

EXCLUSIVE SELLER REPRESENTATION AGREEMENT

Seller hereby employs and grants State Broker in association with Out-of-State (“OSL”) Broker (collectively, “Broker”), pursuant to this EXCLUSIVE SELLER REPRESENTATION AGREEMENT (“Agreement”), the exclusive right to sell the Property during the Term of Agreement, subject to the terms and conditions as set forth below:

WHEREAS, Seller desires to sell its Property located in the State (as defined below).

NOW, THEREFORE, in consideration of the terms and conditions of this Agreement, the parties hereby agree as follows:

1. Definitions and Certain Basic Provisions

State:	Washington
Seller:	Olympia Covenant Group LLC
State Broker:	ParaSell, Inc.
OSL Broker:	Hanley Investment Group, Inc.
Transaction Team:	Scott Reid, Jeff Lefko, Bill Asher
Property:	1309 Cooper Point Rd SW, Olympia, WA 98502
Marketing Price:	TBD
Commission:	4.00% of the gross sales price of the Property, however in the event the buyer is represented by the Transaction Team or any member thereof, the Commission shall be reduced to 3.50%
Term of Agreement:	Commencing upon Effective Date and expiring 6 months later.
Protection Period:	Commencing upon expiration of Term of Agreement and expiring 360 calendar days later.

2. Broker Appointment and Authority. Seller hereby appoints Broker as its exclusive agent with the exclusive right to negotiate, on behalf of Seller, the sale of Property, only upon those terms and conditions provided to Broker by Seller. Broker shall not have the authority to enter into contracts, agreements, or instruments on behalf of Seller.

3. OSL Broker and Transaction Team. Seller acknowledges that OSL Broker and members of the Transaction Team who are agents of OSL are not licensed in the State and will, to the extent permissible under the real estate licensing laws of the State, use its commercially reasonable efforts to assist State Broker in performance of Broker’s duties and obligations hereunder. Activities with respect to this Agreement shall be performed by the Transaction Team under the direct supervision of State Broker and OSL Broker.

4. Broker Representations and Duties. Broker represents and warrants to Seller that it is licensed as a real estate broker in the state(s) as outlined in the contact information of its signature block. Broker will use commercially reasonable efforts to represent Seller and diligently pursue the procurement of a purchaser for the Property and Broker shall comply with other provisions of this Agreement.

5. Seller Representations and Duties. Seller represents and warrants to Broker that (a) Seller and the individuals executing this Agreement on behalf of Seller have the legal authorization to execute this Agreement and a subsequent purchase agreement, (b) execution of this Agreement shall not result in any breach of, or constitute a default under, any contract or other agreement to which Seller is a party, and (c) the Property is not subject to the jurisdiction of any court in any bankruptcy, insolvency, conservatorship or probate proceedings. Seller shall work exclusively with Broker during the Term of Agreement and comply with the reasonable requests as needed to fulfill the terms of this Agreement and shall immediately refer to Broker all inquiries of any person or entity interested in purchasing the Property. All negotiations are to be through Broker. Seller shall provide Broker with all material information regarding the Property and Seller agrees to defend, indemnify and hold Broker harmless from any and all claims, liabilities, demands, losses, causes of action or other claims and damages (including reasonable attorneys’ fees and costs) arising from any incomplete or incorrect information supplied by Seller or any material information which Seller fails to disclose and/or supply. Seller warrants and represents that no person or entity who has an ownership interest in the Property is a foreign person as defined in the Foreign Investment in Real Property Tax Act. Upon request, Seller shall furnish to the purchaser through escrow a certificate executed by the Seller stating, under penalty of perjury, the Seller’s United States Taxpayer Identification number and that Seller is not a foreign person under the Act.

6. Compensation. In consideration of this Agreement and Broker's duties, Seller agrees to pay Broker a Commission as defined in Section 1. The Commission shall be earned and paid to Broker if, during the Term of Agreement, the Property or any interest therein, is sold, transferred or conveyed (each such event, a "Transaction"). Said Commission shall be paid through escrow upon closing of the Transaction. Broker is hereby authorized to present this Agreement to escrow holder and such escrow holder shall be thereby irrevocably instructed to pay to Broker an amount equal to said Commission out of Seller's escrow proceeds through escrow at closing. Absent an escrow, the Commission shall be paid upon recordation of a deed or upon delivery of such deed or other instrument of conveyance. In the event of a Transaction not involving the delivery of a deed, the Commission shall be paid upon the mutual execution of the agreement evidencing the Transaction.

