

APPENDIX A

ESCALATION ADDENDUM TO PURCHASE AND SALE AGREEMENT

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

NOTICE TO BUYER: By including this Addendum in the Agreement, you agree to have your purchase price 5
increased if Seller receives an equal or higher offer from another buyer (the "Competing Offer"). This Addendum does 6
not assure that the Competing Offer used to establish your Purchase Price will, in all ways, be comparable to yours. 7
You are cautioned to offer no more than you are willing to pay for the Property. You are further cautioned that Seller 8
or the Listing Broker may disclose the terms of your offer, including this Addendum, to other potential buyers. 9

1. PURCHASE PRICE. If Seller receives a Competing Offer for the Property prior to accepting this offer, with a 10
Net Price equal to or greater than the Net Price of this offer, then the Net Price of this offer shall be 11
increased to \$ _____ more than the Net Price of the Competing Offer. In no event, however, shall the 12
new Purchase Price of this offer exceed \$ _____. 13

The term "Net Price" means the stated Purchase Price (or the maximum price if the Competing Offer contains a price 14
escalation clause) including any price adjustments such as credits to Buyer for closing costs or credits to Seller. 15

2. COMPETING OFFER. A Competing Offer must be a complete copy of a bona fide, arm's length, written offer on 16
NWMLS or similar forms, containing all material terms necessary for an enforceable agreement which (a) requires 17
the full Purchase Price to be paid in cash at closing; (b) provides for closing no later than _____ days (60 18
days if not filled in) from the date of this offer; and (c) is not contingent on the sale of the buyer's property (i.e. no 19
NWMLS Form 22B or equivalent). A Competing Offer may include other conditions, such as a buyer's pending 20
sale of property contingency (i.e. NWMLS Form 22Q or equivalent). 21

3. SELLER'S ACCEPTANCE. The parties shall use the "Escalation Addendum Notice" (Form 35EN) for notices 22
required by this section. 23

a. Competing Offer Required for Escalation. Seller's escalation of this offer shall not be effective unless 24
it is accompanied by a complete copy of any Competing Offer used to escalate the Purchase Price, 25
including any escalation provision. 26

i. If Seller fails to provide an offer to be used as a Competing Offer to Buyer at the time of mutual 27
acceptance, then Buyer may give notice to Seller of that fact within _____ days (3 days if not filled 28
in). If Buyer fails to timely give such notice, then Buyer shall be obligated to purchase at the new 29
Purchase Price calculated by Seller. If Buyer provides such notice, Seller shall have _____ days 30
(1 day if not filled in) to deliver the Competing Offer to Buyer. If Seller fails to timely deliver the 31
Competing Offer, Buyer shall be entitled to purchase the Property at the non-escalated price. 32

b. Notice to Seller – Non-Qualifying Competing Offer. 33

i. If the offer provided by Seller does not qualify as a Competing Offer under Paragraph 2 of this 34
Addendum, Buyer may deliver notice to Seller of that fact within _____ days (3 days if not filled in) 35
of receipt of the Competing Offer. If Buyer fails to timely give such notice, the offer shall 36
conclusively be deemed to qualify as a Competing Offer under Paragraph 2 of this Addendum. 37

ii. If Buyer provides such notice to Seller, Seller shall have _____ days (2 days if not filled in) to give 38
notice of termination of this Agreement. If Seller timely gives such notice, the Earnest Money shall 39
be refunded to Buyer. If Seller does not timely give such notice of termination, then Buyer shall be 40
entitled to purchase the Property at the non-escalated Purchase Price. 41

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

**ESCALATION ADDENDUM TO
 PURCHASE AND SALE AGREEMENT**

Continued

4. NEW PURCHASE PRICE.

a. Escalated Purchase Price. The following formula calculates the new Purchase Price. The new Purchase Price can only be calculated when the Purchase Price of the Competing Offer is known. 42 43

Purchase Price of Competing Offer (or the maximum purchase price of the Competing Offer if it contains an escalation provision)	\$ _____	44 45 46
Less Credits (if any) to Buyer in Competing Offer	\$ _____	47
Plus Credits (if any) to Seller in Competing Offer	\$ _____	48
Competing Offer Net Purchase Price	\$ _____	49
Plus Escalation Amount (this offer)	\$ _____	50
Plus Credits (if any) to Buyer (this offer)	\$ _____	51
Less Credits (if any) to Seller (this offer)	\$ _____	52
New Purchase Price	\$ _____	53

b. Notice to Seller – New Purchase Price.

- i. If the new Purchase Price calculated by Seller is incorrect, Buyer may deliver notice to Seller of that fact within _____ days (3 days if not filled in) of receipt of the Competing Offer. Buyer's notice shall include Buyer's calculation of the new Purchase Price. If Buyer fails to timely give such notice, the new Purchase Price stated above shall conclusively be deemed to be correct. 54 55 56 57
- ii. If Buyer provides such notice to Seller, Seller shall have _____ days (2 days if not filled in) to give notice of termination of this Agreement. If Seller timely provides such notice, the Earnest Money shall be refunded to Buyer. If Seller does not timely give notice of termination, then Buyer's calculated new Purchase Price in Buyer's notice shall conclusively be deemed to be correct. 58 59 60 61

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

APPENDIX B

ESCALATION ADDENDUM NOTICE

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

The following notices are for use with the Escalation Addendum (Form 35E). 5

BUYER'S NOTICE OF NO COMPETING OFFER. Buyer hereby gives notice that Seller failed to provide Buyer 6
with a Competing Offer to escalate the Purchase Price as required by Paragraph 3(a) of Form 35E. 7

_____ 8
Buyer Date Buyer Date

BUYER'S NOTICE OF NON-QUALIFYING COMPETING OFFER. Buyer hereby gives notice that the offer used 9
to escalate the Purchase Price does not qualify as a Competing Offer under Paragraph 2 of Form 35E. 10

_____ 11
Buyer Date Buyer Date

BUYER'S NOTICE OF NEW PURCHASE PRICE. Buyer hereby gives notice that the new Purchase Price 12
calculated by Seller in Paragraph 4 of Form 35E is incorrect. The new Purchase Price is calculated as follows: 13

Purchase Price of Competing Offer \$ _____ 14
(or the maximum purchase price of the Competing Offer 15
if it contains an escalation provision) 16

