22 EF is required if Buyer is relying on contingent funds (per paragraph “a” in Form 21). Paragraph 3 in EF would be used for these purposes (gift, money, etc.). Buyer Broker must educate Buyer when using this paragraph as to the consequences stated in paragraph 4 should the funds mentioned in

paragraph 3 not be available. The consequences state Buyer will be in default and Seller will be entitled to remedies stated in the Agreement (Form 21). Document this conversation under "Material Communications".

INSPECTION ADDENDUM – NWMLS 35

It is a best practice to encourage the buyer to have a professional inspection completed on the property. The inspection addendum deals with the time frame and the response. Often, the buyer requests repairs or additional inspections on specific issues.

The inspection addendum has been changed to create a process dealing with the problems that are identified by the buyer's inspector. The repairs needed are determined by the buyer's contractor so that the brokers are not acting as contractors.

Inspection Contingency

The revisions added "buyer may engage specialists (plumbers, electricians, roofers, etc.) to conduct further inspections of the property."

Inspection Report

The buyer is prohibited from providing the inspection report, or portions of it, to Seller, unless Seller requests otherwise.

There are three provisions that the seller can choose from to receive all or part of the inspection report.

1. Seller requests that Buyer provide the inspection report to the seller.
2. If buyer requests repairs or modifications to the Agreement, seller requests that Buyer provide only the portions of the inspection report related to the requested repairs or modifications to Seller.
3. If Buyer provides notice of additional inspections pursuant to Paragraph 5. Seller requests that Buyer provide a copy of the inspector's recommendations for additional inspections to the Seller.

If none of the boxes are marked at the time of the purchase and sale agreement, then if the seller has asked for recommendations for inspectors' additional inspections, then all the buyer brokers can only give the few words that recommends an additional inspection. Do not provide the photos of the report or documentation that is in the inspection.

Seller Consent

When the seller consents to the purchase and sale agreement to a copy of the inspection report or some portion, then it is a DEMAND, and the buyer is compelled to do so. The selection of either checkbox below by Seller shall not be considered a counteroffer. Seller requests that Buyer provide the inspection report to Seller.

If Buyer requests repairs or modifications to the Agreement, Seller requests that Buyer provide to Seller only the portions of the inspection report related to the requested repairs or modifications to the Agreement.

If the buyer's inspector recommends additional inspections, the buyer can only order those inspections. The buyer cannot order additional inspections.

Brokers are not contractors and can know what needs to be done to correct the items on the inspector list. In addition, neither broker tries to satisfy the problems identified by the inspector.

How does the buyer's broker prepare the request for repairs if they can't provide pages of the buyer's inspection report?

The contractor that does the work is the one that can determine the repairs. A buyer can get a contractor to write a bid for the repair. Attach a copy of the bid to the response. The seller then hires the buyer's contractor to perform the work identified on the bid. Must be done within 3 days before closing and the original inspector can re-inspect. This puts the buyer in control of the process to remedy the problems that the buyer believes in relevant.

What if the seller does not want the buyer's contractor?

The seller can go get a bid from another contractor to make the repairs listed in the bid by the buyer's contractor. The seller typically pays to the contractor.

How does it get done in the time frames identified?

On the form, the buyer can't bring a contractor into the house without the seller's permission during the original inspection period. The additional inspection period of 5 days allows buyers to bring specialists into the seller's home based on inspector recommendations.

How to provide additional time?

Some brokers are shifting the time frames so that the original inspection time is less and increasing the additional inspection time. That can help brokers respond to the inspection issues.

INSPECTION RESPONSE NWMLS# 35R

Know the changes and new language on the inspection contracts. *“Buyer is prohibited from delivering Buyer’s inspection report or any pages of Buyers inspection report to the seller unless the seller requests delivery.”*

What if the seller requests it?

If the seller requests a copy of the report, make sure that you have written instructions from the seller to provide the report.

Inspection report identifies problems.

If a buyer is triggering the Additional inspection provisions, then the buyer must deliver a page of the buyer’s inspection report where the need or recommendation to seek additional inspections of buyer’s property.

What if there is wrongful delivery of the inspection report?

If a buyer delivers to the seller a copy of the buyer’s inspection report without the seller’s request, then the buyer is in breach of contract.

What is the remedy for the breach?

“If buyer provides any portion of the inspection report to the Seller without Seller’s written consent or as required by Paragraph 5, the inspection contingency shall conclusively be deemed waived.” As per the new revision on Form 35.

Was there damage because of that breach? Was the damage material or not? Did the seller have to hire a contractor or expert to refute some finding that may or may not be accurate in the inspection report? A damage claim could be justified. The buyer doesn’t evaluate if there is damage. That would be determined by the seller and their lawyer.

The benefit of the Form for Brokers.

The new language and requirements were written so that brokers do not draft their own contracts with information they are not qualified to deliver. The brokers have traditionally listed out on addendums what the broker thinks seller needs to do to complete repairs identified in the report.

BUYER BROKER COMPENSATION

In any real estate transaction, a firm's compensation may be paid by the seller, the buyer, a third party, or by sharing the compensation between the firms. To receive compensation from any party, a firm must have a written services agreement with the party the firm represents (or provide a "compensation disclosure" to the buyer in a transaction for commercial real estate.

A services agreement must contain the following regarding compensation:

- The amount the principal agrees to compensate the firm for broker's services as an agent or limited dual agent.
- The principal's consent, if any, and any terms of such consent, to compensate sharing between firms and parties
- The principal's consent, if any, and any terms of such consent, to compensation of the firm by more than one party.

NEW FORMS EFFECTIVE 2023

And, once again, I must give credit where credit is due. Ken Sax from Professional Realty Services gave me most of this information.

1. Notice of Termination – information verification period

The Information Verification provision gives the buyer boiler plate language to terminate the transaction if the buyer discovers a material inaccuracy in any of the seller's information and what is included in the seller's information. This would be any information provided by the seller including form 17, flyers, etc. This gives the buyer the opportunity to verify if there were inaccuracies or even fraudulent statements by the seller and the buyer can terminate the transaction. According to the Legal Hotline, this is a protection for the seller since this gives the buyer time to verify anything that the seller has presented about the property.

2. Notice of low appraisal

Buyer "may" elect to deliver this notice to Seller per paragraph 5 on 22A. This will trigger the Seller to respond in one of 4 ways listed in the same paragraph. Buyer will then have an opportunity to respond to Seller's response unless Seller agrees to lower price to appraised value. Also, paragraph 5 is an ideal paragraph to show an unreasonable Seller when taking a listing. If Buyer doesn't elect to deliver this notice, this means Buyer will simply bring additional funds to the closing table.

3. Notice of appraisal work order

The buyer initiates this form when appraisal comes back at value CONTINGENT on specific work orders being completed before closing. Buyer will attach the appraisal and deliver to Seller.

4. Sewer inspection addendum

This is a new form when Buyer elects to NOT have the inspection contingency (F35) yet still wants to inspect the sewer. This provision is on the F35 so if Buyer is using F35, they will not use this form.

5. Well addendum response.

This is to create a process for the parties (buyer and seller) to address any deficiencies buyer discovers on the well inspection. Prior to this form, the agents would have to use F34s, etc. and basically create the process. This form simply formalizes the process. It's important to note that we typically encourage agents to use the 22L&A (land and acreage addendum) in lieu of the well addendum. This form 22RN is only to be used with the well addendum though.

6. Notice to second buyer.

This new form is related to form 22B and form 39. It was needed due to not having a formal method to communicate first buyer's response to receiving the Bump notification to 2nd Buyer. When first buyer (22B contingent Buyer) receives the Bump notice, this means Seller has entered a 2nd PSA with a Form 39 (2nd buyer). First buyer upon receiving bump notice has 2 choices. They can either waive the 22B addendum in which case they will have waived all other contingencies and agree to close in 30 days. Or this buyer can opt to terminate the contract which would then put 2nd Buyer in first position.

EARLY OR DELAYED OCCUPANCY

When a buyer allows the seller to occupy the property after closing, it is exempt from the Landlord Tenant Act if it is less than 3 months. The buyer cannot pay the seller rent, it cannot be a "distressed property", and the parties must be represented by an attorney or real estate broker at closing.

Your agency relationships, most likely, terminated at the time of closing. You need to be careful practicing law by advising clients either to offer a rent-back, a delayed occupancy, or on how to deal with a tenant that will not vacate.

If a seller gives keys to a buyer prior to closing, it is not exempt under the new law changes. The owner of the house may not have insurance that covers the property or the contents if they have agreed to let the buyer move in early or if the seller remains in the property after closing. The owners must have adjusted their homeowner's insurance.

Trying to evict a seller or buyer as a tenant can take many months. Legal requirements must be met from offering a repayment plan to Eviction Resolution Mitigation. If the seller or even the buyer was offered occupancy without rent, this can become more complicated because the rent must be negotiated in a repayment plan if they refuse to move out.

LAW OF AGENCY PAMPHLET, NOW CALLED

“REAL ESTATE BROKERAGE IN WASHINGTON”

Use this pamphlet to help buyers understand the law around signing Agency Agreements.

A real estate firm and broker(s) who perform real estate brokerage services for a buyer establish an agency relationship by performing those services. The firm’s designated broker and any managing broker responsible for supervision of that broker are also agents of the buyer. A written services agreement between the buyer and the firm must be entered into before, or as soon as reasonably practical after, the broker begins rendering real estate brokerage services to the buyer.

Duration of Agency Relationship:

Once establishing an agency relationship continues until the earliest of the following:

1. Completion of performance by the broker.
2. Expiration of the term agreed upon by the parties.
3. Termination of the relationship by mutual agreement of the parties; or
4. 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.

EARNEST MONEY

Form 21, #8 says: *Default: (check only one) ___ Forfeiture of earnest money or seller’s election of remedies – What does this mean?*

NWMLS Form 21 lines 171-178 says:

“Default – In the event Buyer fails, without legal excuse, to complete the purchase of the property, then the following provision, as identified in Specific Term No 8 shall apply:

- i. **Forfeiture of Earnest Money** That portion of the Earnest Money that does not exceed five percent (5%) of the Purchase price shall be forfeited to the Seller as the sole and exclusive remedy available to Seller for such failure.
- ii. **Seller’s Election of Remedies.** Seller may, at Seller’s option, (a) keep the Earnest Money as liquidated damages as the sole and exclusive remedy available to Seller for such failure, (b) sue Buyer for Seller’s actual damages, (c) bring suite to specifically enforce this Agreement and recover any incidental damages, or (d) pursue any other rights or remedies available at law or equity.

Late delivery, what does it mean, and do we have to do an addendum? If earnest money is late, no addendum. The Department of Licensing even tells brokers don't do an addendum. Listing agents must communicate to Seller if earnest money has not been delivered when due and must inform seller, they could terminate until such time as earnest money is delivered. The Department of Licensing auditors do and will look for this communication.

What does the PSA say about earnest money when one party is in default? Usually, the default would be that of the Buyer to not deposit the earnest money in a timely manner. Therefore, listing agents should be monitoring if the earnest money was paid timely, then act on it based on their seller's instructions.

How much can be forfeited? On NWMLS form 21 line 173-174: That portion of the Earnest money that does not exceed five percent (5%) of the purchase price shall be forfeited to the Seller.

Interpleaders: What is it and how does it work?

From Wikipedia, the free encyclopedia:

Interpleader is civil procedure that allows a plaintiff to initiate a lawsuit to compel two or more other parties to litigate a dispute. An **interpleader** action originates when the plaintiff holds property on behalf of another but does not know to whom the property should be transferred. It is often used to resolve disputes arising under insurance contracts.

SEEMS SIMPLE.....RIGHT????.....NOT!!!!

The General Terms, Section B of the Residential Real Estate Purchase and Sale Agreement stipulates that in case of controversy, earnest money may be interpleaded with the courts. While this language has been a part of the standard contract for many years, few understand the process of interpleading earnest money. Today's topic is designed to assist you in determining when an interpleader is appropriate.

Before we discuss when an interpleader is appropriate, let's begin with what an interpleader is. An interpleader is an action whereby the closing agent deposits the disputed earnest money with the court clerk. To deposit the earnest money with the court clerk, the closing agent retains the services of an attorney to file the interpleader and deposit the earnest money with the clerk. The courts are then responsible for determining who gets the earnest money and the closing agent is out of the picture.

There are certain costs incurred with any court action. The filing fee for an interpleader here in Spokane County is currently \$230.00. Moreover, there is a cost for service of process. To get the purchaser and seller into court, they must first be “served” with notice of the lawsuit. The cost for service of process depends on the number of individuals involved.

Now that the earnest money has been interpleaded, what’s next? Both purchaser and seller will need to retain their own counsel to represent them in court. While one can go to court without representation, it is important to remember that this IS NOT A SMALL CLAIMS COURT.

Every Judge handle interpleader action differently. Sometimes a court date will be set. Sometimes the judge waits for the client’s attorneys to contact them. The court will hear the matter and determine whether the earnest money is to be retained by the seller or refunded to the purchaser. Either way, the allowable costs have already been deducted from the original amount.

So, where do we stand among all this talk of lawsuits? Interpleaders are not necessarily a cost-effective way of resolving disputes over earnest money. Attorney fees alone can quickly exceed the amount of the earnest money deposit. Costs are not just limited to the buyer and seller either. As I have recently learned, the court only allows \$750.00 to be held from the earnest money to pay the closing agents’ costs.

By explaining to your client, the process, and costs of such an action, they may be more likely to look for common ground and resolve a dispute without the need for litigation. Suggestions for dispute resolution that I have seen are to split the funds 50/50. I have also seen the parties choose a charity to donate the funds to– sometimes they will agree to this just because while they don’t think the other party deserves the money, they are willing to give to a good cause.

I have checked with numerous attorneys in our area, and they tell me a typical Interpleader action costs around \$850.00, so it is always best to get a quote ahead of time. And that attorney is only doing the interpleader action for the “holder” of the money, is not representing either purchaser or seller.

If you are a real estate company and have a trust account, there is a form available on NWMLS form number 150, but it is always best to contact an attorney for advice if you choose to complete this form on Interpleading.

- Have you had any experiences with Interpleading?
- Have you heard any horror stories from other agents?

NOTE: From buyer to broker: earnest money released to seller should be deposited to Escrow and the released to seller. This way there is a tract record of what occurred.

TOPIC AREA II: LEGISLATIVE UPDATE

SENATE BILL 5191

Summary of Senate bill SB 5191 as passed and is effective January 2024

Requires a written services agreement between a real estate firm and a buyer or seller, and landlord/tenant.

Provides that certain legal duties of real estate brokers apply to all parties to the transaction.

Modifies the Washington State Real Estate Brokerage pamphlet to include changes to the law and improvements in readability.

The Law of Agency creates a presumption of buyer agency. That means that when a buyer walks into a real estate company, for example, the broker is “presumed” to represent the buyer at the time that the buyer performs “real estate brokerage services.” A written agreement is not required by the law to represent the buyer. There are several reasons why a written agreement with the buyer can clear up any confusion, especially in the area representation and compensation.

The compensation paid to the buyer’s agent has typically come from the seller’s costs at closing. Though it is negotiable, the compensation for the buyer is seldom negotiated by the buyer’s agent. The compensation amount paid to the buyer’s agent will now be disclosed to NWMLS. In some cases, there will be sellers who elect to pay the buyer’s commission or offer no commission at all. This will require the buyer’s agent to have a Buyer agreement so that commission can be negotiated by both parties.

Key Revisions to the Changes to the Agency Law

For years, real estate brokerage firms were only required to enter into written agreements with sellers, not buyers. Beginning January 1, 2024, the Agency Law will require firms to enter a written “brokerage services agreement” with any party the firm represents, both sellers and buyers. This change is to ensure that buyers (in addition to sellers) clearly understand the terms of the firm’s representation and compensation.

The services agreement with buyers must include:

- The term of the agreement (with a default term of 60 days and an option for longer term); Be aware scammers might try for very long terms!
- The name of the broker appointed to be the buyer’s agent.
- Whether the agency relationship is exclusive or non-exclusive.
- Whether the buyer consents to the individual broker representing both the buyer and seller in the same transaction (referred to a “limited dual agency”).

- Whether the buyer consents to the broker's designated broker/ managing broker's limited dual agency.
- The amount the firm will be compensated and who will pay the compensation; and
- Any other agreements between the parties.

Why have a written Brokerage Agreement with a client?

A written brokerage services agreement with a client:

- Discloses the agency's relationship and the term with the buyer in writing. It is important that the buyer clearly understands the agency relationship. The default term is 60 days, but a different term, shorter or longer, can be agreed to in writing. (Watch for scammers that may put in long terms.)
- Affirms that the agent has given the buyer a copy of the Pamphlet on the Law of Agency. The way to document that the buyer has received the pamphlet is for the client to sign the Buyer Brokerage Agreement.
- Gives the buyer written consent for limited dual agency. If a broker could possibly show an in-house listing, for example, the broker must have the buyer understand dual agency and get a copy of the pamphlet. This is documented in a Buyer Broker Agreement. Dual agency must be agreed to in writing.
- Detailed terms of compensation. How much does the buyer's agent get paid? The NWMLS discloses the compensation paid by the seller for the buyer's agent. If that compensation is less than what the buyer's agent requires by contract with their firm, less than what will cover their time and expenses, or is nothing, then the buyer can negotiate the payment only with a Buyer Brokerage Agreement.
- Put compensation in writing if there is no listing agreement. If a buyer elects to purchase a house that is not listed in the NWMLS, this compensation section details the amount of compensation that the buyer agrees to pay to compensate their agent. If a property seller refuses to agree on paper in a listing or as a for sale by owner, to pay a compensation, the buyer's agent is not required to show that property.
- It has an attorney's fees provision so that if the broker is sued and wins, the other party is responsible for their attorney's fees.

The buyer's Brokerage Services Agreement can be exclusive or non-exclusive.

- Exclusive Agreement – This would be like the idea of an exclusive listing agreement. An exclusive buyer agency agreement binds the buyer to purchase any property with the buyer's agent. It includes during a period and within certain boundaries.
- Non-Exclusive – A non-exclusive agreement means that any property information on potential listings for sale that a buyer's agent provides to a buyer, would require a payment of commission if the buyer decides to buy one of those properties during a period.

How to use a Brokerage Services Agreement?

Real estate brokers in Washington state seem to avoid using a Buyer Brokerage Agreement. A listing agreement is also a Brokerage Agreement. With the disclosure of buyer's agent compensation to the sellers and buyers, the real estate broker may be able to discuss and negotiate compensation to get paid. This will require the use of the Buyer Broker Agreement.

Must be signed "as soon a reasonably practicable."

A buyer Agency Agreement has been available in Washington State for decades. It is not a new form, though it has recently been changed. The agreement must be presented and signed "as soon as reasonably practicable". This means it has a sense of urgency or immediately. It needs to establish the relationship as you start to perform brokerage services. "Before or immediately after providing real estate services".

Examples of when you would present the buyer brokerage services:

- If you are qualifying a buyer and discussing properties that might be suitable or available.
- When you are meeting a buyer for the first time to determine if you can help them.
- When you meet a buyer at an open house, and they want to write up an offer.
- When a buyer calls you and wants to meet at a house for sale. As soon as you have shown the home, the discussion goes forward.

The Buyer Brokerage services agreement affirms that you have presented a copy of the law to the consumer.

The new consumer friendly Law of Agency Pamphlet, now called "Real Estate Brokerage in Washington" pamphlet.

REVIEW THE MOST RECENT LEGISLATION AND THE EFFECT THAT IT HAS ON THE DAILY PRACTICE OF REAL ESTATE ACTIVITIES

HB 1042 – Concerning the use of existing buildings for residential purposes. Signed into law. When cities in Washington update their comprehensive plan, they cannot impose certain restrictions on commercial or mixed use to restrict addition of housing is constructed in the building envelope.

HB- 1046 – Expanding housing supply by supporting the ability of public housing authorities to finance affordable housing developments by re-benchmarking area median income limits.

HB 1070 – When a house is sold, sometimes the seller is not yet ready to move out, or the buyer is not able to move in. In this situation, the buyer and seller will agree to a written “leaseback” as part of the sale so that the seller stays in the house after closing for a certain period. This is not a typical landlord-tenant type situation, so this bill would clarify that a sale/leaseback is exempt from the state’s landlord-tenant act. Signed into law.

HB – 1074 – Addressing documentation and processes governing landlord’s claim for damage to residential premises. There are concerns this bill would create heavy documentation requirements housing provides to recoup costs for damages made by tenants. Signed into law.

HB 1110 – “Middle Housing” types are duplex to sixplex units, townhouses, cottage houses and other smaller housing types that fit within existing residential neighborhoods. The lack of housing supply is caused by lack of building land, and antiquated city Zoning that locks up 70% of residential land solely for single-family housing. Allowing middle housing in all residential areas would still allow single-family housing but provide more options to increase housing supply and affordable housing ownership. The final version is less ambitious than earlier versions, but orders cities to allow duplexes to be built with fourplexes allowed in cities with more than 75,000 people. Signed into law.

HB – 1181 – Would add a climate change element to the Growth Management Act. Improving the state’s response to climate change by updating the state’s planning framework when updating city and county comprehensive plans. It should include resiliency plans for climate impacts, greenhouse gas emissions from vehicle miles, and water system plans and the effect from extreme weather. Signed into law.

HB – 1293 -Streamlining development regulations. This focuses on the design review process and regulations including the requirements to have no more than one public meeting.

HB – 1337 – This bill works to ease barriers to the construction and use of accessory dwelling units. It requires the adoption or amendment of municipal zoning regulations to allow for at least two ADU’s on all lots located in all zoning districts within an urban growth area that allow for single-family homes. Signed into law.

HB- 1009 Military Spouse employment. The Department of licensing along with the DOH are required to implement legislation modifying the professional licensing procedures for military spouses. They must issue a license to a qualified military spouse within 30 days of application and receive a temporary license. The WA Dept of Licensing announced at the November commission meeting a person to serve as a liaison for military and their spouses.

HB – 5045 – Incentivizing rental of accessory dwelling units to low-income households. Signed into law. A county with a population of 1,500,000 or more may choose to exempt an ADU from property tax if it is a rental property for low-income households.

HB – 5058 The bill exempts buildings with 12 or fewer units that are no more than two stories from requirements to submit a building enclosure design document to the building authority before construction, and to undergo building enclosure inspections during construction and before a conveyance of a condominium unit within the building to a third party. Sponsored by Senator Mike Padden. Signed into law.

HB – 5258 Condominiums are the most affordable type of home ownership, but the supply of new condominiums in Washington is among the worst in the country. This bill improves the condominium market by improving the process to repair condominium defects (“Right to Cure”) streamlines the process for construction of smaller condominium projects. Signed into law.

HB – 5290 – Concerning consolidating local permit review processes. City planning under the Growth Management Act must respond to permit applications in a timely manner. Concerning consolidating local permit review processes. A city or county with an Urban Growth Capacity report must provide an annual performance report.

HB – 5399 – Future listing contracts

“Future Listing Contracts” grant an exclusive right to list residential real estate for sale in the future which includes, but is not limited to, any document recorded in the county where the real estate is located relating to the contract including the contract itself, a memorandum concerning the contract or a deed of trust to secure the terms of the contract. There are companies across the US that are using call centers and contacting people with equity in their home. In exchange for a couple of thousand dollars, the homeowner agrees to sign some documents which include a “future listing contract” that expires in most cases after 40 years. (not a typo). When the homeowner goes to sell, the listing company is nowhere to be found. They find that there is a cloud on the title, sometimes as a “memorandum” that requires the seller must pay usually 6% of the sales price to the future listing company at closing. So far, there has been no way to stop them so the legislature quickly passed this bill unanimously and it became effective in May 2023. There are hundreds of homeowners that have already signed these contracts and cannot sell without paying tens of thousands of dollars to the questionable companies. This does not over the homeowners who have already signed the contracts. The bill limits future listing contracts to no more than 5 years. An owner has ten days after entering one

of these contracts to provide a notice of cancellation which allows the owner to get out of the contract without penalty or further obligation. A future listing right purchase contract is prohibited from being used as a lien against real property.

The attorney general may bring action to enforce compliance with this section by making the provisions subject to the Consumer Protection Act.

If you find that a seller has a cloud on the title that may be in the form of a memorandum and they may have signed one of these future listing contracts, you should immediately have the owner contact an attorney prior to listing the property.

NOTE: The Real Estate Commission is to have a workgroup to examine practices used by real estate brokerage companies to market, establish, and enforce future listing right purchase contracts and to report back to the legislature by December 1, 2024, with findings and recommendations. This law specifically states the “future listing contract”. There are talks that a similar law should focus on the length of buyer brokerage agreements.

HB – 5412 -Reducing local government’s land use permitting workloads. Under the Growth Management Act. The Site Environmental Polica act expands the infill development exemption to include housing development. Certain project actions with the purpose of developing one or more residential housing units within the urban growth area and meeting certain criteria are exempt for SEPA.

TOPIC AREA III: BUSINESS PRACTICES UPDATE AND PROFESSIONAL STANDARDS

Educational Objective: Identify and describe common concepts relating to best practices and professional standards.

A. Raising the bar of professionalism in interactions

In searching for information on this subject, I came upon the “Preamble” of the “Code of Ethics” and I thought it said it all. Coming from a background in settlement, I have found this to be so true. Of the hundreds of closings, I have participated in over the years, the ones where both listing and selling agents “cooperated” with each other, AND other professionals, were the best ending transactions. And, the **GOLDEN RULE**, as quoted below says it all:

“Whatsoever ye would that others should do to you, do ye even so to them”.

One of the biggest complaints in the real estate industry is that the conduct and professionalism of the broker is on the other side of the transaction. To keep a transaction moving smoothly towards closing, it is important to keep open the lines of communication and respond in a timely manner.

And remember, all commission issues need to be in writing.

As a real estate closer, I’ll give you my most common complaints I hear from agents about the opposing agent:

1. It was a team and I got calls from so many different people on the team and they never seemed to talk to each other so I had to repeat the problem or problems, constantly.
2. I have left numerous calls for the other agent but he/she never called me back. We could have solved the problem if we talked prior to the closing appointment.
3. The listing broker never told the selling agent that their offer was not accepted.
4. The other broker should have prepared “that” form, it is not my job but I guess I will do it since you are requiring it to close.

Discussion:

1. Do you purposely not show properties to your clients of listings with agents you have had a problem with before?
2. Have you ever told your clients about the problems you had with another agent and that is why you won’t show their listings?
3. Do you post any comments on social media (public or private page/s) regarding clients, commissions, and/or any dissatisfactions with a 3rd party provider?
4. Are the above boycotting or anti-trust violations..... let’s discuss! Social Media posts?

B. Managing Broker responsibilities regarding managing a firm or branch office or as a team leader.

Well, the first thing I did when I saw this heading on the outline for the CORE 2024-25 class is, I looked up the RCW to see what it really said a managing broker's duties were. One of the things I knew they were responsible for was to supervise the first two years of a new licensee and thought to myself, wow, what a responsibility! With so many new agents in this industry how can they possibly supervise all those new bodies! Are there rules on how they document this supervision? Does it differ from office to office? And, what about all the teams? Maybe the answers are defined in 18.85.

Let's review 18.85.

RCW 18.85.275

Designated broker or managing broker—Authority and duties.

(1) The designated broker or managing broker shall supervise the conduct of brokers and managing brokers for compliance with this chapter, chapter 18.235 RCW, and RCW 18.86.030.

(2) Listings, transactions, management agreements, and other contracts relating to providing brokerage services are property of the real estate firm. Brokers shall timely deliver to their appointed managing broker all funds and records required to be held or maintained by the real estate firm. A managing broker is responsible for such funds and records only after they are received from the broker. A managing broker shall timely deliver to the designated broker all funds and records required to be held or maintained by the real estate firm. The designated broker is responsible for such funds and records only after they are received from the managing broker or broker.

(3) The designated broker may delegate by written agreement the duties of safe handling of client funds, maintenance of trust accounts, and transaction and trust account records, along with supervision of brokers, to a managing broker licensed to the firm. The designated broker shall maintain a record of the firm's managing brokers and delegations to managing brokers.

(4) The designated broker or the designated broker's delegate has the authority to amend, modify, bind, create, rescind, terminate, or release real estate brokerage service contracts on behalf of the real estate firm. The designated broker has the authority to accept new or transferred licensees to represent the real estate firm.

(5) A broker who supervises or exercises right of control over other brokers in the performance of real estate brokerage services must be licensed as a managing broker.

(6) During the first two years of a broker's licensure, a managing broker must provide a heightened level of supervision as provided by rule of the director.

C. MULTIPLE OFFER SCENARIOS

There are no laws or rules from The Department of Licensing on multiple offers. Under the Law of Agency, RCW 18.86.030:

“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”.

I decided to “interview” numerous (5 to be exact) managing brokers in the Spokane Area to get their take on “multiple offers” and the one thing they all agreed upon is:

“Do what the seller wants you to do- always follow your seller’s instructions.”

Or from Standard of Practice 1-6: “Realtors shall submit offers and counteroffers objectively and as quickly as possible.”

Here are some options for your seller:

1. Reject all offers submitted.
2. Choose one offer, even if it is not the best.
3. Choose the highest offer.
4. Counter one offer and reject the others.
5. Counter offers more than one offer – BUT BEWARE –don’t put your seller in a position where he/she may have sold the property to two parties!
6. Counter offers and accepting offers in “first and backup” positions.
7. Avoid evaluating offers based on discriminatory information or protected classes.
8. Your seller should evaluate offers based on a buyer’s ability to close on terms acceptable to seller.

And once again we hear the coined phrase, ‘TIME IS OF THE ESSENCE’. Be sure to always keep in mind “BEST PRACTICES”, especially in multiple offer situations.

DISCUSSION:

1. How to evaluate offers based on a buyer’s ability to close on terms acceptable to seller.
2. How to avoid evaluating offers based on discriminatory information or protected classes (Love Letters, Buyer’s first and/or last name).
3. Seller and Buyer options when facing multiple offer situations.
4. Time is of the essence when presenting offers.
5. Best practices in multiple offer situations

RISKY PRACTICES IN AN ABUNDANT MARKET

We have been hearing about risky practices by Brokers for years. The level of risk and which party is bearing said risk fluctuate with the market. And “risky practices” can be anything from overly aggressive terms for the party you represent up to flat out lying and misrepresentation to gain more favorable terms for your client. The latter falls more under violation of licensing law which may result in DOL Administrative Action being taken against you and in some cases your Designated Broker. And don’t fall under the false sense of security in drafting such terms because “everyone is doing it”. Remember, it’s never a problem until it’s a problem!!

FROM LISTING BROKERS:

- 1) Misrepresenting the presence of other offers to a Buyer Broker
- 2) Misrepresenting the amount offered in other offers.
- 3) Holding the Exhibit, A hostage to preserve your Sellers ability to walk away.
- 4) Telling your Seller that Buyer has waived their Inspection Contingency because of information received from Buyer Broker.
- 5) Failure to discuss with Seller and/or utilize Form 22EF paragraph 2.
- 6) Use of Offer Instructions. Are these your instructions or Sellers? Document!
- 7) Failure to present offers if above instructions are not followed.
- 8) Holding of offers until “offer review date”. You must still give a timely present!
- 9) Misinforming Seller as to their options should Seller want to accept an offer early.
- 10) Misleading listing photos. Does it really look like that?
- 11) Allowing Seller to skip lines in the Seller Disclosures Statement, Form 17.
- 12) Not keeping Seller informed as to the status of Buyer’s Earnest Money and informing Seller that they can Terminate the agreement for Buyer’s failure to deposit Earnest Money when due.

FROM BUYER BROKERS:

- 1) Drafting dangerous inspection scenarios.
- 2) Drafting ambiguous inspection scenarios (informational purposes only). What does this even mean?
- 3) Striking of any language or paragraph in the forms. We risk unintentionally altering the meaning of such provisions and may be guilty of practicing law without a license.
- 4) Drafting language making Earnest Money non-refundable or releasing Earnest Money to Seller at a certain time.
- 5) Allowing Seller to occupy property after closing. How do we get them out?
- 6) Buyer waiving the right to receive Seller Disclosures Statement, Form 17.

- 7) Not confirming Buyer's timely deposit of Earnest Money.
- 8) Not staying on top of important timelines and exposing Buyer to unfavorable consequences as a result.

D. TRANSACTION COORDINATORS

What really is a "transaction coordinator? Are they licensed? Who are they licensed with? If you are a listing agent working with a transaction coordinator to close a transaction, and the transaction coordinator is licensed under your designated broker and firm, then they also represent the client. But, if they are not licensed by your firm, they are not.

If a broker represents the seller, there is an agency relationship with the broker and the seller, if the transaction coordinator is not with the broker's firm, they promise to perform the work that requires a brokerage services agreement, but they do not represent the client. Licensed as an agent or not, they cannot perform brokerage services for a client that is represented by another firm.

Does the transaction coordinator have an agency duty to the seller? License law says that licensee operates under the authority and supervision of a firm and the designated broker. The transaction coordinator is not operating under the listing broker's firm. If there is a problem, the transaction coordinator does not represent the listing broker's client and does not report to their broker. Then there is the matter of documentation. Most transaction coordinators say that the documents are available 24/7 to the broker, but are they available to the designated broker? What about confidentiality? The transaction coordinator may be talking about confidential issues with the client, but the TC does not represent the client so that they are not bound by confidentiality.

Some transaction coordinators help obtain signatures, meet third parties at properties, negotiate with clients and discuss contract issues. All these duties require a brokerage services contract, but they are not licensed to perform these services under another brokerage.

If you are going to hire a transaction coordinator outside of your firm, you need to have a contract that says they will not perform brokerage services. In addition, it must include an agreement that they are not compensated on a successful closing. If so, then it appears to the DOL that you are dependent on a successful closing then you are compensating them for brokerage services. Discuss this with your designated broker.

The WA Department of Licensing is studying this issue for WA state. There is a team of commissioners that will meet over the next six months to discuss the issue and make recommendations.

E. REVIEW OF THE TOP VIOLATIONS BY BROKERS

The investigation unit of Department of Licensing for real estate suggested that these are the top issues that they see during investigations:

1. Recordkeeping

The number one challenge is that the records for transactions are not complete and kept accessible. There is a task force with the DOL to study this issue appointed in November 2023:

- Maintain all records on transactions. This includes communication. It also includes information on all transactions that did NOT come together.
- Make sure that the records are kept secure and private.
- Make sure that all records are available and accessible when there is a DOL audit.

2. Trust accounts

Consumer funds in trust accounts are a priority with the Department of Licensing. We are tasked with keeping those funds. The accounts must be set up and maintained properly.

3. Broker responsibilities

Designated brokers can delegate responsibilities to other Managing Brokers only. This information is to be available to auditors when they do an internal audit. A broker that performs duties outside of their scope of responsibility violates license law. Examples include team managers who are not licensed as Managing Brokers but are performing duties (including keeping consumer funds managed or hiring and training new licensees) outside of their responsibilities.

4. Advertising

Advertising must have the Firm Name as licensed on every type of marketing. Some firms have created many “assumed names” so it is important that the broker knows what their firm expects. Firm name must be disclosed within “one click” on any social media. A team cannot use a name that a consumer would assume is the name of a firm. Teams, unless under an assumed name by their company, must also disclose the firm name in a “clear and conspicuous manner”. That could mean no smaller than the smallest typeface on the advertising. If the firm of the broker has changed their

address, it is imperative that the DOL is informed. This would most likely be done on the SAW account.

5. Failure to cooperate with the DOL.

If you get a notice from the DOL that you are being investigated, don't ignore it. You don't wait until the very last minute when you are scheduled for a sanctions hearing. The DOL basically investigates when there is a complaint. If they find reasonable evidence, they move forward. You have rights including ordering under the Freedom of Information Act information regarding your investigation. If you do not cooperate immediately and fully, you are violating another law under license law.

6. Unlicensed activity

What you are licensed to do as a real estate broker or managing broker is specified in license law under brokerage responsibilities. An example of unlicensed activity can include managing your friends rental house by writing the advertisement or talking with prospects, even though you are not taking rent or deposits.

F. BROKER PERSONAL SAFETY – SOME ITEMS TO BE AWARE OF

1. Keep it light – show properties before dark. If you must show a property after dark, turn on all lights.
2. Checking in – when you have a new client, ask him/her to stop by your office and complete an identification form. Also, photocopy their driver's license.
3. Don't be too public – Limit the amount of personal information you share.
4. Touch base – always let someone know here you are going and when you will be back.
5. Open house safety – don't assume that everyone has left the premises at the end of the open house. Check all the rooms before locking up.
6. Bring up the rear – when showing a home, always have your prospect walk in front of you. Don't lead them, but rather direct them from a position slightly behind them.
7. Pick up some self-defense skills.
8. Take the wheel – whenever possible, take your own car to a showing.
9. Got cell service – when you're showing property, locations may interfere with reception. Check-in advance of a showing.
10. Agree on an office distress code – create a voice distress code, a secret word or phrase that is not commonly used but can be worked into any conversation.
11. Have your excuse ready – part of being prepared to deal with a threatening situation is having "an out". Prepare a scenario in advance so that you can leave or you can encourage someone who makes you uncomfortable to leave.
12. Lock up clients' keys – be sure to use the lockbox property-key procedure that has been established to improve real estate safety.
13. Nothing personal – when talking to clients and prospects, be friendly but keep your personal information private.
14. Dawn to dusk – when showing a vacant commercial site, be aware of the time of day you meet a client.
15. Don't dial and drive – using a cell phone while driving can cause an accident. For safety, use a hand-free phone for your vehicle.
16. Carry less – if you carry a purse, lock it in your car trunk. Carry only non-valuable items, except your cell phone.
17. Take two seconds to pause and look around as you enter your destination.
18. Be prepared – to best prepare for an emergency, pre-program important numbers in your cell phone.
19. Don't use the "v word" – when describing a listing never say property is vacant.
20. Be in charge – whenever possible, be sure your cell phone has a full battery charge.

Professional Standards:

Every two years when the core curriculum is updated this paragraph is included. The broker on the other side of your transaction may appear to be less competent. Remember, that broker may be of the same opinion as you.

When working with another broker on the opposite side of the transaction or when the broker has referred you, it is important to give them a shout-out.

One of the biggest complaints in the real estate industry is that the conduct and professionalism of the broker is on the other side of the transaction. To keep a transaction moving smoothly toward closing, it is important to keep open lines of communication and respond in a timely manner. All compensation issues need to be in writing.

One of the biggest complaints from consumers deals with communication. The broker so often didn't answer the phone and there wasn't a return call as an example. From my own experience, if I call ten real estate brokers today, I will probably get about 20% to answer the phone even if they just called or emailed me. Only about 20% will call back after leaving a voice mail.

The type of complaints can include:

- The Broker did not answer phone calls or does it sporadically.
- The assistant to the broker does not know anything about the transaction.
- The Broker did not file the paperwork on time.
- The Broker will not confirm the amount of money received.
- The Broker did not tell the buyer whether their offer was presented or not accepted.

Quiz for CORE 2024-2025

1	Most sellers want proof of funds from a buyer and the form is 22EF.	True	False
2	Many “cash buyers” are typically NOT cash buyers at time of closing.	True	False
3	It is best practices to encourage a buyer to have a professional home inspection	True	False
4	The buyer is prohibited from providing the inspection report to the seller.	True	False
5	The buyer cannot bring a contractor into the house without sellers’ permission.	True	False
6	A Firm’s compensation may be paid by seller, buyer or a third party.	True	False
7	Notice of Termination is a new form effective 1/1/24.	True	False
8	Buyer may elect to deliver “notice of low appraisal” to the seller.	True	False
9	If buyer elects to have no inspection, then he can not have the sewer inspected	True	False
10	If a seller gives keys to a buyer prior to closing, it is not exempt under new law.	True	False
11	Trying to evict a seller or buyer as a tenant can take many months.	True	False
12	Most sellers check “sellers’ election of remedies” on form 21.	True	False
13	You must prepare an addendum if the purchaser deposits the EM late.	True	False
14	No matter what the amount of EM is, it can all be forfeited to the seller.	True	False
15	Interpleading EM is an easy process.	True	False
16	The “Law of Agency” pamphlet has a new name effective 1/1/24.	True	False
17	The buyer’s Brokerage Services Agreement can be exclusive or non-exclusive.	True	False
18	Many House Bills were passed in 2023 that affect real estate.	True	False
19	Recordkeeping is the number one violation that DOL must deal with audits.	True	False
20	One of the biggest complaints in this industry is the conduct of the other agent.	True	False

I hereby attest that I have read the material and answered the questions.

Signature

Date completed.



Mandatory Evaluation for CORE 2024-2025

Please fill out the following form and return with your completed clock hour class quiz.

Name/ Company: _____

Address: _____

City, State, Zip: _____

Phone: (personal) _____ (work) _____

Email: _____

License Renewal Date: _____

Signature: _____ Date: _____

1. What are 3 things that you learned from this course?

- 1. _____
- 2. _____
- 3. _____

2. Do you feel the clock hour material was easy to follow? _____

3. Did the material give you information to help you in your profession? _____

4. Will the material help you with future transactions? _____

5. Why did you choose to take this course? Topic __ Time __ Cost __ Ease __ Other__

6. How long did this class take you to complete? _____ (a "clock hour" is 50 minute)

How will you pay for this correspondence class?

_____ cash _____ check _____ debit/credit information needed:

Card number _____ exp date _____

3 digits on back _____ zip code of where bill is mailed _____

**INSPECTION ADDENDUM TO
PURCHASE AND SALE AGREEMENT**

Continued

- filled in) after giving the notice to obtain the additional inspection(s) as recommended by the inspector and the Initial Inspection Period shall be so extended. 46
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6. **BUYER'S REQUESTS FOR REPAIRS OR MODIFICATIONS.** If Buyer requests repairs or modifications pursuant to Paragraph 3, the parties shall negotiate as set forth in this Paragraph 6. Buyer's initial request and Seller's response made in accordance with the following procedures are irrevocable for the time period provided. 48
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- a. **Seller's Response to Request for Repairs or Modifications.** Seller shall have _____ days (3 days if not filled in) after receipt of Buyer's request for repairs or modifications to give notice that Seller (i) agrees to the repairs or modifications proposed by Buyer; (ii) agrees to some of the repairs or modifications proposed by Buyer; (iii) rejects all repairs or modifications proposed by Buyer; or (iv) offers different or additional repairs or modifications. If Seller agrees to the terms of Buyer's request for repairs or modifications, this contingency shall be satisfied and Buyer's Reply shall not be necessary. If Seller does not agree to all of Buyer's repairs or modifications, Buyer shall have an opportunity to reply, as follows: 51
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- b. **Buyer's Reply.** If Seller does not agree to all of the repairs or modifications proposed by Buyer, Buyer shall have _____ days (3 days if not filled in) from either the day Buyer receives Seller's response or, if Seller fails to timely respond, the day Seller's response period ends, whichever is earlier, to (i) accept the Seller's response at which time this contingency shall be satisfied; (ii) agree with the Seller on other remedies; or (iii) disapprove the inspection and terminate the Agreement, in which event, the Earnest Money shall be refunded to Buyer. 58
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- 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 6(b). 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. 64
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7. **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 and in accordance with all applicable laws no fewer than _____ days (3 days if not filled in) 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 professional selected by Seller. Seller's repairs are subject to re-inspection and approval, prior to Closing, by the inspector or specialist who recommended the repair, if Buyer elects to order and pay for such re-inspection. 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. 69
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8. **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. 78
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9. **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). 81
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10. **NEIGHBORHOOD REVIEW CONTINGENCY.** If the box is checked, 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. 86
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**BUYER BROKERAGE
SERVICES AGREEMENT**

This Buyer Brokerage Services Agreement ("Agreement") is effective upon mutual acceptance ("Effective Date") and 1
is made by and between _____ ("Buyer Brokerage Firm" or "Firm") and 2
_____ ("Buyer") for real property located 3
Buyer Buyer
in the following areas: Counties of Spokane, Stevens, Pend Oreille, or Lincoln, WA. (unlimited if not filled in) ("Area"). 4

1. **DEFINITIONS.** "Purchase(s)" includes a contract to purchase, an exchange or contract to exchange, or an option 5
to purchase. 6

2. **TERM.** This Agreement will expire _____ days (60 days if not filled in) from the Effective Date ("Term"). If this 7
Agreement expires while Buyer is a party to a purchase and sale agreement and represented by Buyer Brokerage 8
Firm as indicated on the purchase and sale agreement, the Term shall automatically extend until the sale is closed 9
or the purchase and sale agreement is terminated. 10

3. **AGENCY.** 11

a. Pamphlet. Buyer acknowledges receipt of the pamphlet entitled "Real Estate Brokerage in Washington." 12

b. Buyer Broker. Buyer Brokerage Firm appoints _____ ("Buyer Broker") to represent 13
Buyer. This Agreement creates an agency relationship with Buyer Broker and any of Firm's managing brokers 14
who supervise Buyer Broker ("Supervising Broker"). No other brokers affiliated with Firm are agents of Buyer. 15

c. Agency Relationship. Buyer Brokerage Firm's representation of Buyer for the purchase of real property in the 16
Area shall be (non-exclusive, if not checked): 17

Exclusive. Buyer may not enter into an agency relationship with another real estate firm during the Term 18
for the purchase of real property in the Area ("Exclusive Agency"); or 19

Non-Exclusive. Buyer may enter into a non-exclusive agency relationship with other real estate firms during 20
the Term ("Non-Exclusive Agency"). 21

4. **LIMITED DUAL AGENCY.** 22

a. Buyer Broker as Limited Dual Agent. If initialed below, Buyer consents to Buyer Broker and Supervising Broker 23
acting as limited dual agents in the sale of property that is listed by Buyer Broker. Buyer acknowledges that as 24
a limited dual agent, RCW 18.86.060 prohibits Buyer Broker from advocating terms favorable to Buyer to the 25
detriment of the seller and further limits Buyer Broker's representation of Buyer. 26

Buyer's Initials Date Buyer's Initials Date 27

b. Firm Limited Dual Agency. If Buyer purchases a property listed by one of Firm's brokers other than Buyer Broker 28
("Listing Broker"), Buyer consents to any Supervising Broker, who also supervises Listing Broker, acting as a 29
limited dual agent. 30

5. **COMPENSATION.** Buyer acknowledges that there are no standard compensation rates and the compensation in 31
this Agreement is fully negotiable and not set by law. The compensation for Buyer Brokerage Firm's services (the 32
"Compensation") shall be: 33

a. _____ % of purchase price; \$ _____; other: _____ 34

b. If Buyer Broker is a limited dual agent and represents both Buyer and the seller, then the Compensation shall 35
be (equal to the amount in subsection 5(a) if not filled in): 36

_____ % of purchase price; \$ _____; other: _____ 37

Buyer's Initials Date Buyer's Initials Date

**BUYER BROKERAGE
SERVICES AGREEMENT**

6. SELLER COMPENSATION OFFER.

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A seller may, but is not required to, offer compensation to Firm for representing Buyer in the purchase of seller's real property ("Seller's Offer"). Seller's Offer is disclosed in the listing, shall be stated in the purchase and sale agreement, and may be accepted by Buyer, on behalf of Firm, in the purchase and sale agreement.

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a. Seller's Offer Equal to Compensation. If Seller's Offer is equal to the Compensation, Buyer shall accept Seller's Offer and Buyer shall not be obligated to separately pay Firm.

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b. Seller's Offer Greater Than Compensation. If Seller's Offer is greater than the Compensation, Buyer shall accept Seller's Offer and Buyer shall not be obligated to separately pay Firm. The amount of Seller's Offer that is greater than the Compensation shall be:

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- Paid to Firm;
- Credited to Buyer (to the extent allowed by Buyer's lender) and any non-allowed amount paid to Firm;
- Credited to the seller; or
- Other: _____.

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c. Seller's Offer Less Than Compensation. If Seller's Offer is less than the Compensation, Buyer shall accept Seller's Offer (if any) and:

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- Pay the balance of the Compensation to Firm at closing;
- Request that the seller pay the balance of the Compensation to Firm as a part of Buyer's offer to purchase the property; or
- Other: _____.

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7. COMPENSATION TERMS. The Compensation is due (except as otherwise agreed herein) when Buyer purchases real property located in the Area during the Term and:

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a. Exclusive Agency. For Exclusive Agency, the purchase closes.

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b. Non-Exclusive Agency. For Non-Exclusive Agency, the purchase closes, and Buyer Brokerage Firm represents Buyer in such purchase as indicated on the purchase and sale agreement.

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c. Compensation After Expiration. If within _____ days (60 days if not filled in) after the Term:

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i. Exclusive Agency. Buyer purchases a property that was brought to the attention of Buyer during the Term by the efforts or actions of Firm, or through information secured directly or indirectly from or through Firm; or a property that Buyer inquired about to Firm during the Term. Compensation is due when the purchase closes.

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ii. Non-Exclusive Agency. Buyer purchases a property for which Buyer Brokerage Firm presented a written offer to the seller on behalf of Buyer during the Term. Compensation is due when the purchase closes.

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Provided that in either event, if Buyer or the seller pays compensation to another real estate firm representing Buyer in conjunction with such a sale, the amount of compensation payable to Firm shall be reduced by the amount paid to such other firm(s).

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d. Additional Consent. Buyer consents to Firm receiving compensation from more than one party and to sharing of compensation between firms, provided that any terms and amounts offered to or by Firm are disclosed as required by RCW 18.86.030 and any amounts paid to Firm reduce Buyer's obligation to Firm.

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e. Cancellation Without Legal Cause. For Exclusive Agency, if Buyer cancels this Agreement without legal cause, Buyer may be liable for damages incurred by Firm as a result of such cancellation.

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8. SHOWINGS, LISTINGS, VA FINANCING.

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a. Showing Properties. Buyer Broker shall; shall not (shall if not checked) be obligated to show properties to Buyer for which there is no Seller's Offer and Buyer has not agreed to pay the Compensation.

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b. Listings. Buyer Broker shall bring listings to the attention of Buyer, regardless of Seller's Offer.
 Exceptions: _____.

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c. VA Financing. Due to VA regulations, if Buyer is obtaining VA financing, the Compensation must be paid by the seller.

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**BUYER BROKERAGE
SERVICES AGREEMENT**

- 9. NO WARRANTIES OR REPRESENTATIONS.** Firm makes no warranties or representations regarding the value of or the suitability of any property for Buyer's purposes. Buyer agrees to be responsible for making all inspections and investigations necessary to satisfy Buyer as to the property's suitability and value. 82-84
- 10. INSPECTION RECOMMENDED.** Firm recommends that any offer to purchase a property be conditioned on an inspection of the property and its improvements conducted by a licensed inspector. Firm and Buyer Broker have no expertise in these matters and Buyer is solely responsible for interviewing and selecting all inspectors. 85-87
- 11. NO DISTRESSED HOME CONVEYANCE.** Firm will not represent or assist Buyer in a transaction that is a "Distressed Home Conveyance" as defined by Chapter 61.34 RCW unless otherwise agreed in writing. A "Distressed Home Conveyance" is a transaction where a buyer purchases property from a "Distressed Homeowner" (defined by Chapter 61.34 RCW), allows the Distressed Homeowner to continue to occupy the property, and promises to convey the property back to the Distressed Homeowner or promises the Distressed Homeowner an interest in, or portion of the proceeds from a resale of the property. 88-93
- 12. FAIR HOUSING.** Local, state, and federal fair housing laws prohibit discrimination based on sex, marital status, sexual orientation, gender identity, race, creed, color, religion, caste, national origin, citizenship or immigration status, families with children status, familial status, honorably discharged veteran or military status, the presence of any sensory, mental, or physical disability, or the use of a support or service animal by a person with a disability. 94-97
- 13. ATTORNEYS' FEES.** In the event either party employs an attorney to enforce any terms of this Agreement and is successful, the other party agrees to pay reasonable attorneys' fees. In the event of trial, the successful party shall be entitled to an award of attorneys' fees and expenses; the amount of the attorneys' fees and expenses shall be fixed by the court. The venue of any suit shall be the county in which the property is located. 98-101
- 14. OTHER.** 102-110

_____ Buyer's Signature	_____ Date	_____ Buyer's Signature	_____ Date	111
_____ Buyer E-mail Address		_____ Buyer Phone Number		112
_____ Buyer Brokerage Firm		_____ Buyer Broker's Signature	_____ Date	113
_____ Buyer Brokerage Firm License Number		_____ Buyer Broker License Number		114
_____ Buyer Broker E-mail Address		_____ Buyer Broker Phone Number		115

NOTICE OF LOW APPRAISAL

The following is part of the Purchase and Sale Agreement dated _____ 1
 between _____ ("Buyer") 2
Buyer _____ Buyer
 and _____ ("Seller") 3
Seller _____ Seller
 concerning _____ (the "Property"). 4
Address _____ City _____ State _____ Zip

BUYER'S NOTICE OF LOW APPRAISAL:

Buyer gives notice that Buyer's lender's appraised value of the Property is less than the Purchase Price. A copy of lender's appraisal is attached to this notice. 5
 _____ 6
Buyer _____ Date Buyer _____ Date 7
 _____ 8
 _____ 9

SELLER'S RESPONSE:

NOTICE OF REAPPRAISAL/RECONSIDERATION OF VALUE. Seller gives notice that a reappraisal or reconsideration of value has been completed in an amount not less than the Purchase Price. Buyer shall promptly seek lender's approval of the reappraisal/reconsideration of value. 10
 _____ 11
 CONSENT TO REDUCTION IN PURCHASE PRICE. Seller consents to reduce the Purchase Price to \$ _____ (an amount not more than the amount specified in the appraisal or reappraisal by the original appraiser, or an appraisal by another appraiser acceptable to Buyer's lender, whichever is higher). *A consent to the reduction in Purchase Price is not a notice and must be signed by each Seller. 12
 _____ 13
 PROPOSAL TO REDUCE PURCHASE PRICE. Seller proposes to reduce the Purchase Price to \$ _____ (an amount more than the appraised value of the Property). *A proposal to reduce the Purchase Price is not a notice and must be signed by each Seller. 14
 _____ 15
 NOTICE OF REJECTION OF LOW APPRAISAL. Seller gives notice that Seller rejects Buyer's notice of low appraisal and (1) will not cause a reappraisal or reconsideration of value to be completed; (2) does not consent to a reduction of the Purchase Price; and (3) does not propose to reduce the Purchase Price. 16
 _____ 17
 _____ 18
 _____ 19
 _____ 20
 _____ 21
 _____ 22
 _____ 23
 _____ 24
 _____ 25
Seller _____ Date Seller _____ Date

BUYER'S REPLY:

NOTICE OF TERMINATION. Buyer gives notice that Buyer elects to terminate this Agreement. The Earnest Money shall be refunded to Buyer. 26
 _____ 27
 NOTICE OF WAIVER OF FINANCING CONTINGENCY. Buyer waives the financing contingency in the Financing Addendum (Form 22A), including Paragraph 5 (Appraisal Less Than Sale Price). 28
 _____ 29
 ACCEPTANCE OF REDUCED PURCHASE PRICE. Buyer accepts Seller's proposal to reduce the Purchase Price to an amount more than the appraised value of the Property pursuant to Paragraph 5(b)(iii) in the Financing Addendum (Form 22A). Buyer represents that Buyer has sufficient funds to close the sale under these terms. *Buyer's acceptance of Seller's proposal to reduce the purchase price is not a notice and must be signed by each Buyer. 30
 _____ 31
 _____ 32
 _____ 33
 _____ 34
 _____ 35
 BUYER'S OPTION – FHA/VA/USDA. Seller consented to reduce the Purchase Price to an amount not more than the appraised value of the Property pursuant to Paragraph 5(b)(ii) in the Financing Addendum (Form 22A). Buyer is obtaining FHA, VA, or USDA financing and gives notice that Buyer will close at the reduced price. *Buyer's notice that Buyer will close at the reduced price must be signed by each Buyer. 36
 _____ 37
 _____ 38
 _____ 39
 _____ 40
 _____ 41
Buyer _____ Date Buyer _____ Date

**WELL ADDENDUM TO
PURCHASE AND SALE AGREEMENT**
Continued

- c. **Buyer's Requests for Repairs or Modifications.** If Buyer requests repairs or modifications pursuant to Paragraph 4(a) and/or Paragraph 4(b), the parties shall negotiate as set forth in this Paragraph 4(c). Buyer's initial request and Seller's response made in accordance with the following procedures are irrevocable for the time period provided.
- i. **Seller's Response to Request for Repairs or Modifications.** Seller shall have _____ days (3 days if not filled in) after receipt of Buyer's request for repairs or modifications to give notice that Seller (i) agrees to the repairs or modifications proposed by Buyer; (ii) agrees to some of the repairs or modifications proposed by Buyer; (iii) rejects all repairs or modifications proposed by Buyer; or (iv) offers different or additional repairs or modifications. If Seller agrees to the terms of Buyer's request for repairs or modifications, this contingency shall be satisfied and Buyer's Reply shall not be necessary. If Seller does not agree to all of Buyer's repairs or modifications, Buyer shall have an opportunity to reply, as follows:
- ii. **Buyer's Reply.** If Seller does not agree to all of the repairs or modifications proposed by Buyer, Buyer shall have _____ days (3 days if not filled in) from either the day Buyer receives Seller's response or, if Seller fails to timely respond, the day Seller's response period ends, whichever is earlier, to (i) accept the Seller's response at which time this contingency shall be satisfied; (ii) agree with the Seller on other remedies; or (iii) disapprove the well inspection and terminate the Agreement, in which event, the Earnest Money shall be refunded to 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 4(c)(ii). Buyer's inaction during Buyer's reply period shall result in waiver of this well inspection contingency, in which case Seller shall not be obligated to make any repairs or modifications whatsoever and this contingency shall be deemed waived.
5. **Water Rights Transfer.** The parties acknowledge that water rights may not automatically transfer with title to the Property and the parties should consult with an attorney to facilitate the transfer of any water rights. Such transfers may require the consent of third parties and governmental agencies. Any transfer costs, including obtaining any required consents, shall be paid by Seller; Buyer.
6. **Local Requirements.** Buyer acknowledges that water supply requirements and water use limits vary by city, county, and watershed. Buyer is advised to consult with an expert regarding water supply requirements and water use limits for the Property.
7. **Other.**

RENTAL AGREEMENT
 Buyer Occupancy Prior to Closing

Notice: There are many risks associated with giving a buyer the right to occupy a property prior to closing. If a buyer defaults under the purchase and sale agreement, fails to close the sale, and fails to vacate the property, a seller may have limited rights to remove the buyer from the property. A seller should consult with an attorney before entering into an agreement that provides a buyer with occupancy prior to closing.

Date: _____ 1

Renter(s) _____ 2
Buyer/Renter Buyer/Renter

agree(s) to rent from Owner _____ 3
Seller/Owner Seller/Owner

the property commonly known as _____ 4
Address City

_____, (the "Property") on the following terms and conditions: 5
State Zip County

1. **RENT.** The rent shall be \$ _____ per _____ 6
 Rent shall be payable to _____ 7
 at _____ 8
 Other: _____ 9
2. **TERM AND TERMINATION.** Renter is entitled to possession on _____ at _____ (9:00 p.m. if 10
 not filled in). This Agreement and Renter's right to possession shall terminate on _____ at 11
 _____ (9:00 p.m. if not filled in). If Renter purchases the Property from Owner, then this Agreement shall 12
 terminate on closing of the sale. At the time of closing, advance rent paid to Owner shall be pro-rated on a daily 13
 basis, and Renter shall be credited with any unused portion thereof. If this Agreement is terminated prior to the 14
 termination date set forth in this paragraph, then any advance rent shall be pro-rated on a daily basis, and the 15
 unused portion refunded to Renter immediately upon Renter's vacating the Property. If Renter holds over without 16
 the written consent of Owner, Renter shall be liable for rent and all other damages sustained by Owner because 17
 of such holdover. 18
3. **INSURANCE.** Owner agrees to keep the Property insured against fire and other normal casualties. All proceeds 19
 of any such policy shall be payable to Owner alone. Owner shall have no responsibility for insuring anything in or 20
 on the Property which belongs to Renter. Renter is advised that renter's insurance is available to Renter for 21
 coverage related to liability for bodily injury, property damage, and for the theft, loss, or damage to Renter's 22
 personal property. 23
4. **UTILITIES.** Renter agrees to pay for all utilities, including garbage collection charges, during the term of this Agreement. 24
5. **IMPROVEMENTS.** Renter shall not be entitled to make any improvements or alterations in the Property, including 25
 painting, during the term of this Agreement without the written permission of Owner. In the event this Agreement 26
 terminates for any reason other than Renter's purchase of the Property, Renter will return the Property to Owner 27
 in as good a condition as it presently is, ordinary wear and tear excepted. 28
6. **UNLAWFUL DETAINER.** This Agreement is subject to the provisions of the Unlawful Detainer Statute, RCW 29
 59.12. If Renter and Owner have entered into a purchase and sale agreement for the purchase of the Property, 30
 then a default under that purchase and sale agreement shall constitute a default under this Agreement, and 31
 Owner shall be entitled to all remedies provided for in the Unlawful Detainer Statute, RCW 59.12. The parties 32
 acknowledge that Renter's occupancy is not governed by the Residential Landlord Tenant Act (RCW 59.18). 33
7. **SUBLETTING OR ASSIGNMENT.** Renter may not sublet the Property and may not assign Renter's rights under 34
 this Agreement. 35

Owner's Initials Date Owner's Initials Date Renter's Initials Date Renter's Initials Date

RENTAL AGREEMENT
 Buyer Occupancy Prior to Closing
 (Continued)

8. RELEASE OF REAL ESTATE FIRMS. Owner and Renter release all real estate firms and brokers involved with this Agreement between Owner and Renter and agree to indemnify all real estate firms and brokers from any and all claims arising under this Agreement.	36 37 38
9. ATTORNEYS' FEES. If either party institutes suit against the other concerning this Agreement, the prevailing party is entitled to reasonable attorneys' fees and expenses.	39 40
10. SMOKE DETECTOR. Renter acknowledges and Owner certifies that the Property is equipped with a smoke detector(s) as required by RCW 43.44.110 and that the detector(s) has/have been tested and is/are operable. It is Renter's responsibility to maintain the smoke detector(s) as specified by the manufacturer, including replacement of batteries, if required. In addition, if the Property is a multi-family building (more than one unit), Owner makes the following disclosures:	41 42 43 44 45
(a) The smoke detection device is <input type="checkbox"/> hard-wired <input type="checkbox"/> battery operated.	46
(b) The Building <input type="checkbox"/> does <input type="checkbox"/> does not have a fire sprinkler system.	47
(c) The Building <input type="checkbox"/> does <input type="checkbox"/> does not have a fire alarm system.	48
(d) <input type="checkbox"/> The building has a smoking policy, as follows:	49
	50
<input type="checkbox"/> The building does not have a smoking policy	51
	52
(e) <input type="checkbox"/> The building has an emergency notification plan for occupants, a copy of which is attached to this Agreement.	53
<input type="checkbox"/> The building does not have an emergency notification plan for occupants.	54 55
(f) <input type="checkbox"/> The building has an emergency relocation plan for occupants, a copy of which is attached to this Agreement.	56
<input type="checkbox"/> The building does not have an emergency relocation plan for occupants.	57 58
(g) <input type="checkbox"/> The building has an emergency evacuation plan for occupants, a copy of which is attached to this Agreement.	59
<input type="checkbox"/> The building does not have an emergency evacuation plan for occupants.	60 61
Renter hereby acknowledges receipt of a copy of the building's emergency evacuation routes.	62
11. CARBON MONOXIDE ALARMS. Owner shall equip the Property with carbon monoxide alarm(s) in accordance with the state building code as required by RCW 19.27.530. The parties acknowledge that the real estate firms and brokers are not responsible for ensuring that Owner complies with RCW 19.27.530.	63 64 65
12. LEAD-BASED PAINT. If the Property includes housing that was built before 1978, then the Addendum entitled "Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards" (NWMLS Form 22.J Lease or equivalent), must be attached to this Agreement unless this lease/rental transaction is exempt from all applicable federal regulations.	66 67 68 69
13. MOLD DISCLOSURE. Renter acknowledges receipt of the pamphlet entitled "A Brief Guide to Mold, Moisture, and Your Home."	70 71
14. OTHER.	72
	73
	74
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	76
	77

_____	_____	_____	_____
Owner	Date	Renter	Date
_____	_____	_____	_____
Owner	Date	Renter	Date



IMPORTANT INFORMATION FOR HOMEBUYERS

Revisions to the Real Estate Agency Law

Effective January 1, 2024, the statute in Washington that governs real estate brokerage relationships (RCW 18.86) – otherwise known as the “Agency Law” – will be significantly revised. The revisions modernize the 25-year-old law, provide additional transparency and consumer protections, and acknowledge the importance of buyer representation.

Key Revisions

For years, real estate brokerage firms were only required to enter into written agreements with sellers, not buyers. Beginning on January 1, 2024, the Agency Law will require firms to enter into a written “brokerage services agreement” with any party the firm represents, both sellers and buyers. This change is to ensure that buyers (in addition to sellers) clearly understand the terms of the firm’s representation and compensation.

The services agreement with buyers must include:

- The term of the agreement (with a default term of 60 days and an option for a longer term);
- The name of the broker appointed to be the buyer’s agent;
- Whether the agency relationship is exclusive or non-exclusive;
- Whether the buyer consents to the individual broker representing both the buyer and the seller in the same transaction (referred to as “limited dual agency”);
- Whether the buyer consents to the broker’s designated broker/ managing broker’s limited dual agency;
- The amount the firm will be compensated and who will pay the compensation; and
- Any other agreements between the parties.

Additional Information

There are other changes to the law that provide additional consumer protections related to the duties that brokers owe to all parties in a transaction.



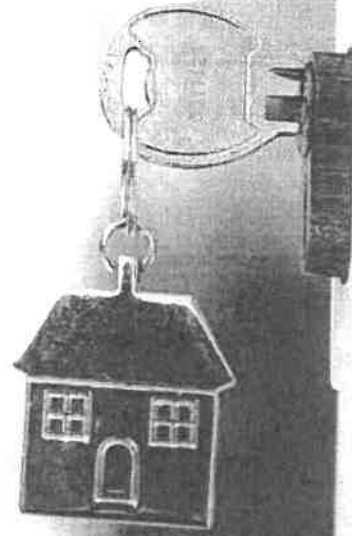
Revised Pamphlet

The pamphlet entitled “Real Estate Brokerage in Washington” provides an overview of the revised Agency Law.



Revised Agency Law Substitute Senate Bill

5191 sets forth the revised Agency Law in its entirety.



REAL ESTATE BROKERAGE IN WASHINGTON

Introduction

This pamphlet provides general information about real estate brokerage and summarizes the laws related to real estate brokerage relationships. It describes a real estate broker's duties to the seller/landlord and buyer/tenant. Detailed and complete information about real estate brokerage relationships is available in chapter 18.86 RCW.

If you have any questions about the information in this pamphlet, contact your broker or the designated broker of your broker's firm.

Licensing and Supervision of Brokers

To provide real estate brokerage services in Washington, a broker must be licensed under chapter 18.85 RCW and licensed with a real estate firm, which also must be licensed. Each real estate firm has a designated broker who is responsible for supervising the brokers licensed with the firm. Some firms may have branch offices that are supervised by a branch manager and some firms may delegate certain supervisory duties to one or more managing brokers.

The Washington State Department of Licensing is responsible for enforcing all laws and rules relating to the conduct of real estate firms and brokers.

Agency Relationship

In an agency relationship, a broker is referred to as an "agent" and the seller/landlord and buyer/tenant is referred to as the "principal." For simplicity, in this pamphlet, seller includes landlord, and buyer includes tenant.



For Sellers

A real estate firm and broker must enter into a written services agreement with a seller to establish an agency relationship. The firm will then appoint one or more brokers to be agents of the seller. The firm's designated broker and any managing broker responsible for the supervision of those brokers are also agents of the seller.



For Buyers

A real estate firm and broker(s) who perform real estate brokerage services for a buyer establish an agency relationship by performing those services. The firm's designated broker and any managing broker responsible for the supervision of that broker are also agents of the buyer. A written services agreement between the buyer and the firm must be entered into before, or as soon as reasonably practical after, a broker begins rendering real estate brokerage services to the buyer.



For both Buyer and Seller - as a Limited Dual Agent

A limited dual agent provides limited representation to both the buyer and the seller in a transaction. Limited dual agency requires the consent of each principal in a written services agreement and may occur in two situations: (1) When the buyer and the seller are represented by the same broker, in which case the broker's designated broker and any managing broker responsible for the supervision of that broker are also limited dual agents; and (2) when the buyer and the seller are represented by different brokers in the same firm, in which case each broker solely represents the principal the broker was appointed to represent, but the broker's designated broker and any managing broker responsible for the supervision of those brokers are limited dual agents.



Duration of Agency Relationship

Once established, an agency relationship continues until the earliest of the following:

1. Completion of performance by the broker;
2. Expiration of the term agreed upon by the parties;
3. Termination of the relationship by mutual agreement of the parties; or
4. 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.

Written Services Agreement

A written services agreement between the firm and principal must contain the following:

1. The term (duration) of the agreement;
2. Name of the broker(s) appointed to act as an agent for the principal;
3. Whether the agency relationship is exclusive (which does not allow the principal to enter into an agency relationship with another firm during the term) or nonexclusive (which allows the principal to enter into an agency relationship with multiple firms at the same time);
4. Whether the principal consents to limited dual agency;
5. The terms of compensation;
6. In an agreement with a buyer, whether the broker agrees to show a property when there is no agreement or offer by any party or firm to pay compensation to the broker's firm; and
7. Any other agreements between the parties.

A Broker's Duties to All Parties

A broker owes the following duties to all parties in a transaction:

1. To exercise reasonable skill and care;
2. To deal honestly and in good faith;
3. To timely present all written offers, written notices, and other written communications to and from either party;
4. To disclose all existing material facts known by the broker and not apparent or readily ascertainable to a party. A material fact includes information that substantially adversely affects the value of the property or a party's ability to perform its obligations in a transaction, or operates to materially impair or defeat the purpose of the transaction. However, a broker does not have any duty to investigate matters that the broker has not agreed to investigate;
5. To account in a timely manner for all money and property received from or on behalf of either party;
6. To provide this pamphlet to all parties to whom the broker renders real estate brokerage services and to any unrepresented party;
7. To disclose in writing who the broker represents; and
8. To disclose in writing any terms of compensation offered by a party or a real estate firm to a real estate firm representing another party.

A Broker's Duties to the Buyer or Seller

A broker owes the following duties to their principal (either the buyer or seller):

1. To be loyal to their principal by taking no action that is adverse or detrimental to their principal's interest in a transaction;
2. To timely disclose to their principal any conflicts of interest;
3. To advise their principal to seek expert advice on matters relating to the transaction that are beyond the broker's expertise;
4. To not disclose any confidential information from or about their principal; and
5. To make a good faith and continuous effort to find a property for the buyer or to find a buyer for the seller's property, until the principal has entered a contract for the purchase or sale of property or as agreed otherwise in writing.

Limited Dual Agent Duties

A limited dual agent may not advocate terms favorable to one principal to the detriment of the other principal. A broker, acting as a limited dual agent, owes the following duties to both the buyer and seller:

1. To take no action that is adverse or detrimental to either principal's interest in a transaction;
2. To timely disclose to both principals any conflicts of interest;
3. To advise both principals to seek expert advice on matters relating to the transaction that are beyond the limited dual agent's expertise;
4. To not disclose any confidential information from or about either principal; and
5. To make a good faith and continuous effort to find a property for the buyer and to find a buyer for the seller's property, until the principals have entered a contract for the purchase or sale of property or as agreed otherwise in writing.

Compensation

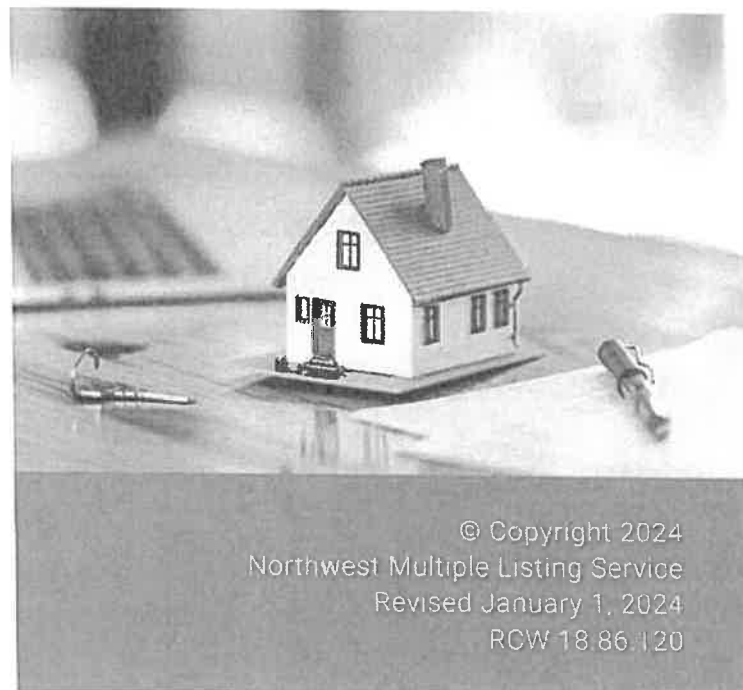
In any real estate transaction, a firm's compensation may be paid by the seller, the buyer, a third party, or by sharing the compensation between firms. To receive compensation from any party, a firm must have a written services agreement with the party the firm represents (or provide a "Compensation Disclosure" to the buyer in a transaction for commercial real estate).

A services agreement must contain the following regarding compensation:

1. The amount the principal agrees to compensate the firm for broker's services as an agent or limited dual agent;
2. The principal's consent, if any, and any terms of such consent, to compensation sharing between firms and parties; and
3. The principal's consent, if any, and any terms of such consent, to compensation of the firm by more than one party.

Short Sales

A "short sale" is a transaction where the seller's proceeds from the sale are insufficient to cover seller's obligations at closing (e.g., the seller's outstanding mortgage is greater than the sale price). If a sale is a short sale, the seller's real estate firm must disclose to the seller that the decision by any beneficiary or mortgagee, to release its interest in the property for less than the amount the seller owes to allow the sale to proceed, does not automatically relieve the seller of the obligation to pay any debt or costs remaining at closing, including real estate firms' compensation.



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Northwest Multiple Listing Service
Revised January 1, 2024
ROW 18.86.120

RESIDENTIAL PURCHASE AND SALE AGREEMENT

Specific Terms

1. **Date:** _____ **MLS No.:** _____ **Offer Expiration Date:** _____
2. **Buyer:** _____
Buyer Buyer Status
3. **Seller:** _____
Seller Seller
4. **Property:** Legal Description attached as Exhibit A. Tax Parcel No(s): _____, _____, _____
Address City County State Zip
5. **Included Items:** stove(s)/range(s); refrigerator(s); washer(s); dryer(s); dishwasher(s); microwave(s);
 fireplace insert(s); wood stove(s); satellite dish; security system; hot tub; attached camera(s);
 attached speaker(s); attached TV(s); generator; _____
6. **Purchase Price:** \$ _____ U.S. Dollars
7. **Earnest Money:** \$ _____ U.S. Dollars; Delivery Date _____ days after mutual acceptance
To be held by Buyer Brokerage Firm; Closing Agent; In the form of a Promissory Note (included as an Addendum)
8. **Default:** (check only one) Forfeiture of Earnest Money; Seller's Election of Remedies
9. **Title Insurance Company:** _____
10. **Closing Agent:** _____
Company Individual (optional)
11. **Closing Date:** _____; **Possession Date:** on Closing; Other _____
12. **Services of Closing Agent for Payment of Utilities:** Requested (attach NWMLS Form 22K); Waived
13. **Charges/Assessments Levied Before but Due After Closing:** assumed by Buyer; prepaid in full by Seller at Closing
14. **Seller Citizenship (FIRPTA):** Seller is; is not a foreign person for purposes of U.S. income taxation
15. **Information Verification Period:** Expires _____ days after mutual acceptance; Satisfied/Waived
16. **Agency Disclosure:** Buyer represented by: Buyer Broker; Buyer/Listing Broker (dual agent); unrepresented
Seller represented by: Listing Broker; Listing/Buyer Broker (dual agent); unrepresented
17. **Buyer Brokerage Firm Compensation:** _____; Pay as Offered or Other – See Addendum
\$ or % Amount Offered in Listing
18. **Addenda:** _____

<hr/> <small>Buyer Signature</small> _____ <small>Date</small> _____	<hr/> <small>Seller Signature</small> _____ <small>Date</small> _____
<hr/> <small>Buyer Signature</small> _____ <small>Date</small> _____	<hr/> <small>Seller Signature</small> _____ <small>Date</small> _____
<hr/> <small>Buyer Address</small> _____	<hr/> <small>Seller Address</small> _____
<hr/> <small>City, State, Zip</small> _____	<hr/> <small>City, State, Zip</small> _____
<hr/> <small>Buyer Phone No.</small> _____ <small>Fax No.</small> _____	<hr/> <small>Seller Phone No.</small> _____ <small>Fax No.</small> _____
<hr/> <small>Buyer E-mail Address</small> _____	<hr/> <small>Seller E-mail Address</small> _____
<hr/> <small>Buyer Brokerage Firm</small> _____ <small>MLS Office No.</small> _____	<hr/> <small>Listing Brokerage Firm</small> _____ <small>MLS Office No.</small> _____
<hr/> <small>Buyer Broker (Print)</small> _____ <small>MLS LAG No.</small> _____	<hr/> <small>Listing Broker (Print)</small> _____ <small>MLS LAG No.</small> _____
<hr/> <small>Firm Phone No.</small> _____ <small>Broker Phone No.</small> _____ <small>Firm Fax No.</small> _____	<hr/> <small>Firm Phone No.</small> _____ <small>Broker Phone No.</small> _____ <small>Firm Fax No.</small> _____
<hr/> <small>Firm Document E-mail Address</small> _____	<hr/> <small>Firm Document E-mail Address</small> _____
<hr/> <small>Buyer Broker E-mail Address</small> _____	<hr/> <small>Listing Broker E-mail Address</small> _____
<hr/> <small>Buyer Broker DOL License No.</small> _____ <small>Firm DOL License No.</small> _____	<hr/> <small>Listing Broker DOL License No.</small> _____ <small>Firm DOL License No.</small> _____

RESIDENTIAL PURCHASE AND SALE AGREEMENT
General Terms

- 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. The parties shall use caution when wiring funds to avoid potential wire fraud. Before wiring funds, the party wiring funds shall take steps to confirm any wire instructions via an independently verified phone number and other appropriate measures.
- b. **Earnest Money.** Buyer shall deliver the Earnest Money by the Delivery Date listed in Specific Term No. 7 (2 days after mutual acceptance if not filled in) to the party holding the Earnest Money (Buyer Brokerage Firm or Closing Agent). If sent by mail, the Earnest Money must arrive at Buyer Brokerage Firm or Closing Agent by the Delivery Date. If the Earnest Money is held by Buyer Brokerage Firm and is over \$10,000.00 it shall be deposited into an interest bearing trust account in Buyer Brokerage 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 Buyer Brokerage Firm for bank charges and fees in excess of the interest earned, if any. If the Earnest Money held by Buyer Brokerage Firm is over \$10,000.00 Buyer has the option to require Buyer Brokerage 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 Buyer Brokerage 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. Buyer Brokerage 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 Buyer Brokerage 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, a party may make a written demand to the Closing Agent for the Earnest Money. Pursuant to RCW 64.04.220, Closing Agent shall deliver notice of the demand to the other party within 15 days. If the other party does not object to the demand within 20 days of Closing Agent's notice, Closing Agent shall disburse the Earnest Money to the party making the demand within 10 days of the expiration of the 20 day period. If Closing Agent timely receives an objection or an inconsistent demand from the other party, Closing Agent shall commence an interpleader action within 60 days of such objection or inconsistent demand, unless the parties provide subsequent consistent instructions to Closing Agent to disburse the earnest money or refrain from commencing an interpleader action for a specified period of time. Pursuant to RCW 4.28.080, the parties consent to service of the summons and complaint for an interpleader action by first class mail, postage prepaid at the party's usual mailing address or the address identified in this Agreement. If the 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. 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. For the purposes of this section, the term Closing Agent includes a Buyer Brokerage Firm holding the Earnest Money. The parties authorize the party commencing an interpleader action to deduct up to \$750.00 for the costs thereof. The parties acknowledge that RCW 64.04.220 requires the court to award the Closing Agent its reasonable attorneys' fees and costs associated with an interpleader action.

- 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; garbage disposal; 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 and access permissions. Unless otherwise agreed, if any of the above items are leased or encumbered, Seller shall acquire clear title 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. Seller shall not convey or reserve any oil and/or mineral rights after mutual acceptance without Buyer's written consent. 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.

_____ Buyer's Initials	_____ Date	_____ Buyer's Initials	_____ Date	_____ Seller's Initials	_____ Date	_____ Seller's Initials	_____ Date
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RESIDENTIAL PURCHASE AND SALE AGREEMENT
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- 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 Buyer 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, 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.
- 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, garage door remotes, and access codes 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 provided possession. Seller shall either repair or replace any system or appliance (including, but not limited to plumbing, heat, electrical, and all Included Items) that becomes inoperative or malfunctions prior to Closing with a system or appliance of at least equal quality. Buyer reserves the right to walk through the Property within 5 days of Closing to verify that Seller has maintained the Property and systems/appliances as required by this paragraph. 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 shall 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.
- 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. RCW 43.44.110 requires the seller of a dwelling unit, that does not have at least one smoke detection device, to provide at least one smoke detection device in the unit before the buyer or any other person occupies the unit following a sale. The parties acknowledge that the Brokers are not responsible for ensuring that Seller complies with RCW 19.27.530 or RCW 43.44.110. 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) or smoke detector(s) in the Property.
- 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.
- 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 from the supplier as to the quantity and current price and provides such statement to the Closing Agent. Seller shall pay all utility and internet charges, including unbilled charges. Unless waived in Specific Term No. 12, 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).

RESIDENTIAL PURCHASE AND SALE AGREEMENT
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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 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. 13. 114-117
- i. **Sale Information.** Listing Broker and Buyer 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 Buyer Broker, on request, any and all information and copies of documents concerning this sale. 118-122
- j. **Seller Citizenship and FIRPTA.** Seller warrants that the identification of Seller's citizenship status for purposes of U.S. income taxation in Specific Term No. 14 is correct. Seller shall execute a certification (NWMLS Form 22E or equivalent) under the Foreign Investment in Real Property Tax Act ("FIRPTA") and provide the certification to the Closing Agent within 10 days of mutual acceptance. If Seller is a foreign person for purposes of U.S. income taxation, 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. Seller shall pay any fees incurred by Buyer related to such withholding and payment. 123-128
- If Seller fails to provide the FIRPTA certification to the Closing Agent within 10 days of mutual acceptance, Buyer may give notice that Buyer may terminate the Agreement at any time 3 days thereafter (the "Right to Terminate Notice"). If Seller has not earlier provided the FIRPTA certification to the Closing Agent, Buyer may give notice of termination of this Agreement (the "Termination Notice") any time following 3 days after delivery of the Right to Terminate Notice. If Buyer gives the Termination Notice before Seller provides the FIRPTA certification to the Closing Agent, this Agreement is terminated and the Earnest Money shall be refunded to Buyer. 129-134
- k. **Notices and Delivery of Documents.** Any notice related to this Agreement (including revocations of offers or counteroffers) must be in writing. Notices to Seller must be signed by at least one Buyer and shall be deemed delivered only when the notice is received by Seller, by Listing Broker, or at the licensed office of Listing Broker. Notices to Buyer must be signed by at least one Seller and shall be deemed delivered only when the notice is received by Buyer, by Buyer Broker, or at the licensed office of Buyer Broker. Documents related to this Agreement, such as NWMLS Form 17, Information on Lead-Based Paint and Lead-Based Paint Hazards, Public Offering Statement or Resale Certificate, and all other documents shall be delivered pursuant to this paragraph. Buyer and Seller must keep Buyer Broker and Listing Broker advised of their whereabouts in order to receive prompt notification of receipt of a notice. 135-142
- Facsimile transmission of any notice or document shall constitute delivery. E-mail transmission of any notice or document (or a direct link to such notice or document) shall constitute delivery when: (i) the e-mail is sent to both Buyer Broker and Buyer Brokerage Firm or both Listing Broker and Listing Brokerage Firm at the e-mail addresses specified on page one of this Agreement; or (ii) Buyer Broker or Listing Broker provide written acknowledgment of receipt of the e-mail (an automatic e-mail reply does not constitute written acknowledgment). At the request of either party, or the Closing Agent, the parties will confirm facsimile or e-mail transmitted signatures by signing an original document. 143-148
- l. **Computation of Time.** Unless otherwise specified in this Agreement, any period of time measured in days and stated in this Agreement shall start on the day following the event commencing the period and shall expire at 9:00 p.m. of the last calendar day of the specified period of time. Except for the Possession Date, if the last day is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050, the specified period of time shall expire on the next day that is not a Saturday, Sunday or legal holiday. Any specified period of 5 days or less, except for any time period relating to the Possession Date, shall not include Saturdays, Sundays or legal holidays. If the parties agree that an event will occur on a specific calendar date, the event shall occur on that date, except for the Closing Date, which, if it falls on a Saturday, Sunday, legal holiday as defined in RCW 1.16.050, or day when the county recording office is closed, shall occur on the next day that is not a Saturday, Sunday, legal holiday, or day when the county recording office is closed. When counting backwards from Closing, any period of time measured in days shall start on the day prior to Closing and if the last day is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050, the specified period of time shall expire on the next day, moving forward, that is not a Saturday, Sunday or legal holiday (e.g. Monday or Tuesday). If the parties agree upon and attach a legal description after this Agreement is signed by the offeree and delivered to the offeror, then for the purposes of computing time, mutual acceptance shall be deemed to be on the date of delivery of an accepted offer or counteroffer to the offeror, rather than on the date the legal description is attached. Time is of the essence of this Agreement. 149-163
- m. **Integration and Electronic Signatures.** This Agreement constitutes the entire understanding between the parties and supersedes all prior or contemporaneous understandings and representations. No modification of this Agreement shall be effective unless agreed in writing and signed by Buyer and Seller. The parties acknowledge that a signature in electronic form has the same legal effect and validity as a handwritten signature. 164-167

RESIDENTIAL PURCHASE AND SALE AGREEMENT
General Terms

- n. **Assignment.** Buyer may not assign this Agreement, or Buyer's rights hereunder, without Seller's prior written consent, unless the parties indicate that assignment is permitted by the addition of "and/or assigns" on the line identifying the Buyer on the first page of this Agreement. 168
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- o. **Default.** In the event Buyer fails, without legal excuse, to complete the purchase of the Property, then the following provision, as identified in Specific Term No. 8, shall apply: 171
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 - i. **Forfeiture of Earnest Money.** That portion of the Earnest Money that does not exceed five percent (5%) of the Purchase Price shall be forfeited to the Seller as the sole and exclusive remedy available to Seller for such failure. 173
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 - ii. **Seller's Election of Remedies.** Seller may, at Seller's option, (a) keep the Earnest Money as liquidated damages as the sole and exclusive remedy available to Seller for such failure, (b) bring suit against Buyer for Seller's actual damages, (c) bring suit to specifically enforce this Agreement and recover any incidental damages, or (d) pursue any other rights or remedies available at law or equity. 175
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- p. **Professional Advice and Attorneys' Fees.** Buyer and Seller are advised to seek the counsel of an attorney and a certified public accountant to review the terms of this Agreement. Buyer and Seller shall pay their own fees incurred for such review. However, if Buyer or Seller institutes suit against the other concerning this Agreement, or if the party holding the Earnest Money commences an interpleader action, the prevailing party is entitled to reasonable attorneys' fees and expenses. 179
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- q. **Offer.** This offer must be accepted by 9:00 p.m. on the Offer Expiration Date, unless sooner withdrawn. Acceptance shall not be effective until a signed copy is received by the other party, by the other party's broker, or at the licensed office of the other party's broker pursuant to General Term k. If this offer is not so accepted, it shall lapse and any Earnest Money shall be refunded to Buyer. 184
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- r. **Counteroffer.** Any change in the terms presented in an offer or counteroffer, other than the insertion of or change to Seller's name and Seller's warranty of citizenship status, shall be considered a counteroffer. If a party makes a counteroffer, then the other party shall have until 9:00 p.m. on the counteroffer expiration date to accept that counteroffer, unless sooner withdrawn. Acceptance shall not be effective until a signed copy is received by the other party, the other party's broker, or at the licensed office of the other party's broker pursuant to General Term k. If the counteroffer is not so accepted, it shall lapse and any Earnest Money shall be refunded to Buyer. 188
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- s. **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. 194
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- t. **Agency Disclosure.** Buyer Brokerage Firm, Buyer Brokerage Firm's Designated Broker, Buyer Broker's Branch Manager (if any) and Buyer Broker's Managing Broker (if any) represent the same party that Buyer Broker represents. Listing Brokerage Firm, Listing Brokerage 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 Buyer 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 Buyer Broker and Listing Broker are the same person representing both parties then both Buyer and Seller confirm their consent to that person and 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." 197
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- u. **Brokerage Firm Compensation.** Seller and Buyer shall pay compensation in accordance with any listing or compensation agreement to which they are a party. The Listing Brokerage Firm's compensation shall be paid as specified in the listing agreement. The Buyer Brokerage Firm's compensation offered in the listing shall be paid by Seller as set forth in this Agreement or any Addendum hereto. If there is any inconsistency between the Buyer Brokerage Firm's compensation offered in the listing and the description of the offered compensation stated in Specific Term No. 17, the terms of the listing shall supersede and control. Seller and Buyer hereby consent to Listing Brokerage Firm or Buyer Brokerage Firm receiving compensation from more than one party. Seller and Buyer hereby assign to Listing Brokerage Firm and Buyer Brokerage Firm, as applicable, a portion of their funds in escrow equal to such compensation and irrevocably instruct the Closing Agent to disburse the compensation directly to the Firm(s). In any action by Listing or Buyer Brokerage 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. 206
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- v. **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. 217
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RESIDENTIAL PURCHASE AND SALE AGREEMENT
General Terms

- w. **Information Verification Period.** Unless satisfied/waived, Buyer shall have the time period set forth in Specific Term No. 15 (10 days after mutual acceptance if not filled in) to verify all information provided from Seller or Listing Brokerage Firm related to the Property. This contingency shall be deemed satisfied unless Buyer gives notice identifying the materially inaccurate information within the time period set forth in Specific Term No. 15. If Buyer gives timely notice under this section, then this Agreement shall terminate and the Earnest Money shall be refunded to Buyer. 220-224

- x. **Property Condition Disclaimer.** 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. In addition, some properties may contain soil or other contamination that is not readily apparent and may be hazardous. Brokers do not have the expertise to identify or assess defective or hazardous 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 or hazardous materials and conditions and evaluate the Property as there may be defects and hazards that may only be revealed by careful inspection. Buyer is advised to investigate whether the Property is suitable for Buyer's intended use and to ensure the water supply is sufficient to meet Buyer's needs. Buyer is advised to investigate the cost of insurance for the Property, including, but not limited to homeowner's, fire, flood, earthquake, landslide, and other available coverage. Buyer acknowledges that local ordinances may restrict short term rentals of the Property. 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 shall exercise their own judgment and due diligence regarding third-party service providers. 225-245

- y. **Fair Housing.** Seller and Buyer acknowledge that local, state, and federal fair housing laws prohibit discrimination based on sex, marital status, sexual orientation, gender identity, race, creed, color, caste, national origin, citizenship or immigration status, families with children status, honorably discharged veteran or military status, the presence of any sensory, mental, or physical disability, or the use of a support or service animal by a person with a disability. 246-249

Buyer's Initials Date Buyer's Initials Date Seller's Initials Date Seller's Initials Date

**INTERPLEADER
SUMMONS**

SUPERIOR COURT OF WASHINGTON FOR _____ COUNTY

_____ ,)	
Interpleader Plaintiff,)	NO
vs.)	INTERPLEADER SUMMONS
_____ ,)	
Defendant Seller,)	
and)	
_____ ,)	
Defendant Buyer.)	
_____)	

TO: THE DEFENDENTS

This interpleader has been started against you in the above court. The plaintiff's claim is stated in the complaint.

In order to protect any right you have in the money described in the complaint, you must file a response to the complaint and serve a copy of your response on the other defendant within twenty (20) days after the service of this summons, if served within the state of Washington [or within sixty (60) days after the service if served outside the state of Washington], excluding the day of service. The day of service is the day that this summons is personally served or postmarked, if served by mail. If you do not respond to the complaint within this time period, the other defendant may enter a default judgment against you, without notice and you would lose any interest you may have in the money described in the complaint. If you serve a "Notice of Appearance" on the other defendant, you are entitled to notice before such a default judgment is entered.

The plaintiff has waived all claim to the money deposited with the court, except for reimbursement of its reasonable attorneys' fees and costs.

You may wish to seek the advice of an attorney. In such case, you should do so promptly so that your written response, if any, can be served within the applicable time.

This summons is issued pursuant to Rule 4 of the superior court civil rules of the state of Washington.

Dated this _____ day of _____, 20__.

Interpleader Plaintiff

By: _____