7. Extension of Term of Agreement. If during the term of this Agreement, or any extension hereof, an escrow is opened or negotiations involving the sale, transfer, or conveyance of the Property have commenced and are continuing, then the Term of this Agreement shall be extended for a period through the closing of such escrow, the termination of such negotiations, or the consummation of such Transaction.

8. Protection Period. Broker shall, within ten (10) calendar days following the expiration or earlier termination of the Term of Agreement, submit a list of persons or entities with whom Broker has negotiated or to whom Broker has submitted the Property in an effort to affect a transaction during the Term of Agreement (the "Registration List"). Seller shall pay said Commission to Broker if during the Protection Period, Seller or any affiliate thereof enters into a contract for any of the purposes set forth in Section 6 hereinabove with any person or entity on the Registration List or any person or entity that submitted a written offer to purchase during the Term of Agreement, whether or not such transaction is consummated on the same or different terms and conditions as were offered during the Term of Agreement.

9. Dual Agency Broker Disclosure. Seller acknowledges and agrees that Broker may represent, through listing agreements or otherwise, various parties including sellers, prospective purchasers and tenants (including currently) of other properties having the same or similar qualities and characteristics of the Property. Seller desires that the Property be presented to such prospective purchasers, tenants and other parties. If legally permissible and upon prior written notice, Seller may be asked to consent to any dual agency (which may be withheld in Seller's sole discretion) that may be created by Broker's representation of other parties.

10. Mutual Liability. The liability of the parties caused by a breach of this Agreement shall be limited to direct damages, and in no event shall any party be liable to any other party under this Agreement for, and each of the parties hereby waives, any and all rights to claim against the other parties, any special, indirect, incidental, consequential, punitive or exemplary damages in connection with this Agreement, including, but not limited to, lost profits, even if such party has knowledge of the possibility of such damages. In no event shall the liability obligations (excluding Commissions owed) of any party to any other party exceed the amount of any insurance coverage applicable to such obligation; provided further that the obligations hereunder shall not be limited in scope in the event they arise as a result of gross negligence, willful misconduct or fraud. In no event shall any partner, shareholder, director, officer, agent, servant, employee, representative or affiliate of a party have any personal liability to any other party in connection with this Agreement.

11. Dispute Resolution. Unless prohibited by applicable law, this Agreement shall be governed by, and construed in accordance with, the laws of the State. In the event of any disputes or claims relating to the interpretation, implementation, breach or enforcement of any obligation, representation or warranty under this Agreement ("Dispute"), the parties agree to resolve such Dispute first by mediation with a mediator selected by the parties. If such mediation fails, then any such Dispute shall be submitted for binding arbitration in the county and state of the Property before the American Arbitration Association in accordance with its rules before a panel of three (3) arbitrators. Any determination by such arbitrator shall be based exclusively upon applicable state law and shall be final and binding on the parties and may be entered as a judgment in any court of competent jurisdiction.

12. Costs and Attorneys' Fees. In the event a claim or controversy arises concerning any failure to pay Broker all or any portion of the amounts provided herein, the prevailing party shall be entitled to its costs and attorneys' fees in any legal action regarding the collection of a Commission due hereunder.

13. Independent Advice. Seller hereby acknowledges that neither State Broker, OSL Broker, nor members of the Transaction Team, are qualified or authorized to give legal, regulatory, tax, accounting, engineering, environmental or

other technical professional advice, nor to determine if Seller desires or needs such advice. Seller agrees obtaining such advice is solely Seller's responsibility.

14. Earnest Money, Deposits and Trust Funds. In no event shall any earnest money, deposits or trust funds of any nature be accepted or handled by Broker. All earnest money, deposits or trust funds of any nature shall be handled by either a qualified escrow agent or an attorney appointed by Seller.

15. Entire Agreement; Amendments and Modifications. This Agreement (including any exhibits referred to herein and attached hereto, which are incorporated herein by reference) contains the entire agreement between the parties and supersedes any prior discussions, negotiations, representations, or agreements, written or oral, between the parties or any of their respective affiliates respecting the subject matter hereof. No amendments to or modifications of this Agreement shall be valid or binding unless made in writing and signed by all parties.