Less Credits (if any) to Buyer in Competing Offer \$ _____ 17

Plus Credits (if any) to Seller in Competing Offer \$ _____ 18

Competing Offer Net Purchase Price \$ _____ 19

Plus Escalation Amount (this offer) \$ _____ 20

Plus Credits (if any) to Buyer (this offer) \$ _____ 21

Less Credits (if any) to Seller (this offer) \$ _____ 22

New Purchase Price \$ _____ 23

_____ 24
Buyer Date Buyer Date

SELLER'S NOTICE OF TERMINATION. Buyer provided notice that: the offer used to escalate the Purchase 25
Price does not qualify as a Competing Offer under Paragraph 2 of Form 35E; the new Purchase Price calculated 26
by Seller in Paragraph 4 of Form 35E is incorrect. Seller therefore elects to terminate the Agreement and instructs 27
the party holding the Earnest Money to disburse the Earnest Money to Buyer. 28

_____ 29
Seller Date Seller Date

APPENDIX C

EVIDENCE OF FUNDS ADDENDUM
TO PURCHASE & SALE AGREEMENT

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

1. DEFINITIONS.

- a. "Evidence" means document(s) from a financial institution(s) in the United States showing that Buyer has sufficient cash or cash equivalent in United States funds.
b. "Non-Contingent Funds" means funds that Buyer currently has in its possession and for which there is no contingency, such as financing (NWMLS Form 22A or equivalent), sale of Buyer's property (NWMLS Form 22B or equivalent), or pending sale of Buyer's property (NWMLS Form 22Q or equivalent).
c. "Contingent Funds" means funds that Buyer does not currently have, but expects to receive from another source prior to Closing, and for which there is no contingency, such as a loan, proceeds from the sale of other property or stock, retirement funds, foreign funds, a gift, or future earnings.

2. EVIDENCE OF NON-CONTINGENT FUNDS. Buyer is relying on Non-Contingent Funds for payment of the Purchase Price. Buyer shall provide Evidence to Seller of such funds within days (3 days if not filled in) of mutual acceptance. Unless Buyer discloses other sources of funds for the payment of the Purchase Price, Buyer represents that the Non-Contingent Funds are sufficient to pay the Purchase Price. Buyer shall not use such Non-Contingent Funds for any purpose other than the purchase of the Property without Seller's prior written consent. If Buyer fails to timely provide such Evidence, Seller may give notice terminating this Agreement any time before such Evidence is provided. Upon Seller's notice of termination under this Addendum, the Earnest Money shall be refunded to Buyer.

3. DISCLOSURE OF CONTINGENT FUNDS. Buyer is relying on Contingent Funds for the Purchase Price:

- Loan:
Sale of the following owned by Buyer:
Gift of \$ from
Funds not readily convertible to liquid United States funds (describe):
Other (describe):

Buyer shall provide Evidence to Seller days (10 days if not filled in) prior to Closing that the funds relied upon in Section 3 have been received or are immediately available to Buyer. If Buyer fails to timely provide such Evidence, Seller may give notice terminating this Agreement any time before such Evidence is provided. Buyer shall provide Seller with additional information about such funds as may be reasonably requested by Seller from time to time. Upon Seller's notice of termination under this Addendum, the Earnest Money shall be refunded to Buyer.

If Buyer disclosed that Buyer is obtaining a loan, Seller shall permit an appraisal of the Property and inspections required by lender, including but not limited to structural, pest, heating, plumbing, roof, electrical, septic, and well inspections. Seller is not obligated to pay for such inspections unless otherwise agreed.

4. BUYER DEFAULT. If Buyer fails to timely close because the Contingent Funds identified in Section 3 are not available by Closing, Buyer shall be in default and Seller shall be entitled to remedies as provided for in the Agreement.

ATTENDUM

**INSPECTION ADDENDUM TO
PURCHASE AND SALE AGREEMENT**

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

1. INSPECTION CONTINGENCY. This Agreement is conditioned on Buyer's subjective satisfaction with inspections of the Property and the improvements on the Property. Buyer's inspections may include, at Buyer's option and without limitation, the structural, mechanical and general condition of the improvements to the Property, compliance with building and zoning codes, an inspection of the Property for hazardous materials, a pest inspection, and a soils/stability inspection. Buyer's general home inspection must be performed by Buyer or a person licensed under RCW 18.280. Buyer may engage specialists (e.g. plumbers, electricians, roofers, etc.) to conduct further inspections of the Property. 5
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a. **Sewer Inspection.** Buyer's inspection of the Property may; may not (may, if not checked) include an inspection of the sewer system, which may include a sewer line video inspection and assessment and may require the inspector to remove toilets or other fixtures to access the sewer line. 12
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2. BUYER'S OBLIGATIONS. All inspections are to be (a) ordered by Buyer, (b) performed by inspectors of Buyer's choice, and (c) completed at Buyer's expense. Buyer shall not alter the Property or any improvements on the Property without first obtaining Seller's permission. Buyer is solely responsible for interviewing and selecting all inspectors. Buyer shall restore the Property and all improvements on the Property to the same condition they were in prior to the inspection. Buyer shall be responsible for all damages resulting from any inspection of the Property performed on Buyer's behalf. 15
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3. BUYER'S NOTICE. This inspection contingency shall conclusively be deemed waived and Seller shall not be obligated to make any repairs or modifications unless within _____ days (10 days if not filled in) after mutual acceptance of this Agreement (the "Initial Inspection Period"), Buyer gives notice (a) approving the inspection and waiving this contingency; (b) disapproving the inspection and terminating the Agreement; (c) that Buyer will conduct additional inspections; or (d) proposing repairs to the property or modifications to the Agreement. If Buyer disapproves the inspection and terminates the Agreement, the Earnest Money shall be refunded to Buyer. If Buyer proposes repairs to the property or modifications to the Agreement, including adjustments to the purchase price or credits for repairs to be performed after Closing, the parties shall negotiate as set forth in Paragraph 6, below. The parties may use NWMLS Form 35R to give notices required by this Addendum. 21
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4. INSPECTION REPORT. Buyer shall not provide the inspection report, or portions of the report, to Seller, unless Seller requests otherwise or as required by Paragraph 5. 30
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a. **Waiver of Contingency by Buyer.** If Buyer provides any portion of the inspection report to Seller without Seller's prior written consent or as required by Paragraph 5, the inspection contingency shall conclusively be deemed waived. 32
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b. **Seller Consent.** The selection of either checkbox below by Seller shall not be considered a counteroffer. 35
 Seller requests that Buyer provide the inspection report to Seller. 36
 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. 37
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5. ADDITIONAL TIME FOR INSPECTIONS. If an inspector so recommends, Buyer shall have additional time to obtain further evaluation of any item by a specialist at Buyer's option and expense if, on or before the end of the Initial Inspection Period, Buyer provides Seller a copy of the inspector's recommendation and notice that Buyer will seek additional inspections. If Buyer gives timely notice of additional inspections, Buyer shall have _____ (5 days if not filled in) after giving the notice to obtain the additional inspection(s) as recommended by the inspector. 40
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Buyer's Initials _____ Date _____ Buyer's Initials _____ Date _____ Seller's Initials _____ Date _____ Seller's Initials _____ Date _____

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

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.
- 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:
- 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.
- 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.
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 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.
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.
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).
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.