16. Counterparts and Notices. This Agreement may be signed in any number of counterparts, each of which shall be deemed an original. Notices to a party under this Agreement may be delivered via US Mail, overnight courier, or email to such party at the notice/email address for such party set forth in the applicable signature block, and shall be deemed delivered upon verified receipt by the receiving party. This Agreement may not be assigned by any party (except to an affiliate of the assigning party or to a successor by operation of law following a merger or consolidation with, or sale of all assets of the assigning party) without written consent of each of the other parties.

17. State Specific Provisions. Seller acknowledges and agrees that it has received, reviewed and understands the attached Colorado Disclosure Regarding Agency Confirmation.

State Broker is a one-person firm. OSL Broker is an out-of-state brokerage firm and designates the individual(s) defined as the Transaction Team to serve as the out-of-state broker of Seller and to perform the services for Seller required by this Agreement to the extent permitted by law. If more than one individual is so designated in the Transaction Team, then references in this Agreement to Broker include all persons so designated, including substitute or additional brokers. The brokerage relationship exists only with State Broker and the Transaction Team and does not extend to the any other brokers employed or engaged by OSL Broker who are not so designated.

Seller acknowledges that the state of Colorado mandates the use of Commission approved contracts and forms for representation agreements and has elected to use this Agreement in lieu.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of last signature (the "Effective Date").

SELLER:

Olympia Covenant Group LLC

By: Kimberly M. Taylor
Name: kimberly M. Taylor
Its: Authorized Signatory
Address: _____
Phone: _____
Email: taylorkim@pacden.com
Date: 3/7/2025

STATE BROKER:

ParaSell, Inc.

By: Scott Reid
Name: Scott Reid
Its: Broker of Record
Address: 940 South Coast Drive, Suite 100, Costa Mesa, CA 92626
Phone: (949) 942-6585
Email: broker@parasellinc.com
License: CO - EC.100085004
Date: 3/7/2025

OSL BROKER:

Hanley Investment Group, Inc.

By: Edward B. Hanley
Name: Edward B. Hanley
Its: President
Address: 3500 E. Coast Highway, Suite 100, Corona Del Mar, CA 92625
Phone: (949) 585-7610
Email: ehanley@hanleyinvestment.com
License: CA - 01462025
Date: 3/7/2025

The Law of Real Estate Agency

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

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

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

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

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

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

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

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

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

Section 8. Compensation. Allows brokers to share compensation with cooperating brokers.

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

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

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

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

Section One

RCW 18.86.010. Definitions.

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

1. "Agency relationship" means the agency relationship created under this chapter or by written agreement between a licensee and a buyer and/or seller relating to the performance of real estate brokerage services by the licensee.
2. "Agent" means a licensee who has entered into an agency relationship with a buyer or seller.
3. "Business opportunity" means and includes a business, business opportunity, and goodwill of an existing business, or any one or combination thereof.
4. "Buyer" means an actual or prospective purchaser in a real estate transaction, or an actual or prospective tenant in a real estate rental or lease transaction, as applicable.
5. "Buyer's agent" means a licensee who has entered into an agency relationship with only the buyer in a real estate transaction, and includes subagents engaged by a buyer's agent.
6. "Confidential information" means information from or concerning a principal of a licensee that:
 - a. Was acquired by the licensee during the course of an agency relationship with the principal;

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

Section Two

RCW 18.86.020 Agency relationship.

1. A licensee who performs real estate brokerage services for a buyer is a buyer's agent unless the:
 - a. Licensee has entered into a written agency agreement with the seller, in which case the licensee is a seller's agent;
 - b. Licensee has entered into a subagency agreement with the seller's agent, in which case the licensee is a seller's agent;
 - c. Licensee has entered into a written agency agreement with both parties, in which case the licensee is a dual agent;
 - d. Licensee is the seller or one of the sellers; or
 - e. Parties agree otherwise in writing after the licensee has complied with RCW 18.86.030(1)(f).
2. In a transaction in which different licensees affiliated with the same broker represent different parties, the broker is a dual agent, and must obtain the written consent of both parties as required under RCW 18.86.060. In such a case, each licensee shall solely represent the party with whom the licensee has an agency relationship, unless all parties agree in writing that both licensees are dual agents.
3. A licensee may work with a party in separate transactions pursuant to different relationships, including, but not limited to, representing a party in one transaction and at the same time not representing that party in a different transaction involving that party, if the licensee complies with this chapter in establishing the relationships for each transaction.

Section Three

RCW 18.86.030. Duties of a licensee.

1. Regardless of whether the licensee is an agent, a licensee owes to all parties to whom the licensee renders real estate brokerage services the following duties, which may not be waived:
 - a. To exercise reasonable skill and care;
 - b. To deal honestly and in good faith;
 - c. To present all written offers, written notices and other written communications to and from either party in a timely manner, regardless of whether the property is subject to an existing contract for sale or the buyer is already a party to an existing contract to purchase;
 - d. To disclose all existing material facts known by the licensee and not apparent or readily ascertainable to a party; provided that this subsection shall not be construed to imply any duty to investigate matters that the licensee has not agreed to investigate;
 - e. To account in a timely manner for all money and property received from or on behalf of either party;
 - f. To provide a pamphlet on the law of real estate agency in the form prescribed in RCW 18.86.120 to all parties to whom the licensee renders real estate brokerage services, before the party signs an agency agreement with the licensee, signs an offer in a real estate transaction handled by the licensee, consents to dual agency, or waives any rights, under RCW 18.86.020(1)(e), 18.86.040(1)(e), 18.86.050(1)(e), or 18.86.060(2) (e) or (f), whichever occurs earliest; and
 - g. To disclose in writing to all parties to whom the licensee renders real estate brokerage services, before the party signs an offer in a real estate transaction handled by the licensee, whether the licensee represents the buyer, the seller, both parties, or neither party. The disclosure shall be set forth in a separate paragraph entitled "Agency Disclosure" in the agreement between the buyer and seller or in a separate writing entitled "Agency Disclosure."
2. Unless otherwise agreed, a licensee owes no duty to conduct an independent inspection of the property or to conduct an independent investigation of either party's financial condition, and owes no duty to independently verify the accuracy or completeness of any statement made by either party or by any source reasonably believed by the licensee to be reliable.

Section Four

RCW 18.86.040. Seller's agent--Duties.

1. Unless additional duties are agreed to in writing signed by a seller's agent, the duties of a seller's agent are limited to those set forth in RCW 18.86.030 and the following, which may not be waived except as expressly set forth in (e) of this subsection:
 - a. To be loyal to the seller by taking no action that is adverse or detrimental to the seller's interest in a transaction;
 - b. To timely disclose to the seller any conflicts of interest;
 - c. To advise the seller to seek expert advice on matters relating to the transaction that are beyond the agent's expertise;
 - d. Not to disclose any confidential information from or about the seller, except under subpoena or court order, even after termination of the agency relationship; and
 - e. Unless otherwise agreed to in writing after the seller's agent has complied with RCW 18.86.030(1)(f), to make a good faith and continuous effort to find a buyer for the property; except that a seller's agent is not obligated to seek additional offers to purchase the property while the property is subject to an existing contract for sale.
2.
 - a. The showing of properties not owned by the seller to prospective buyers or the listing of competing properties for sale by a seller's agent does not in and of itself breach the duty of loyalty to the seller or create a conflict of interest.
 - b. The representation of more than one seller by different licensees affiliated with the same broker in competing transactions involving the same buyer does not in and of itself breach the duty of loyalty

to the sellers or create a conflict of interest.

Section Five

RCW 18.86.050. Buyer's agent -- Duties.

1. Unless additional duties are agreed to in writing signed by a buyer's agent, the duties of a buyer's agent are limited to those set forth in RCW 18.86.030 and the following, which may not be waived except as expressly set forth in (e) of this subsection:
 - a. To be loyal to the buyer by taking no action that is adverse or detrimental to the buyer's interest in a transaction;
 - b. To timely disclose to the buyer any conflicts of interest;
 - c. To advise the buyer to seek expert advice on matters relating to the transaction that are beyond the agent's expertise;
 - d. Not to disclose any confidential information from or about the buyer, except under subpoena or court order, even after termination of the agency relationship; and
 - e. Unless otherwise agreed to in writing after the buyer's agent has complied with RCW 18.86.030(1)(f), to make a good faith and continuous effort to find a property for the buyer; except that a buyer's agent is not obligated to:
 1. Seek additional properties to purchase while the buyer is a party to an existing contract to purchase; or
 2. Show properties as to which there is no written agreement to pay compensation to the buyer's agent.
2.
 - a. The showing of property in which a buyer is interested to other prospective buyers by a buyer's agent does not in and of itself breach the duty of loyalty to the buyer or create a conflict of interest.
 - b. The representation of more than one buyer by different licensees affiliated with the same broker in competing transactions involving the same property does not in and of itself breach the duty of loyalty to the buyers or create a conflict of interest.