APPENDIX E

INSPECTION WAIVER ADDENDUM TO PURCHASE AND SALE AGREEMENT

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

1. **WAIVER OF INSPECTION.** Buyer has been advised to obtain inspections of the Property including, but not limited to, the structural, mechanical and general condition of the improvements on the Property, compliance with building and zoning codes, an inspection of the Property for hazardous materials, a pest inspection, and a soils/stability inspection. Buyer elects to waive the right to obtain inspections of the Property and purchase the Property in its present condition. Buyer has not relied on representations by Seller, Listing Broker, or Buyer Broker with regard to the condition of the Property, the suitability of the Property for Buyer's intended use, or Buyer's decision to forego inspections. 5-11

2. **PRE-INSPECTION CONDUCTED.** Buyer, prior to mutual acceptance of this Agreement, conducted inspections of the Property and the improvements on the Property including, but not limited to, the structural, mechanical and general condition of the improvements on the Property, compliance with building and zoning codes, an inspection of the Property for hazardous materials, a pest inspection, and a soils/stability inspection. This Agreement is not conditioned on the results of such inspections and Buyer acknowledges that the decision to purchase the Property is based on Buyer's prior inspection and that Buyer has not relied on representations by Seller, Listing Broker or Buyer Broker with regard to the condition of the Property or the suitability of the Property for Buyer's intended use. Buyer shall not provide the inspection report, or portions of the report, to Seller, unless Seller requests otherwise. 12-20

3. **MODIFICATIONS/REPAIRS.** Based upon the results of Buyer's pre-inspection of the Property, Seller shall make the following modifications and/or repairs to the Property described below or on the attached pages. 21-22

 _____ 23-27

The modifications and/or 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 who recommended the modifications and/or repairs, 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. 28-36

4. **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 by including an appropriate on-site sewage disposal inspection contingency such as NWMLS Form 22S (Septic Addendum). 37-41

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

APPENDIX F

INSPECTION RESPONSE FOR FORM 35

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

I. BUYER'S RESPONSE OR REQUEST FOR REPAIRS OR MODIFICATION 5

- Buyer's inspection of the Property is approved and the inspection contingency is satisfied.* 6
 - Buyer's inspection of the Property is disapproved and the Agreement is terminated. The Earnest Money shall be refunded to Buyer.* 7
 - Buyer gives notice of an additional inspection. The inspector's recommendation is attached. The time for Buyer's response to the initial and additional inspection is extended as provided in Paragraph 5 of Form 35.* 8
 - Buyer requests the following modifications and/or repairs described below or on the attached pages. If Seller agrees to these modifications or repairs, the inspection contingency shall be deemed satisfied.** 9
- Note:** If Buyer provides any portion of the inspection report to Seller without Seller's prior written consent or as required by Paragraph 5 of Form 35, the inspection contingency shall conclusively be deemed waived. 10

Buyer _____ Date _____ Buyer _____ Date _____

If Buyer requests modifications and/or repairs, this Form 35R and any other addenda or notice pertaining to the modifications and/or repairs and amendment to the Agreement related to or resulting from the request for modifications and/or repairs shall become a part of the Agreement. 15

II. SELLER'S RESPONSE TO BUYER'S REQUEST FOR REPAIRS OR MODIFICATION. 16

- Seller agrees to all of the modifications or repairs in Buyer's request. The inspection contingency is satisfied, the parties agree to proceed to Closing as provided in the Agreement, and Buyer's reply, below, is not necessary.** 17
 - Seller offers to correct only the following conditions described below or on the attached pages:** 18
- _____

- Seller rejects all proposals by Buyer.* 19
 - Seller rejects all proposals by Buyer, but proposes the following alternative modifications or repairs described below or on the attached pages:** 20
- _____

Seller _____ Date _____ Seller _____ Date _____

III. BUYER'S REPLY TO SELLER'S RESPONSE. 21

- Buyer accepts Seller's response and agrees to proceed to Closing as provided in the Agreement.** 22
- Buyer rejects Seller's response. Buyer disapproves of the inspection and this Agreement is terminated. The Earnest Money shall be refunded to Buyer.* 23
- Buyer rejects Seller's response, but offers the attached alternative proposal for modification or repair. Buyer acknowledges that the inspection contingency will be waived unless Buyer and Seller reach written agreement or Buyer gives notice disapproving the inspection and terminating the Agreement before the deadline in Paragraph 6(b) of the inspection contingency (NWMLS Form 35).** 24

Buyer _____ Date _____ Buyer _____ Date _____

* This is a notice which requires only one Buyer's or one Seller's signature. 25
 ** This is not a notice and requires all Buyer's or Seller's signatures. 26

APPENDIX G

Form 65A
Rental - Early Occupancy
Rev. 8/21
Page 1 of 2

RENTAL AGREEMENT Buyer Occupancy Prior to Closing

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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

Tenant(s) _____ 2
Buyer/Tenant Buyer/Tenant

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

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.** Tenant is entitled to possession on _____ 10
This Agreement shall terminate on _____. If Tenant purchases the Property from 11
Landlord, then this Agreement shall terminate on closing of the sale. At the time of closing, advance rent paid to 12
Landlord shall be pro-rated on a daily basis, and Tenant shall be credited with any unused portion thereof. If this 13
Agreement is terminated prior to the termination date set forth in this paragraph, then any advance rent shall be 14
pro-rated on a daily basis, and the unused portion refunded to Tenant immediately upon Tenant's vacating the 15
Property. If Tenant holds over without the written consent of Landlord, Tenant shall be liable for rent and all other 16
damages sustained by Landlord because of such holdover. 17

3. **INSURANCE.** Landlord agrees to keep the Property insured against fire and other normal casualties. All proceeds 18
of any such policy shall be payable to Landlord alone. Landlord shall have no responsibility for insuring anything 19
in or on the Property which belongs to Tenant. Tenant is advised that renter's insurance is available to Tenant for 20
coverage related to liability for bodily injury, property damage, and for the theft, loss, or damage to Tenant's 21
personal property. 22

4. **UTILITIES.** Tenant agrees to pay for all utilities, including garbage collection charges, during the term of this Agreement. 23

5. **IMPROVEMENTS.** Tenant shall not be entitled to make any improvements or alterations in the Property, including 24
painting, during the term of this Agreement without the written permission of Landlord. In the event this 25
Agreement terminates for any reason other than Tenant's purchase of the Property, Tenant will return the 26
Property to Landlord in as good a condition as it presently is, ordinary wear and tear excepted. 27

6. **UNLAWFUL DETAINER.** This Agreement is subject to the provisions of the Unlawful Detainer Statute, RCW 28
59.12. If Tenant and Landlord have entered into a purchase and sale agreement for the purchase of the Property, 29
then a default under that purchase and sale agreement shall constitute a default under this Agreement, and 30
Landlord shall be entitled to all remedies provided for in the Unlawful Detainer Statute, RCW 59.12. 31

7. **SUBLETTING OR ASSIGNMENT.** Tenant may not sublet the Property and may not assign Tenant's rights under 32
this Agreement. 33

8. **CITY OF SEATTLE RENTAL AGREEMENT REGULATION ORDINANCE.** If the Property is located within the 34
City of Seattle then a copy of a summary of city and state landlord/tenant laws is attached. Tenant hereby 35
acknowledges receipt of a copy of the summary. 36

Landlord's Initials Date Landlord's Initials Date Tenant's Initials Date Tenant's Initials Date

RENTAL AGREEMENT
Buyer Occupancy Prior to Closing
(Continued)

- 9. RELEASE OF REAL ESTATE FIRMS.** Landlord and Tenant release all real estate firms and brokers involved with this Agreement between Landlord and Tenant and agree to indemnify all real estate firms and brokers from any and all claims arising under this Agreement. 37
38
39
- 10. 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 amount of fees shall be as fixed by the court. 40
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- 11. SMOKE DETECTOR.** Tenant acknowledges and Landlord 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 Tenant'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), Landlord makes the following disclosures: 43
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- (a) The smoke detection device is hard-wired battery operated. 48
 - (b) The Building does does not have a fire sprinkler system. 49
 - (c) The Building does does not have a fire alarm system. 50
 - (d) The building has a smoking policy, as follows: 51

52
53
- The building does not have a smoking policy 54
 - (e) The building has an emergency notification plan for occupants, a copy of which is attached to this Agreement. 55
 The building does not have an emergency notification plan for occupants. 57
 - (f) The building has an emergency relocation plan for occupants, a copy of which is attached to this Agreement. 58
 The building does not have an emergency relocation plan for occupants. 60
 - (g) The building has an emergency evacuation plan for occupants, a copy of which is attached to this Agreement. 61
 The building does not have an emergency evacuation plan for occupants. 63
- Tenant hereby acknowledges receipt of a copy of the building's emergency evacuation routes. 64
- 12. CARBON MONOXIDE ALARMS.** Landlord 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 Landlord complies with RCW 19.27.530. 65
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67
- 13. 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 22J Lease or equivalent), must be attached to this Agreement unless this lease/rental transaction is exempt from all applicable federal regulations. 68
69
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71
- 14. MOLD DISCLOSURE.** Tenant acknowledges receipt of the pamphlet entitled "A Brief Guide to Mold, Moisture, and Your Home." 72
73
- 15. OTHER.** 74
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Landlord Date

Tenant Date

Landlord Date

Tenant Date

APPENDIX H

Form 65B
Rental - Delayed Occupancy
Rev. 8/21
Page 1 of 2

RENTAL AGREEMENT Seller Occupancy After Closing

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Notice: There are many risks associated with giving a seller the right to occupy a property as a tenant after closing. If a seller fails to vacate the property upon the termination of this rental agreement, a buyer may have limited rights to remove the seller from the property. A buyer should consult with an attorney before entering into an agreement that provides a seller with occupancy after closing.

Date: _____ 1

Tenant(s) _____ 2
Seller/Tenant Seller/Tenant

agree(s) to rent from Landlord _____ 3
Buyer/Landlord Buyer/Landlord

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. **POSSESSION.** Tenant is entitled to possession on the closing of the sale of the Property from Tenant (Seller) to Landlord (Buyer). If the sale does not close, then this Agreement is void. 10 11

3. **TERM.** This Agreement shall terminate on _____ ("Termination Date"). Upon termination, any advance rent shall be pro-rated on a daily basis, and the unused portion refunded to Tenant immediately upon Tenant's vacating the Property. If Tenant holds over without the written consent of Landlord, Tenant shall be liable for rent and all other damages sustained by Landlord because of such holdover to the extent permitted by applicable laws. 12 13 14 15

Tenant hereby acknowledges and agrees that pursuant to this Paragraph 3, Landlord has provided to Tenant the requisite advance written notice that: (i) the tenancy granted hereunder shall automatically expire and/or terminate upon the Termination Date without further notice to Tenant, (ii) Tenant is not entitled to any rights to extend the Termination Date or to continue to occupy or use the Property beyond the Termination Date, (iii) Tenant must immediately vacate and surrender the Property to Landlord on the Termination Date as further provided in this Agreement, and (iv) this notice to Tenant shall constitute personal delivery to Tenant consistent with RCW 59.12.040. 16 17 18 19 20 21

4. **INSURANCE.** Landlord agrees to insure the Property against fire and other normal casualties. All proceeds of any such policy shall be payable to Landlord alone. Landlord shall have no responsibility for insuring anything in or on the Property which belongs to Tenant. Tenant is advised that renter's insurance is available to Tenant for coverage related to liability for bodily injury, property damage, and for the theft, loss, or damage to Tenant's personal property. 22 23 24 25 26

5. **UTILITIES.** Tenant agrees to pay for all utilities, including garbage collection charges, during the term of the Agreement. 27 28

6. **IMPROVEMENTS.** Tenant shall not be entitled to make any improvements or alterations to the Property, including painting, during the term of this Agreement, without the written permission of Landlord. Tenant will return the Property to Landlord in as good a condition as it presently is, ordinary wear and tear excepted. 29 30 31

7. **SUBLETTING OR ASSIGNMENT.** Tenant may not sublet the Property and may not assign Tenant's rights under this Agreement. 32 33

8. **CITY OF SEATTLE RENTAL REGULATION ORDINANCE.** If the Property is located within the City of Seattle, then a copy of a summary of city and state landlord/tenant laws is attached. Tenant hereby acknowledges receipt of a copy of the summary. 34 35 36