Section Six

RCW 18.86.060. Dual agent -- Duties.

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

agent is not obligated to:

1. Seek additional properties to purchase while the buyer is a party to an existing contract to purchase; or
 2. Show properties as to which there is no written agreement to pay compensation to the dual agent.
- 3.
- a. The showing of properties not owned by the seller to prospective buyers or the listing of competing properties for sale by a dual agent does not in and of itself constitute action that is adverse or detrimental to the seller or create a conflict of interest.
 - b. The representation of more than one seller by different licensees affiliated with the same broker in competing transactions involving the same buyer does not in and of itself constitute action that is adverse or detrimental to the sellers or create a conflict of interest.
- 4.
- a. The showing of property in which a buyer is interested to other prospective buyers or the presentation of additional offers to purchase property while the property is subject to a transaction by a dual agent does not in and of itself constitute action that is adverse or detrimental to the buyer or create a conflict of interest.
 - b. The representation of more than one buyer by different licensees affiliated with the same broker in competing transactions involving the same property does not in and of itself constitute action that is adverse or detrimental to the buyers or create a conflict of interest.

Section Seven

RCW 18.86.070. Duration of agency relationship.

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

Section Eight

RCW 18.86.080. Compensation.

1. In any real estate transaction, the broker's compensation may be paid by the seller, the buyer, a third party, or by sharing the compensation between brokers.
2. An agreement to pay or payment of compensation does not establish an agency relationship between the party who paid the compensation and the licensee.
3. A seller may agree that a seller's agent may share with another broker the compensation paid by the seller.
4. A buyer may agree that a buyer's agent may share with another broker the compensation paid by the buyer.
5. A broker may be compensated by more than one party for real estate brokerage services in a real estate transaction, if those parties consent in writing at or before the time of signing an offer in the transaction.
6. A buyer's agent or dual agent may receive compensation based on the purchase price without breaching any duty to the buyer.

7. Nothing contained in this chapter negates the requirement that an agreement authorizing or employing a licensee to sell or purchase real estate for compensation or a commission be in writing and signed by the seller or buyer.

Section Nine

RCW 18.86.090. Vicarious liability.

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

Section Ten

RCW 18.86.100. Imputed knowledge and notice.

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

Section Eleven

RCW 18.86.110. Application.

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

Seller Disclosure Statement – Commercial Property

SELLER: _____

INSTRUCTIONS TO THE SELLER

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

NOTICE TO THE BUYER

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

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

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

Seller [] is / [] is not occupying the property.

I. SELLER'S DISCLOSURES:

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

1. TITLE AND LEGAL

[] Yes [] No [] Don't know A. Do you have legal authority to sell the property? If no, please explain.

[] Yes [] No [] Don't know *B. Is title to the property subject to any of the following?

(1) First right of refusal

(2) Option

(3) Lease or rental agreement

(4) Life estate?

[] Yes [] No [] Don't know *C. Are there any encroachments, boundary agreements, or boundary disputes?

[] Yes [] No [] Don't know *D. Is there any leased parking?

[] Yes [] No [] Don't know *E. Is there a private road or easement agreement for access to the property?

☐ Yes ☐ No ☐ Don't know

*F. Are there any rights-of-way, easements, shared use agreements, or access limitations?

☐ Yes ☐ No ☐ Don't know

*G. Are there any written agreements for joint maintenance of an easement or right-of-way?

☐ Yes ☐ No ☐ Don't know

*H. Are there any zoning violations or nonconforming uses?

☐ Yes ☐ No ☐ Don't know

*I. Is there a survey for the property?

☐ Yes ☐ No ☐ Don't know

*J. Are there any legal actions pending or threatened that affect the property?