9. **RELEASE OF REAL ESTATE FIRMS.** Landlord and Tenant release all real estate firms and brokers involved with this Agreement between Landlord and Tenant and agree to indemnify all real estate firms and brokers from any and all claims arising under this Agreement. 37 38 39

Landlord's Initials Date Landlord's Initials Date Tenant's Initials Date Tenant's Initials Date

11

RENTAL AGREEMENT
Seller Occupancy After Closing
(Continued)

- 10. 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 a trial, the amount of fees shall be as fixed by the Court. 40-42
- 11. SMOKE DETECTOR.** Tenant acknowledges and Landlord 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 Tenant'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), Landlord makes the following disclosures: 43-47
- (a) The smoke detection device is hard-wired battery operated. 48
 - (b) The Building does does not have a fire sprinkler system. 49
 - (c) The Building does does not have a fire alarm system. 50
 - (d) The building has a smoking policy, as follows: 51
-
- The building does not have a smoking policy. 52-53
 - (e) The building has an emergency notification plan for occupants, a copy of which is attached to this Agreement. 54-55
 - The building does not have an emergency notification plan for occupants. 56
 - (f) The building has an emergency relocation plan for occupants, a copy of which is attached to this Agreement. 57-58
 - The building does not have an emergency relocation plan for occupants. 59
 - (g) The building has an emergency evacuation plan for occupants, a copy of which is attached to this Agreement. 60-61
 - The building does not have an emergency evacuation plan for occupants. 62
- Tenant hereby acknowledges receipt of a copy of the building's emergency evacuation routes. 63
- 12. CARBON MONOXIDE ALARMS.** Landlord 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 Landlord complies with RCW 19.27.530. 64-66
- 13. 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 22J Lease or equivalent), must be attached to this Agreement unless this lease/rental transaction is exempt from all applicable federal regulations. 67-70
- 14. MOLD DISCLOSURE.** Tenant acknowledges receipt of the pamphlet entitled "A Brief Guide to Mold, Moisture, and Your Home." 71-72
- 15. OTHER.** 73-81

Landlord Date

Tenant Date

Landlord Date

Tenant Date

APPENDIX I

FINANCING ADDENDUM TO
PURCHASE & SALE AGREEMENT

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

1. LOAN APPLICATION. 5

- a. Loan Application. This Agreement is contingent on Buyer obtaining the following type of loan or loans to purchase the Property (the "Loan(s)"): Conventional First; Conventional Second; Bridge; VA; FHA; USDA; Home Equity Line of Credit; Other _____ (the "Financing Contingency"). Buyer shall pay \$ _____; or _____ % of the Purchase Price down, in addition to the Loans. Buyer shall make application for the Loans to pay the balance of the Purchase Price and pay the application fee, if required, for the subject Property within _____ days (5 days if not filled in) after mutual acceptance of this Agreement. For the purposes of this Addendum, "application" means the submission of Buyer's financial information for the purposes of obtaining an extension of credit including Buyer's name, income, social security number (if required), the Property address, purchase price, and the loan amount. If not waived, the Financing Contingency shall survive the Closing Date. 6-15
- b. Waiver of Financing Contingency. If Buyer (i) fails to make application for financing for the Property within the agreed time; (ii) changes the type of loan at any time without Seller's prior written consent; or (iii) changes the lender without Seller's prior written consent after the agreed upon time to apply for financing expires, then the Financing Contingency shall be deemed waived. Buyer's waiver of the Financing Contingency under this Paragraph 1(b) also constitutes waiver of Paragraph 5 (Appraisal Less Than Sales Price). For purposes of this Addendum, "lender" means either the party to whom the application was submitted or the party funding the loan. Buyer authorizes Listing Broker and Seller to inquire about the status of Buyer's loan approval with lender any time prior to Closing. Buyer will execute an authorization form, if required by lender, to accomplish the same. 16-24

2. FINANCING CONTINGENCY. Select "a" or "b" ("a" if neither is selected). 25

- a. Seller's Notice to Perform. 26
 - i. Notice to Perform. At any time _____ days (21 days if not filled in) after mutual acceptance, Seller may give "Notice to Perform" requesting that Buyer waive the Financing Contingency and that Seller may give notice to terminate the Agreement at any time 3 days after delivery of that notice if Buyer does not earlier waive the Financing Contingency. NWMLS Form 22AR shall be used for this notice. 27-30
 - ii. Notice of Termination. If Buyer has not previously waived the Financing Contingency, Seller may give "Notice of Termination" of this Agreement any time 3 days after delivery of Notice to Perform. If Seller gives Notice of Termination before Buyer has waived the Financing Contingency, this Agreement is terminated and the Earnest Money shall be refunded to Buyer. NWMLS Form 22AR shall be used for this notice. 31-34
 - iii. Appraisal Less Than Sales Price. Buyer's waiver of the Financing Contingency under this Paragraph 2(a) will; or will not (will not, if not filled in) constitute waiver of Paragraph 5 (Appraisal Less Than Sales Price). 35-36
- b. Automatic Waiver of Financing Contingency. 37
 - i. Waiver. The Financing Contingency shall conclusively be deemed waived unless within _____ days (21 days if not filled in) after mutual acceptance, Buyer gives notice of termination of this Agreement. If Buyer gives timely notice of termination, the Earnest Money shall be refunded to Buyer after Buyer delivers written confirmation from Buyer's lender as required by Paragraph 4. 38-41
 - ii. Appraisal Less Than Sales Price. Buyer's waiver of the Financing Contingency under this Paragraph 2(b) will; or will not (will not, if not filled in) constitute waiver of Paragraph 5 (Appraisal Less Than Sales Price). 42-43

**FINANCING ADDENDUM TO
PURCHASE & SALE AGREEMENT**

3. **LOAN COST PROVISIONS.** Seller shall pay up to \$ _____; or _____ % of the Purchase Price 44
(\$0.00 if not filled in), which shall be applied to Buyer's Loan(s) and settlement costs, including prepaids, loan 45
discount, loan fee, interest buy down, financing, closing or other costs allowed by lender. That amount shall include 46
the following costs that lender is prohibited from collecting from Buyer: (a) up to \$300.00 for Buyer's Loan(s) and 47
settlement costs for FHA/USDA/VA loans; and (b) unless agreed otherwise below, Buyer's share of the escrow fee 48
for a VA loan. Seller shall pay the costs for (a) and (b), even if the amount agreed upon in this Paragraph 3 is 49
insufficient to pay for those costs. If checked, Buyer shall pay Buyer's share of the escrow fee for the VA loan 50
(note that VA regulations prohibit Buyer from paying loan and settlement costs exceeding one percent of the amount 51
of the loan). 52
4. **EARNEST MONEY.** If Buyer has not waived the Financing Contingency, and is unable to obtain financing by 53
Closing after a good faith effort then, on Buyer's notice, this Agreement shall terminate. The Earnest Money shall 54
be refunded to Buyer after lender confirms in writing (a) the date Buyer's loan application for the Property was 55
made, including a copy of the loan estimate that was provided to Buyer; (b) that Buyer possessed sufficient funds 56
to close (e.g. down payment, closing costs, etc.); and (c) the reasons Buyer was unable to obtain financing by 57
Closing. If Seller terminates this Agreement, the Earnest Money shall be refunded without need for such 58
confirmation. 59
5. **APPRAISAL LESS THAN SALE PRICE.** 60
- a. **Notice of Low Appraisal.** If lender's appraised value of the Property is less than the Purchase Price, Buyer 61
may, within 3 days after receipt of a copy of lender's appraisal, give notice of low appraisal, which shall include 62
a copy of lender's appraisal. NWMLS Form 22AN may be used for the notices in this Paragraph 5. 63
- b. **Seller's Response.** Seller shall, within 10 days after Buyer's notice of low appraisal, give notice of: 64
- i. A reappraisal or reconsideration of value, at Seller's expense, by the same appraiser or another appraiser 65
acceptable to lender, in an amount not less than the Purchase Price. Buyer shall promptly seek lender's 66
approval of such reappraisal or reconsideration of value. The parties are advised that lender may elect not 67
to accept a reappraisal or reconsideration of value; 68
 - ii. Seller's consent to reduce the Purchase Price to an amount not more than the amount specified in the 69
appraisal or reappraisal by the same appraiser, or an appraisal by another appraiser acceptable to lender, 70
whichever is higher. (This provision is not applicable if this Agreement is conditioned on FHA, VA, or USDA 71
financing. FHA, VA, and USDA financing does not permit the Buyer to be obligated to buy if the Seller reduces 72
the Purchase Price to the appraised value. Buyer, however, has the option to buy at the reduced price.); 73
 - iii. Seller's proposal to reduce the Purchase Price to an amount more than the amount specified in the 74
appraisal and for Buyer to pay the necessary additional funds (the amount the reduced Purchase Price 75
exceeds the appraised value) to close the sale; or 76
 - iv. Seller's rejection of Buyer's notice of low appraisal. 77
- If Seller timely delivers notice of (i) reappraisal or reconsideration of value; or (ii) consent to reduce the Purchase 78
Price to an amount not more than the amount specified in the appraisal (except for FHA, VA, or USDA 79
financing), and lender accepts Seller's response, then Buyer shall be bound by Seller's response. 80
- c. **Buyer's Reply.** 81
- i. Buyer shall have 3 days from either Seller's notice of rejection of low appraisal or, if Seller fails to respond, 82
the day Seller's response period ends, whichever is earlier, to (a) waive the Financing Contingency; or (b) 83
terminate the Agreement, in which event the Earnest Money shall be refunded to Buyer. 84
 - ii. If Seller proposes to reduce the Purchase Price to an amount more than the appraised value, Buyer shall 85
have 3 days to (a) accept and represent that Buyer has sufficient funds to close the sale in accordance with 86
this provision; or (b) terminate the Agreement, in which event the Earnest Money shall be refunded to Buyer. 87
 - iii. If Seller consents to reduce the Purchase Price to an amount not more than the appraised value for FHA, VA, 88
or USDA financing, Buyer shall have 3 days to (a) give notice that Buyer will buy at the reduced price; or (b) 89
terminate the Agreement, in which event the Earnest Money shall be refunded to Buyer. 90
- Buyer's inaction during this reply period shall result in termination of the Agreement and return of the Earnest 91
Money to Buyer. The Closing Date shall be extended as necessary to accommodate the foregoing times for 92
notices. 93

**FINANCING ADDENDUM TO
PURCHASE & SALE AGREEMENT**

6. **INSPECTION.** Seller shall permit inspections required by lender, including but not limited to structural, pest, heating, plumbing, roof, electrical, septic, and well inspections. Seller is not obligated to pay for such inspections unless otherwise agreed. 94
95
96
7. **FHA/VA/USDA - Appraisal Certificate.** If this Agreement is contingent on Buyer obtaining FHA, VA, or USDA financing, notwithstanding any other provisions of this Agreement, Buyer is not obligated to complete the purchase of the Property unless Buyer has been given in accordance with HUD/FHA, VA, or USDA requirements a written statement by FHA, VA, USDA or a Direct Endorsement lender, setting forth the appraised value of the Property (excluding closing costs). Seller and Buyer shall execute a document setting forth the prior provision, or similar provision, known as the FHA, VA, or USDA amendatory clause, as required by lender. Buyer shall pay the costs of any appraisal. If the appraised value of the Property is less than the Purchase Price, Buyer may give the notice of low appraisal in Paragraph 5. 97
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- Purpose of Appraisal.** The appraised valuation is arrived at only to determine the maximum mortgage FHA, VA, or USDA will insure. FHA, VA, or USDA do not warrant the value or the condition of the Property. Buyer agrees to satisfy himself/herself that the price and condition of the Property are acceptable. 105
106
107
8. **VA Amendatory Clause.** If the Buyer is obtaining VA financing, it is expressly agreed that, notwithstanding any other provisions of this contract, the purchaser shall not incur any penalty by forfeiture of earnest money or otherwise be obligated to complete the purchase of the property described herein, if the contract purchase price or cost exceeds the reasonable value of the property established by the Department of Veterans Affairs. The purchaser shall, however, have the privilege and option of proceeding with the consummation of this contract without regard to the amount of the reasonable value established by the Department of Veterans Affairs. 108
109
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9. **EXTENSION OF CLOSING.** If, through no fault of Buyer, lender is required by 12 CFR 1026 to give corrected disclosures to Buyer due to (a) a change in the Annual Percentage Rate ("APR") of Buyer's Loan(s) by .125% or more for a fixed rate loan or .250% or more for an adjustable rate loan; (b) a change in the loan product; or (c) the addition of a prepayment penalty, then upon notice from Buyer, the Closing Date shall be extended for up to 4 days to accommodate the requirements of Regulation Z of the Truth in Lending Act. This paragraph shall survive Buyer's waiver of this Financing Contingency. 114
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Buyer's Initials

Date

Buyer's Initials

Date

Seller's Initials

Date

Seller's Initials

Date

15

APPENDIX J

INCREASED DOWN PAYMENT
FOR LOW APPRAISAL
ADDENDUM TO PURCHASE & SALE AGREEMENT

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

1. [] FINANCING ADDENDUM (FORM 22A). This Increased Down Payment for Low Appraisal Addendum 5
supersedes the "Appraisal Less Than Sale Price" provision in the Financing Addendum (Form 22A) as follows: 6

- a. Additional Down Payment. If Buyer's lender's appraised value of the Property is less than the Purchase 7
Price, Buyer shall pay additional funds up to \$ _____ ("Buyer's Additional Funds") 8
towards Buyer's down payment to close the sale. Buyer represents that Buyer has sufficient funds to close 9
this sale in accordance with this Addendum. 10
b. Buyer's Notice to Seller. If Buyer becomes aware that the sum of (a) lender's appraised value and 11
(b) Buyer's Additional Funds is less than the Purchase Price, Buyer may deliver written notice to Seller of 12
that fact, including a copy of the lender's appraisal, within _____ days (3 days if not filled in). If Buyer 13
waives Paragraph 5 (Appraisal Less Than Sales Price) in the Financing Addendum (Form 22A), Buyer shall 14
be obligated to purchase the Property for the Purchase Price and may not give notice under this 15
Paragraph 1(b). 16
c. Seller's Right to Reduce Price or Terminate. If Seller receives the above notice from Buyer, Seller shall 17
deliver notice to Buyer within _____ days (3 days if not filled in): (a) reducing the Purchase Price to an 18
amount equal to lender's appraised value plus Buyer's Additional Funds, or (b) terminating the Agreement, 19
in which case the Earnest Money shall be refunded to Buyer. If Seller fails to timely respond, the Agreement 20
shall terminate and the Earnest Money shall be refunded to Buyer. 21

2. [] APPRAISAL ADDENDUM (FORM 22AA). This Increased Down Payment for Low Appraisal Addendum 22
modifies the Appraisal Addendum (Form 22AA) as follows: 23

- a. Disclosure of Contingent Funds. Buyer is relying on a loan or loans (the "Loan(s)") to purchase the 24
Property, but this Agreement is not contingent on Buyer obtaining the Loan(s). Buyer shall pay 25
[] \$ _____; or [] _____ % of the Purchase price down, in addition to the Loan(s). 26
b. Additional Down Payment. If Buyer's appraised value of the Property is less than the Purchase Price, 27
Buyer shall pay additional funds up to \$ _____ ("Buyer's Additional Funds") towards 28
Buyer's down payment to close the sale. Buyer represents that Buyer has sufficient funds to close this 29
sale in accordance with this Addendum. Buyer may not terminate the Agreement if (a) Buyer's appraised 30
value and (b) Buyer's Additional Funds are equal to or greater than the Purchase Price. 31
c. Buyer's Notice to Seller. If Buyer becomes aware that the sum of (a) Buyer's appraised value and 32
(b) Buyer's Additional Funds is less than the Purchase Price, Buyer may deliver written notice to Seller of 33
that fact, including a copy of the appraisal, within _____ days (3 days if not filled in). If Buyer waives 34
the appraisal contingency in the Appraisal Addendum (Form 22AA), Buyer shall be obligated to purchase 35
the Property for the Purchase Price and may not give notice under this Paragraph 2(c). 36
d. Seller's Right to Reduce Price or Terminate. If Seller receives the above notice from Buyer, Seller shall 37
deliver notice to Buyer within _____ days (3 days if not filled in): (a) reducing the Purchase Price 38
to an amount equal to the appraised value plus Buyer's Additional Funds, or (b) terminating the Agreement, 39
in which case the Earnest Money shall be refunded to Buyer. If Seller fails to timely respond, the 40
Agreement shall terminate and the Earnest Money shall be refunded to Buyer. 41

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

APPENDIX K

NAR's Pathways to Professionalism

While the Code of Ethics and Standards of Practice establish objective, enforceable ethical standards governing the professional conduct of REALTORS, it does not address issues of courtesy or etiquette. The following is a list of professional courtesies that evidence your respect for the public, for property and for your peers.

Respect for the Public

1. Identify yourself as a REALTOR in all contacts with the public.
2. Follow the "Golden Rule": "Do unto others as you would have them do unto you."
3. Respond promptly to inquiries and requests for information.
4. Schedule appointments and showings as far in advance as possible.
5. Call if you are delayed or must cancel an appointment or showing.
6. If your buyer decides not to view an occupied home, promptly explain the situation to the listing broker or the occupant.
7. Communicate with all parties in a timely fashion.
8. When entering a property, ensure that unexpected situations, such as pets, are handled appropriately.
9. Leave your business card.
10. Never criticize property in the presence of the occupant.
11. Inform occupants when you are leaving.
12. When showing an occupied home, always knock and announce yourself loudly before entering. Knock and announce yourself loudly before entering any closed rooms.
13. Present a professional appearance at all times; dress appropriately and drive a clean car.
14. If occupants are home during showings, ask their permission before using the telephone or bathroom.
15. Encourage the clients of other brokers to direct questions to their agent.
16. Communicate clearly; don't use jargon or slang that may not be readily understood.
17. Be aware of and respect cultural differences.
18. Show courtesy and respect to everyone.
19. Be aware of and meet all deadlines.
20. Promise only what you can deliver and keep your promises.
21. Do not tell people what you think...tell them what you know.

Respect for Property

1. Take responsibility for everyone you allow to enter listed property.
2. Never allow buyers to enter listed property unaccompanied unless you have permission from the listing agent.
3. When showing property, keep all members of the group together.

4. Enter property only with permission even if you have a lockbox key or combination.
5. When the occupant is absent, leave the property as you found it (lights, heating, cooling, window coverings, etc.). If you think something is amiss (vandalism, etc.), contact the listing broker immediately.
6. Be considerate of the seller's property. Do not allow anyone to eat, drink, smoke, dispose of trash, use bathing or sleeping facilities, or bring pets. Leave the house as you found it unless instructed otherwise.
7. Use sidewalks; if weather is wet, take off shoes and boots inside property.

Respect for Other Agents

1. Follow the "Golden Rule": "Do unto others as you would have them do unto you."
2. Identify yourself as a REALTOR and your professional status in all contacts with other REALTORS.
3. Respond to other agents' calls, faxes, and e-mails promptly and courteously.
4. Be aware that large electronic files with attachments or lengthy faxes may be a burden on recipients.
5. Notify the listing broker if there appears to be inaccurate information on the listing.
6. Share important information about a property, including the presence of pets, security systems and whether sellers will be present during the showing.
7. Show courtesy, trust and respect to other real estate professionals.
8. Avoid the inappropriate use of endearments or other denigrating language.
9. Do not prospect at other REALTORS' open houses or similar events.
10. Return keys promptly.
11. Carefully replace keys in the lockbox after showings.
12. To be successful in the business, mutual respect is essential.
13. Real estate is a reputation business. What you do today may affect your reputation...and business...for years to come.

APPENDIX L

A Buyers' and Sellers' Guide to Multiple Offer Negotiations

Presented by the National Association of REALTORS®
and the
_____ Association of REALTORS®

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Information for Buyers

- ✓ In some situations sellers will have several competing purchase offers to consider. Sellers have several ways to deal with multiple offers. Sellers can accept the “best” offer; they can inform all potential purchasers that other offers are “on the table”; they can “counter” one offer while putting the other offers to the side awaiting a decision on the counter-offer; or they can “counter” one offer and reject the others.
- ✓ While the listing broker can offer suggestions and advice, decisions about how offers will be presented – and dealt with – are made by the seller - not by the listing broker.
- ✓ There are advantages and disadvantages to the various negotiating strategies you can employ in multiple offer negotiations. A low initial offer may result in buying the property you desire for less than the listed price – or it may result in another buyer’s higher offer being accepted. On the other hand, a full price offer may result in paying more than the seller might have required. In some cases there can be several full price offers competing for the seller’s attention – and acceptance.
- ✓ Your buyer-representative will explain the pros and cons of these (and possibly other) negotiating strategies. The decisions, however, are yours to make.
- ✓ Purchase offers generally aren’t confidential. In some cases sellers may make other buyers aware that your offer is in hand, or even disclose details about your offer to another buyer in hope of convincing that buyer to make a “better” offer. In some cases sellers will instruct their listing broker to disclose an offer to other buyers on their behalf.
- ✓ Listing brokers are required to follow lawful, ethical instructions from their clients in the same way that buyer-representatives must follow lawful, ethical instructions from their buyer-clients. While some REALTORS® may be reluctant to disclose terms of offers, even at the direction of their seller-clients, the Code of Ethics does not prohibit such disclosure. In some cases state law or real estate regulations may limit the ability of brokers to disclose the existence or terms of offers to third parties.
- ✓ You may want to discuss with your buyer-representative the possibility of making your offer confidential, or of establishing a confidentiality agreement between yourself and the seller prior to commencing negotiations.
- ✓ Realize that as a represented buyer, your broker likely has other buyer-clients, some of whom may be interested in the same properties as you are. Ask your broker how offers and counter-offers will be presented and negotiated if more than one of her buyer-clients are trying to buy the same property.

- ✓ Appreciate that your buyer-representative's advice is based on past experience and is no guarantee as to how any particular seller will act (or react) in a specific situation.

Information for Sellers

- ✓ It's possible you may be faced with multiple competing offers to purchase your property. Your listing broker can explain various negotiating strategies for you to consider. For example, you can accept the "best" offer; you can inform all potential purchasers that other offers are "on the table" and invite them to make their "best" offer; you can "counter" one offer while putting the other offers to the side awaiting a decision on your counter-offer; or you can "counter" one offer and reject the others.
- ✓ If you have questions about the possibility of multiple offers and the way they can be dealt with, ask your listing broker to explain your options and alternatives.
- ✓ Realize that each of these approaches has advantages and disadvantages. Patience may result in an even better offer being received; inviting buyers to make their "best" offers may produce an offer (or offers) better than those "on the table" – or may discourage buyers who feel they've already made a fair offer resulting in them breaking off negotiations to pursue other properties. Your listing broker will explain the pros and cons of these strategies (and possibly other) negotiating strategies. The decisions, however, are yours to make.
- ✓ Appreciate that your listing broker's advice is based on past experience and is no guarantee about how any particular buyer will act (or react) in a specific situation.

Information for Buyers and Sellers

Perhaps no situation facing buyers or sellers is more potentially frustrating or fraught with potential for misunderstanding and for missed opportunity than presenting and negotiating multiple, competing offers to purchase the same property. Consider the following issues and dynamics:

- ✓ Sellers want to get the highest price and best terms for their property.
- ✓ Buyers want to buy at the lowest price and on the most favorable terms.
- ✓ Listing brokers – acting on behalf of sellers – represent sellers' interests.
- ✓ Buyer representatives represent the interests of their buyer-clients.

- ✓ Will a seller disclosing information about one buyer's offer make a second buyer more likely to make a full price offer? Or will that second buyer pursue a different property?
- ✓ Will telling several buyers that each is being given a chance to make their "best offer" result in spirited competition for the seller's property? Or will it result in the buyers looking elsewhere?
- ✓ What's fair? What's honest? Why isn't there a single, simple way to deal with multiple competing offers?

Knowledgeable buyers and sellers realize there are rarely simple answers to complex situations. But some fundamental principles can make negotiating multiple offers a little simpler.

- ✓ Realize the listing broker represents the seller – and the seller's interests, and the buyer-representative represents the buyer – and the buyer's interests. Real estate professionals are subject to state real estate regulation and, if they are REALTORS®, to the Code of Ethics of the National Association of REALTORS®.
- ✓ The Code of Ethics obligates REALTORS® to be honest with all parties; to present offers and counter-offers quickly and objectively; and to cooperate with other brokers. Cooperation involves sharing of relevant information.
- ✓ Frequently frustration and misunderstanding results from cooperating brokers being unaware of the status of offers they have presented on behalf of their buyer-clients. Listing brokers should make reasonable efforts to keep buyer-representatives up-to-date on the status of offers. Similarly, buyer-representatives should keep listing brokers informed about the status of counter-offers their seller-clients have made.

Finally, buyers and sellers need to appreciate that in multiple offer situations only one offer will result in a sale, and the other buyers will often be disappointed their offers were not accepted. While little can be done to assuage that disappointment, fair and honest treatment throughout the offer and negotiation process, coupled with prompt, ongoing and open communication, can enhance the chances that all buyers – successful or not – will feel they were treated fairly and honestly.

(cdn 7.13.05/rev 7.22.05/rev 9.20.05/rev 9.21.05/rev 9.23.05/rev9.27.05)