☐ Yes ☐ No ☐ Don't know

*K. Is the property in compliance with the Americans with Disabilities Act?

2. WATER

☐ Yes ☐ No ☐ Don't know

*Are there any water rights for the property, such as a water right permit, certificate, or claim?

3. SEWER/ON-SITE SEWAGE SYSTEM

☐ Yes ☐ No ☐ Don't know

*Is the property subject to any sewage system fees or charges in addition to those covered in your regularly billed sewer or on-site sewage system maintenance service?

4. STRUCTURAL

☐ Yes ☐ No ☐ Don't know

*A. Has the roof leaked within the last five years?

☐ Yes ☐ No ☐ Don't know

*B. Has any occupied subsurface flooded or leaked within the last five years?

☐ Yes ☐ No ☐ Don't know

*C. Have there been any conversions, additions, or remodeling?

☐ Yes ☐ No ☐ Don't know

*(1) If yes, were all building permits obtained?

☐ Yes ☐ No ☐ Don't know

*(2) If yes, were all final inspections obtained?

☐ Yes ☐ No ☐ Don't know

*D. Has there been any settling, slippage, or sliding of the property or its improvements?

☐ Yes ☐ No ☐ Don't know

*E. Are there any defects with the following: (If yes, please check applicable items and explain.)

☐ Foundations

☐ Slab Floors

☐ Doors

☐ Outbuildings

☐ Ceilings

☐ Exterior Walls

☐ Sidewalks

☐ Siding

☐ Other

☐ Interior Walls

☐ Windows

5. SYSTEMS AND FIXTURES

☐ Yes ☐ No ☐ Don't know

* Are there any defects in the following systems? If yes, please explain.

☐ Yes ☐ No ☐ Don't know

(1) Electrical system

☐ Yes ☐ No ☐ Don't know

(2) Plumbing system

☐ Yes ☐ No ☐ Don't know

(3) Heating and cooling systems

☐ Yes ☐ No ☐ Don't know

(4) Fire and security system

☐ Yes ☐ No ☐ Don't know

(5) Carbon monoxide alarms

6. ENVIRONMENTAL

☐ Yes ☐ No ☐ Don't know

*A. Have there been any flooding, standing water, or drainage problems on the property that affect the property or access to the property?

☐ Yes ☐ No ☐ Don't know

*B. Is there any material damage to the property from fire, wind, floods, beach movements, earthquake, expansive soils, or landslides?

☐ Yes ☐ No ☐ Don't know

*C. Are there any shorelines, wetlands, floodplains, or critical areas on the property?

☐ Yes ☐ No ☐ Don't know

*D. Are there any substances, materials, or products in or on the property that may be environmental concerns, such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, or contaminated soil or water?

☐ Yes ☐ No ☐ Don't know

*E. Is there any soil or groundwater contamination?

☐ Yes ☐ No ☐ Don't know

*F. Has the property been used as a legal or illegal dumping site?

☐ Yes ☐ No ☐ Don't know

*G. Has the property been used as an illegal drug manufacturing site?

7. FULL DISCLOSURE BY SELLERS

A. Other conditions or defects:

☐ Yes ☐ No ☐ Don't know

*Are there any other existing material defects affecting the property that a prospective buyer should know about?

B. Verification:

The foregoing answers and attached explanations (if any) are complete and correct to the best of my/our knowledge and I/we have received a copy hereof. I/we authorize all of my/our real estate licensees, if any, to deliver a copy of this disclosure statement to other real estate licensees and all prospective buyers of the property.

Seller Signature:

Date:

NOTICE TO BUYER

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

II. BUYER'S ACKNOWLEDGMENT

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

DISCLOSURES CONTAINED IN THIS DISCLOSURE STATEMENT ARE PROVIDED BY SELLER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE STATEMENT. UNLESS BUYER AND SELLER OTHERWISE AGREE IN WRITING, BUYER SHALL HAVE THREE BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A SALE AGREEMENT. BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS DISCLOSURE STATEMENT AND ACKNOWLEDGES THAT THE DISCLOSURES MADE HEREIN ARE THOSE OF THE SELLER ONLY, AND NOT OF ANY REAL ESTATE LICENSEE OR OTHER PARTY.

Buyer Signature:

Date:
