

**J. P. KING AUCTION COMPANY, INC.**

**REAL PROPERTY SALE CONTRACT (AUCTION ONLY)**

Mercer Island Mansion  
4137 Boulevard Place, Mercer Island, Washington  
August 30, 2011, 2 PM PDT

BIDDER NO. \_\_\_\_\_

PROPERTY NO. \_\_\_\_\_

THIS REAL PROPERTY SALE CONTRACT ("Sale Contract"), is made as of \_\_\_\_\_, 2011 ("Effective Date"), by and between David A. Sandwith, as Family Trustee of the Perpetual Asset Shield Trust FBO David A. Sandwith ("Seller"), whose address is 2435 74th Ave. SE, Mercer Island, Washington 98040, and

\_\_\_\_\_ ("Buyer"),  
whose address is

Seller is represented in this sale by J. P. King Auction Company, Inc. ("King"), an Alabama corporation headquartered at 108 Fountain Avenue in Gadsden, Alabama 35901 (telephone 800-662-5464 or 256-546-5217 and facsimile 256-543-8036) and its broker, Elaine Sutter ("Broker") whose address is 27329 Northridge Rd. Davenport, Washington 99122 (unless otherwise noted, King and Broker collectively referred to as "Auctioneer").

NOW, THEREFORE, in consideration of the agreements and covenants herein, and other good and valuable consideration, the adequacy and receipt of which are acknowledged, the parties being duly authorized and empowered to execute this Sale Contract and intending to be legally bound agree as follows:

**ARTICLE I – AGREEMENT TO PURCHASE**

Seller agrees to sell and Buyer agrees to buy, pursuant to the terms herein, the real property located at 4137 Boulevard Place, Mercer Island, Washington which is more particularly described below ("Real Property"), together with all of Seller's right, title and interest in and to any rights, licenses, privileges, reversions and easements appurtenant to the Real Property, and together with all improvements that are a part of the Real Property (collectively, the "Property"). This Sale Contract defines the entire agreement between Seller and Buyer for the purchase and sale of the Property.

**ARTICLE II – THE PROPERTY**

The Property is more particularly described on Attachment I to this Sale Contract. Seller makes no representations concerning the acreage or square footage of the Real Property..

**ARTICLE III – TOTAL CONTRACT PRICE**

The Property's selling price and scheduled payments follows:

HIGH BID PRICE: .....	\$ _____
ADD –10.00% BUYER'S PREMIUM .....	\$ _____
<b>SUBTOTAL .....</b>	<b>\$ _____</b>

LESS – AUCTION BUYER INCENTIVE PROGRAM CREDIT (if any)..... \$(\_\_\_\_\_)  
(\_\_\_\_.00 % of qualifying written, opening bid of \$\_\_\_\_\_)

**TOTAL CONTRACT PRICE** ..... \$ \_\_\_\_\_

LESS – EARNEST MONEY DEPOSIT (10.00%)

BIDDER DEPOSIT \$ \_\_\_\_\_

BALANCE TO PAY \$ \_\_\_\_\_

**TOTAL EARNEST MONEY DEPOSIT** ..... \$(\_\_\_\_\_)

**BALANCE OF TOTAL CONTRACT PRICE DUE AT CLOSING** ..... \$ \_\_\_\_\_

All payments shall be made in U. S. Dollars. Buyer’s earnest money deposit (“Buyer’s Deposit”) will be paid to First American Title Insurance Company (“Title Company”), the designated escrow/closing agent (“Escrow Agent”), and Escrow Agent will administer the deposit and conduct the closing of the sale of the Property (“Closing”). This is a cash sale which is not contingent upon any matter including, but not limited to, Buyer’s ability to obtain financing for this purchase or Buyer’s further investigation of the Property. The balance of the Total Contract Price owed by Buyer for the Property does not include Buyer’s Closing costs, any costs associated with financing, any prepaid or prorated Closing charges, or taxes applicable to Buyer.

**ARTICLE IV – DISCLAIMER**

As a material part of the consideration for this Sale Contract, Seller and Buyer agree that the Property is being sold **“AS IS, WHERE IS, WITH ALL FAULTS”** and with all burdens, circumstances, defects, faults, dangers, hazards, issues, material facts, problems, and other relevant matters, whether latent or patent, whether known or unknown, whether observable by casual inspection or not, whether past, present, or future, and whether or not referenced herein, or in the Terms of Auction, and Buyer knowingly, voluntarily, unconditionally, and irrevocably waives, releases, and discharges Seller and Auctioneer from any claim that Buyer may otherwise have had with respect to the Property, the Auction, this Sale Contract, and the transaction contemplated by this Sale Contract. To the fullest extent allowed by law, Seller and Auctioneer unconditionally disclaim any guarantee, representation, and warranty of every kind, whether expressed, implied, or statutory, whether oral or written, with respect to the Property, any materials provided to Buyer by Seller or Auctioneer concerning the Property ("Property Materials"), the surrounding area, the Auction, the Terms of Auction and all matters referenced therein (including, but not limited to, all matters referred to within this Article, plus the section on “Bidder’s Due Diligence” included in the Terms of Auction, and any warranties or representations as to the merchantability, condition, fitness or habitability of the Property, or as to its use for a particular purpose, or its compliance with governmental requirements, zoning laws, codes, permits, or other laws, or the condition of title to the Property, or the availability or existence of any water, sewer or other utilities and services, plus all other relevant matters, whether past, present, or future, and whether or not referenced herein, in the Terms of Auction, or elsewhere, except for limited warranties that may be given by Seller to Buyer in the deed of conveyance. Maps, depictions, and sketches included in the Property Materials for the Auction are for illustration purposes only and neither Seller nor Auctioneer warrants or guarantees these materials or related information to be accurate or complete. Buyer acknowledges and agrees that it was fully apprised of and had sufficient time to review the terms of this Sale Contract, including this Article IV, in advance. Buyer acknowledges and agrees that, before entering into this Sale Contract, Seller and Auctioneer provided Buyer with sufficient opportunity to make and independently verify, at Buyer’s sole cost and expense and to Buyer’s complete satisfaction, such factual, legal, and other inquiries, inspections, investigations, and studies as Buyer deemed appropriate, desirable, and necessary with respect to the Property, and with respect to Buyer’s intended use thereof, the Property Materials, the Auction, this Sale Contract, and this sale. Buyer, therefore, explicitly waives any right to further inspect the Property prior to Closing and assumes, as of Closing, the responsibility and risk of the Property and the condition of the

Property in all respects. Buyer acknowledges and agrees that, in executing this Sale Contract and purchasing the Property, Buyer is not relying upon any agreement, covenant, guarantee, promise, representation, or warranty of any kind or character whatsoever that Seller and Auctioneer have disclaimed, nor is Buyer relying upon any Property Materials or any assertion, brochure, claim, document, information, literature, map, projection, sketch, or statement of any kind with respect to the Property and any improvements thereon, including the surrounding area and all relevant circumstances, facts, issues, and matters, whether past, present, or future, whether expressed or implied, whether oral or written, whether material or immaterial, and whether given or made by, or on behalf of, Seller or Auctioneer. Instead, Buyer is relying solely upon Buyer's prior independent due diligence, inspection, investigation, and findings with respect to the Property, the Property Materials, the surrounding area, the Auction, the Terms of Auction and all relevant matters whether past, present, or future, and whether or not referenced herein, in the Terms of Auction, or elsewhere. Seller and Auctioneer will not be liable to Buyer for any cost or expense associated with any due diligence activity conducted by Buyer, nor shall Seller or Auctioneer be liable to Buyer for any relief, including, but not limited to, adjustment, allowance, damages, reformation, or rescission, based upon the failure of the Property to conform to any specific condition, expectation, standard, or any third-party documents or information. Notwithstanding anything to the contrary in this Sale Contract, this Article IV shall survive Closing and shall not be merged into the Deed.

#### **ARTICLE V – FIXTURES AND PERSONAL PROPERTY**

This sale includes all built-in appliances, cabinets, fixtures, carpet (attached wall-to-wall), installed systems (cooling, electrical, heating, lighting, mechanical, plumbing, and vacuum), in-ground plantings (including flowers, shrubbery, and trees), window treatments (blinds, drapes, and hardware), and all other items and things permanently attached to the Property. No personal or other property is included in this sale unless otherwise expressly provided in this Sale Contract. Personal property to be conveyed with the real estate is limited to the media equipment and two televisions as shown on Attachment II to this Sale Contract.

#### **ARTICLE VI – DISCLOSURES**

Any disclosures made and information given by Seller and/or Auctioneer to Buyer regarding the Property and any improvements thereon, the surrounding area, and all circumstances, facts, issues, and other matters relevant to this sale are provided subject to the disclaimers stated herein.

**LEAD WARNING STATEMENT:** Seller represents to Buyer that the improvements which are a part of the Property were built after 1978 and therefore no lead-based paint disclosure statement is required by federal law (42 U.S.C. 4852(d)).

**FIRPTA STATEMENT:** Seller represents that it is not a foreign person or foreign trust as defined Section 1445 of the Internal Revenue Code, as amended, and the regulations thereunder ("FIRPTA"). Seller shall deliver to Buyer through escrow at Closing a nonforeign affidavit as prescribed by FIRPTA.

**SEX OFFENDER DISCLOSURE:** State law enforcement may maintain a database of known sex offenders who reside within the area of the Property. Information regarding registered sex offenders may be obtained by contacting local law enforcement authorities. The foregoing statement is intended only to inform Buyer of where to obtain this information and is not an indication of the presence of registered sex offenders.

Buyer relies exclusively upon Buyer's own due diligence and inquiry into this issue and Buyer acknowledges having done all of the research that Buyer desires to do or, in the alternative, Buyer waives the right to research this issue prior to entering into this Sale Contract. Buyer unconditionally and irrevocably acknowledges and agrees that Buyer has not relied upon Seller or Auctioneer for any

information regarding this issue and Seller and Auctioneer are not required to provide any additional information regarding the proximity to the Property of registered sex offenders.

FARM DISCLOSURE: Buyer is notified that the Property it is considering for purchase may lie in close proximity to a farm. The operation of a farm involves usual and customary agricultural practices, which are protected under RCW 7.48.305, the Washington right to farm act.

PROPERTY DISCLOSURE STATEMENT: Buyer acknowledges that it previously received a completed, signed and dated copy of the Seller's Property Disclosure Statement attached as Attachment III to this Sale Contract. Buyer acknowledges and agrees that it had sufficient opportunity before executing this Sales Contract to review, inquire and otherwise investigate all of the information disclosed in Seller's Property Disclosure Statement to its complete satisfaction. Buyer, therefore, approves and accepts Seller's Property Disclosure Statement and waives the right to rescind this Sale Contract based on the same.

#### **ARTICLE VII – BUYER'S DEPOSIT**

Immediately upon the execution of this Sale Contract, Buyer will pay ten percent (10.00%) of the Total Contract Price for the Property as Buyer's Deposit to Escrow Agent to be held on deposit by Escrow Agent in a designated bank escrow account and Escrow Agent will administer the funds in accordance with this Sale Contract. This escrow account will be non-interest bearing, unless otherwise required by law or unless otherwise agreed by Escrow Agent and the parties. In the event of any controversy regarding Buyer's Deposit, Escrow Agent will not be required to take any action, but may await the result of any proceeding, or at Escrow Agent's discretion, interplead Buyer's Deposit into a court of competent jurisdiction for determination, and Escrow Agent will thereafter have no liability whatsoever on any basis and for any amount with regards to Buyer's Deposit and this Sale Contract.

#### **ARTICLE VIII – BROKER INVOLVEMENT**

Buyer warrants that Buyer (check one) ... [ \_\_\_\_\_ is] ... [ \_\_\_\_\_ is not] ... represented by a qualified, licensed, real-estate broker in this transaction. If Buyer is represented by a broker, the broker's full name, firm, and address are:

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("Buyer's Broker"). Buyer warrants not to have contacted or communicated with any real-estate agent or broker about the Property, other than Auctioneer and Buyer's Broker, and no other real-estate agent or broker was in any way instrumental in effecting this sale of the Property and there are no brokerage commissions, expenses, fees, or other sums due to any other real-estate agent or broker. Buyer shall be responsible for paying all commissions, expenses, fees or other sums due to Buyer's Broker in connection with Buyer's purchase of the Property, except for any commission arising under the terms of the Cooperating Broker Incentive Program described below. Buyer agrees to hold Seller and Auctioneer harmless against any claim by any real-estate agent or broker (including Buyer's Broker) not properly registered with and qualified by Auctioneer in the Cooperating Broker Incentive Program (see below), and, except as expressly provided herein, Buyer will indemnify Seller and Auctioneer against any action, arbitration, award, claim, cost, damage, deficiency, demand, expense, injury, judgment, liability, loss, or suit of every kind, including attorneys' fees and costs of defense, asserted by a real-estate agent or broker as a result of, or in relation to, the Auction, this Sale Contract, the transaction contemplated, or any related dealings involving Buyer, Seller, and/or Auctioneer. Buyer understands that upon Closing, Seller will pay Auctioneer a commission pursuant to the terms of a separate, written agreement.

#### **ARTICLE IX – COOPERATING BROKER INCENTIVE PROGRAM**

A Cooperating Broker Incentive Program is in effect for the Auction. A properly licensed broker ("Cooperating Broker") who timely registers and qualifies with Auctioneer in accordance with the terms of this program will be paid a commission by Seller at Closing, in accordance with the terms of this program,

provided that Cooperating Broker represents a bidder that becomes the Buyer of the Property and both Cooperating Broker and the Buyer that Cooperating Broker represents fulfill all requirements under the Terms of Auction, this Sale Contract, and this incentive program. A copy of the terms of the Cooperating Broker Incentive Program is attached to this Sale Contract as Attachment IV. If for any reason Closing does not occur, including, but not limited to, the default of any party hereto, no commission will be due or paid to any Cooperating Broker and Seller and Auctioneer will have no liability on any basis and for any amount.

#### **ARTICLE X – AUCTION BUYER INCENTIVE PROGRAM**

If the Auction Buyer Incentive Program is in effect for the Auction, a bidder who timely registers and qualifies with Auctioneer in accordance with the terms of this program and then becomes the Buyer of the Property will be paid a credit by Seller at closing, to be applied against the total contract price of the Property, in accordance with the terms of this program, provided that Buyer fulfills all requirements under the Terms of Auction, this Sale Contract, and this program. If for any reason closing does not occur, including, but not limited to, the default of any party hereto, no credit will be due or paid to any Buyer and Seller and Auctioneer will have no liability on any basis and for any amount.

#### **ARTICLE XI – CASUALTY; CONDEMNATION**

All risk of loss or damage to the Property will be borne exclusively by Seller until Closing. Immediately upon Closing, all risk of loss will be borne exclusively by Buyer. In the event the Property is damaged or destroyed by fire or other casualty after the execution of this Sale Contract and before Closing, Seller shall promptly provide written notice to Buyer. If the Property is not significantly damaged or destroyed by the casualty, Seller and Buyer shall proceed to Closing and Seller shall assign to Buyer all insurance proceeds collected by reason of such casualty (or any rights to such insurance proceeds) and the Total Contract Price will be paid without reduction. If the Property is, in the reasonable opinion of Seller, significantly damaged or destroyed by the fire or other casualty, Seller will have the option, in its sole discretion, to restore the Property to its pre-casualty condition or to cancel and terminate this Sale Contract by giving written notice to Buyer of the option Seller selects within ten (10) days of the casualty. If Seller fails to give written notice to Buyer within the foregoing ten (10) day period, Seller shall be deemed to have elected to cancel and terminate this Sale Contract.

In the event Seller chooses to cancel and terminate this Sale Contract (or is deemed to have done so), Buyer's Deposit will be promptly and fully refunded and this will be a complete and final settlement with Buyer of all of Seller's obligations to Buyer herein, or otherwise relating to the Property and this sale. Should Seller elect to restore the Property to its pre-casualty condition, Seller will have one hundred twenty (120) days, immediately following the date on which written notice is given to Buyer, to complete restoration. Closing will be extended as necessary to accommodate the foregoing restoration period. In the event Seller timely completes restoration, Seller will give written notice of this fact to Buyer and Closing will occur within ten (10) days after Seller's notice. In the event Seller does not timely complete restoration, than as Buyer's sole remedy Buyer will have the option, within ten (10) days of the end of Seller's 120-day restoration period, to give written notice to Seller of Buyer's intention to cancel and terminate this Sale Contract and Buyer's obligations herein will then be immediately ended and Buyer's Deposit will be promptly and fully refunded, together with any interest accrued thereon. If Buyer does not elect to cancel and terminate this Sale Contract by written notice given within that 10-day period, Seller shall diligently complete restoration and the parties will thereafter proceed to Closing under this Sale Contract.

If after the execution of this Sale Contract and before Closing, Seller receives notice of any condemnation proceedings, or other proceedings in the nature of eminent domain affecting any portion of the Property, Seller will immediately notify Buyer of the same. Buyer shall have the right, in its sole discretion, to cancel and terminate this Agreement by written notice to Seller given within 10 days of receipt of Seller's notice, or to proceed to Closing. In the event that Buyer timely elects to cancel and terminate this Agreement, then Buyer's Deposit will be promptly and fully refunded and this will be a

complete and final settlement with Buyer of all of Seller's obligations to Buyer herein, or otherwise relating to the Property and this sale. In the event that Buyer elects to proceed to Closing, this Sale Contract shall not terminate but shall continue, the Total Contract Price shall be paid without reduction and Seller will assign to Buyer all of Seller's rights to and interest in any awards in condemnation or eminent domain to which Seller may have become entitled.

#### **ARTICLE XII – SELLER'S BREACH**

If Seller defaults in the performance of any term or obligation herein and Closing does not timely occur as a result, Buyer will have the option to give Seller written notice of Buyer's intention to cancel and terminate this Sale Contract and Buyer's obligations herein will be immediately ended and Buyer's Deposit will be promptly and fully refunded, together with any interest accrued thereon, if applicable, or Buyer may have all rights allowed by law and in equity and pursuant to this Sale Contract, including the right to pursue a claim against Seller for specific performance of this Sale Contract, including Seller's payment of Buyer's reasonable attorneys' fees and costs. In no event will Auctioneer have any liability whatsoever on any basis and for any amount as a result of Seller's breach of this Sale Contract or other wrongful act or omission of Seller.

#### **ARTICLE XIII – BUYER'S BREACH**

Buyer acknowledges that by accepting Buyer's offer, Seller has terminated or will terminate or substantially delay an auction of the Property to the highest bidder, and, accordingly, that if Buyer fails to close the purchase of the Property pursuant to the terms of this Sales Contract without legal excuse Seller will be harmed and will incur damages that are inherently uncertain and are incapable or very difficult of accurate estimation. Those damages include, but are not limited to, lost opportunities to sell the Property to other purchasers, fluctuations in market conditions, and increased holding and marketing costs. Accordingly, the parties agree that if Buyer fails to close the purchase of the Property pursuant to the terms of this Sales Contract without legal excuse, then Buyer's Deposit and all interest earned thereon will be immediately forfeited to Seller as liquidated damages and not as a penalty, and as Seller's sole remedy, and Escrow Agent shall release Buyer's Deposit and all interest earned thereon to Seller upon Seller's demand. Buyer and Seller agree that, based on the circumstances in existence on the Effective Date, retention of Buyer's Deposit and any interest earned thereon is a reasonable prediction of the loss likely to be suffered by Seller in the event of Buyer's default, and that forfeiture of Buyer's Deposit and any interest earned thereon is a just measure of damages for the harm caused to Seller by Buyer's breach. In the event that Buyer defaults and Buyer's Deposit is forfeited, Buyer forever waives and releases any right to sue Seller, Auctioneer, or Escrow Agent to recover the Buyer's Deposit, or any part thereof, on the grounds that it is unreasonable in amount, or that its retention by Seller and Auctioneer is wrongful or a penalty not agreed upon by the parties as reasonable liquidated damages. In no event will Auctioneer have any liability whatsoever on any basis and for any amount as a result of Buyer's breach of this Sale Contract or other wrongful act or omission.

#### **ARTICLE XIV – CONVEYANCE AND TITLE**

Seller will convey fee simple title to the Property to Buyer by Trustee's (Bargain and Sale) deed (the "Deed"), free and clear of all liens and encumbrances, except as specified in the "exceptions" to title shown in the pro forma policy attached to this Sale Contract as Attachment V("Pro Forma"), this Sale Contract, general taxes and assessments that are not yet due and payable and encumbrances created or suffered by Buyer ("Permitted Title Exceptions"). Buyer acknowledges and agrees that it has had sufficient opportunity to review the Pro Forma and the state of title to the Property prior to entering into this Sale Contract. Buyer approves the condition of title as disclosed in the Pro Forma. Seller shall cause the Title Company to issue to Buyer at Closing and Buyer agrees to accept an ALTA standard coverage owner's policy of title insurance based on the Pro Forma, subject to: (a) all standard exclusions and printed exceptions set forth in the Pro Forma, including all matters that would be disclosed by a current and accurate survey of the Property, (b) all Permitted Title Exceptions, and (c) all matters herein waived by Buyer. If prior to Closing a new defect in title is disclosed by an updated Pro Forma, which

defect is not one of the Permitted Title Exceptions, Buyer may either waive such defect or give written notice of its objection to such defect to Seller and Escrow Agent not later than five (5) days from the date of discovery of such defect in title; provided, however, that Buyer shall not have the right to object to any rights, reservations, covenants, conditions and restrictions presently of record and general to the area, easements not materially affecting the value of or unduly interfering with the reasonable use of the Property, and reserved oil and/or mining rights; and provided further that Seller shall pay and discharge any and all mortgages, deeds of trust or similar monetary encumbrances (other than non-delinquent taxes and assessments), on or before the Closing Date at Seller's sole cost and expense. Upon receiving any objection notice from Buyer specifying an exception that Seller is not otherwise required by this Sale Contract to remove, Seller may, at its option elected by delivering notice to Buyer not later than five (5) days after receiving Buyer's notice, attempt to cure such defect prior to Closing, or decline to cure the defect. Failure of Seller to respond to Buyer's notice within said five (5) day period shall be deemed Seller's election not to cure the defect. If Buyer has given a written objection notice to Seller of a defect in title which Buyer does not waive, and Seller is unable or unwilling to cure the defect on or before Closing (or Seller is deemed unwilling to cure the defect), this Sale Contract will be terminated without liability to either party and Buyer's Deposit will be promptly and fully refunded, together with any interest accrued thereon, if applicable, except that, upon written notice to Buyer, Seller will have the right, at Seller's sole election, to extend the date of Closing by up to sixty (60) days, but not longer, to allow time for Seller to attempt to cure any defect in title that Seller elects to cure. Seller will not voluntarily create or cause any lien or other encumbrance to attach to the Property between the date this Sale Contract is made and Closing.

#### **ARTICLE XV – CLOSING**

Closing will be conducted through escrow at the office of Escrow Agent, whose address is 800 Bellevue Way NE #300, Bellevue, WA 98004, on or before 5:00 p.m. on that date which is 30 days after the Effective Date ("Closing Date"). If the Closing Date calculated as provided in the foregoing sentence is to occur on a date on which the Recorder's Office in King County, Washington will not be open, then the Closing Date shall be the next date following that date on which the Recorder's Office in King County, Washington is open. At Closing, Seller will deliver to Buyer the Deed provided for herein, and Buyer will pay to Seller through escrow the balance of the Total Contract Price owed by confirmed bank wire transfer of funds. Seller shall also provide Buyer with a FIRPTA affidavit through escrow as described above. Seller and Buyer shall each deposit in escrow with the Escrow Agent on or before the Closing Date all other instruments and monies necessary to complete the Closing in accordance with this Sale Contract, including without limitation a Real Estate Excise Tax Affidavit, estimated settlement statements and similar documents. Seller will solely pay the costs for preparing the Deed and all other legal documents needed to convey title to the Property to Buyer, including the costs to record the release of every encumbrance against the Property that Seller has agreed to remove or is required to remove pursuant to this Sale Contract, plus the cost of the premium for the owner's policy of title insurance, the real estate excise tax associated with the transfer of the Property, one-half of Escrow Agent's escrow fees and Seller's attorney's fees. Buyer will solely pay the costs for recording the Deed, one-half of Escrow Agent's escrow fees, and all other Closing, financing, and sale costs, plus Buyer's attorney's fees. The current year's assessments and any special assessments, association dues and fees, current year's *ad valorem* taxes, insurance, interest, rents, and all similar items applicable will be prorated between Seller and Buyer to the Closing Date, with Buyer being responsible for the day of Closing. All gas, electric, sewer, stormwater and other utility charges will be prorated by the parties outside of Closing as of the Closing Date, with Buyer being responsible for the day of Closing. Seller and Buyer expressly waive the services of Escrow Agent in disbursing funds necessary to satisfy unpaid utility charges in accordance with RCW 60.80. Should any additional assessments, other costs, or taxes be levied or charged as a result of any change of use of the Property attributable to Buyer, such amounts will be the exclusive responsibility of Buyer to pay. Seller will grant Buyer possession of the Property immediately upon Closing.

**ARTICLE XVI – ASSIGNMENT AND THIRD PARTIES**

Neither party may assign or transfer any interest in this Sale Contract without the prior, written consent of the other. Any assignment made in violation of this Article XVI shall be void. Nothing contained in this Sale Contract, or in any document or instrument executed by a party in connection with the sale contemplated, will create any rights in, or be deemed to have been executed for, the benefit of any person or entity not a party hereto, except as expressly provided herein.

**ARTICLE XVII – AGENCY**

The parties understand and agree that Auctioneer is acting solely as a single agent and exclusively representing Seller on this Sale Contract, the transaction contemplated, and all related matters, and Auctioneer is not acting as a sub-agent, Buyer’s agent, or limited consensual dual agent.

**ARTICLE XVIII – INTENTIONALLY OMITTED**

**ARTICLE XIX – NOTICE**

Any notice between the parties permitted, required, or otherwise relating to this Sale Contract, the transaction contemplated, or the related dealings of the parties, will be given in writing including, but not limited to, notice which addresses approval, breach, cancellation, claim, Closing, complaint, consent, default, demand, objection, option, termination, waiver, or exercise of right. Notice will be deemed given by a party and effective on the date (i) if personally delivered, then when personally delivered to the other party or, (ii) if mailed and addressed to the other party at the address(es) set forth herein, then five (5) days after being deposited in the mail handled by the United States Postal Service and sent certified mail with postage prepaid and a receipt retained, or (iii) if sent by courier, then the next day following deposit with a nationally-recognized overnight courier or delivery service with a receipt retained. A copy of any notice will simultaneously be given to Auctioneer at the addresses listed on page one of this Sale Contract.

**ARTICLE XX – ARBITRATION WITH RESPECT TO CERTAIN DISPUTES**

Any dispute concerning King and/or King’s Broker will be subject to mediation and arbitration, as provided in this Article XX. This Article XX does not apply to any other dispute arising out of this Sale Contract or the transaction contemplated by it.

THE PARTIES KNOWINGLY, VOLUNTARILY, INTENTIONALLY, AND IRREVOCABLY WAIVE ANY RIGHT TO TRIAL BY JURY and will submit any claim or controversy arising out of a Party Matter to Judicial Arbitration Mediation Service or its successor in Seattle, Washington (either referred to herein as “JAMS”) for mediation. A Party may initiate mediation by providing JAMS and the other Party with a written request setting forth the claim or controversy and the relief requested. The Parties will cooperate in selecting a mediator from JAMS’s panel of neutrals, scheduling the mediation, participating in good faith, and will share the costs equally, except each will solely pay its own attorneys’ fees. Any matter not resolved through mediation will be submitted by the Parties to JAMS for final and binding arbitration to be decided by one (1) arbitrator selected from JAMS’s panel of neutrals, pursuant to the terms herein and JAMS’s Comprehensive Arbitration Rules & Procedures. A Party may initiate arbitration by filing a written demand at any time following the initial mediation session, or forty-five (45) days after the date of filing the written request for mediation, whichever occurs first. Unless the Parties otherwise agree, the mediator will be disqualified from serving as an arbitrator. The prevailing Party will be entitled to collect from the other its full costs associated with the arbitration and any subsequent enforcement, including reasonable attorneys’ fees. This section may be enforced by any court of competent jurisdiction. Any arbitration must be commenced within two (2) years from the date when the cause of arbitration accrued or it will be forever barred. The right of arbitration will accrue, and the two (2) year limitation period will begin to run, on the date the breach, damage, injury, or other Party Matter event is sustained and not when the resulting cost, damage, deficiency, expense, harm, injury, liability, loss, obligation, or penalty is



discovered. Any mediation or arbitration will be kept permanently confidential and not disclosed by the Parties in any manner.

#### **ARTICLE XXI – BINDING EFFECT**

This Sale Contract will be binding upon the parties and their agents, attorneys, beneficiaries, brokers, directors, distributees, employees, executors, heirs, legatees, members, officers, representatives, shareholders, successors in interest and permitted assigns.

#### **ARTICLE XXII – CHOICE OF LAW, JURISDICTION, AND VENUE**

This Sale Contract, the transaction contemplated, and all related dealings of the parties will be exclusively construed and governed in accordance with the laws of the State of Washington, without regard to its conflict of laws principles. The exclusive jurisdiction and venue for any controversy or claim between the parties will be in King County, State of Washington.

#### **ARTICLE XXIII – SEVERABILITY, HEADINGS, PRONOUNS, AND CONSTRUCTION**

If any clause or provision of this Sale Contract is held illegal, invalid, or unenforceable, it is the parties' intention that the remainder of this Sale Contract will not be affected and, in lieu of such clause or provision that is held illegal, invalid, or unenforceable, there will be added, as a part of this Sale Contract, a clause or provision as similar in term and effect as such illegal, invalid, or unenforceable clause or provision as may be possible, legal, valid, and enforceable. Article headings are for reference only and not intended to expand or restrict the scope or substance of the provisions of this Sale Contract. Any reference herein to an Article heading includes all relevant sections, subsections, and paragraphs within that Article. Words used in the present tense also include the past and future tense, as the context requires. Wherever used in this Sale Contract, the singular will include the plural, the plural will include the singular, and pronouns will be read as masculine, feminine or neuter, as the context requires. The parties agree that this Sale Contract has been mutually agreed upon by them and no legal inference, presumption, principle, or other rule of draftsmanship or construction will be used in favor of or against either of them.

#### **ARTICLE XXIV – MISCELLANEOUS**

Buyer certifies to be of legal age and have full capacity and competence to understand, enter into, execute, and deliver this Sale Contract. If Buyer is purchasing the Property on behalf of an arm of government or business entity (i.e., corporation, limited liability company, etc.) ("artificial person"), Buyer will be personally liable under this Sale Contract until such time as the artificial person presents Seller with acceptable, written evidence of the artificial person's good standing in its state of formation, plus a duly-passed and executed resolution or similar written authority from its board of directors or other governing authority that authorizes the purchase of the Property and agrees for the artificial person to be bound by this Sale Contract. This Sale Contract may be signed in multiple counterparts and each will be an original of this Sale Contract, with all counterparts constituting a single instrument. A facsimile signature will be considered as valid as an original signature. This Sale Contract and the incorporated Terms of Auction contain the entire undertaking between the parties regarding the Auction, the transaction contemplated by it and by this Agreement, and all related dealings of the parties, and there are no oral or written agreements, inducements, promises, representations, or warranties other than those expressly set forth. This Sale Contract supersedes any previous agreement, negotiation, or understanding between the parties regarding the transaction contemplated, and such have been merged here and will not survive execution of this Sale Contract. No deletion, modification, supplement, or waiver of any term of this Sale Contract will be effective unless made in writing and executed by the parties with the same formality as this Sale Contract. The failure of either party to insist upon the strict performance of any term of this Sale Contract will not be construed as a waiver of any subsequent default of the same or similar nature. Each party had the opportunity to seek the independent advice of legal counsel of its choosing and each has either done so or has voluntarily decided to forgo such advice, with full understanding of the risk involved in this course with regard to the Property, Auction, this Sale Contract,

and this sale. Each party acknowledges that it has received and read the Terms of Auction and this Sale Contract in their entirety, understands and fully accepts all of the terms contained, and has received an executed copy of this Sale Contract. In addition to any other attachments, exhibits, or other documents or materials referenced herein, the following Attachments are attached hereto and incorporated herein by reference:

- Attachment I Legal Description of Property
- Attachment II List of Personal Property
- Attachment III Seller's Property Disclosure
- Attachment IV Terms of Cooperating Broker Incentive Program
- Attachment V Pro Forma Title Policy

**ARTICLE XXV – TIME OF THE ESSENCE**

Time is of the essence of this Sale Contract. Each party will fully perform all respective obligations herein at such times as to ensure that Closing occurs on the date specified, or any mutually agreed-upon extension of that date. In the event that the date for the performance of any covenant or obligation under this Sale Contract falls on a Saturday, Sunday or legal holiday (as prescribed by RCW 1.16.050), the date for performance thereof shall be extended to the day that is not a Saturday, Sunday or legal holiday.

**ARTICLE XXVI – SURVIVAL**

Except as expressly provided herein and for those terms and provisions relating to disclaimers, waivers, and indemnifications, the terms and conditions of this Sale Contract will be deemed merged into the Deed transferring title from the Seller to the Buyer.

IN WITNESS WHEREOF, the parties being duly authorized and empowered have agreed to the terms herein and executed this Sale Contract intending to be legally bound.

ADDRESS:

\_\_\_\_\_  
\_\_\_\_\_

SELLER:

Signature \_\_\_\_\_  
Signature \_\_\_\_\_

ADDRESS:

\_\_\_\_\_  
\_\_\_\_\_

BUYER:

Signature \_\_\_\_\_  
Print Name \_\_\_\_\_  
Social Security No. \_\_\_\_\_  
Federal Tax ID No. \_\_\_\_\_  
Phone No. (Work) \_\_\_\_\_  
(Home) \_\_\_\_\_

ADDRESS:

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BUYER:

Signature \_\_\_\_\_

Print Name \_\_\_\_\_

Social Security No. \_\_\_\_\_

Federal Tax ID No. \_\_\_\_\_

Phone No. (Work) \_\_\_\_\_

(Home) \_\_\_\_\_

**ATTACHMENT 1**

**LEGAL DESCRIPTION OF PROPERTY**

PARCEL A:

Lot 12 in Block C of Replat of Island Park, as per Plat recorded in Volume 13 of Plats, Page 58, Records of King County;

Together with Second Class Shore Lands as conveyed by the State of Washington situate in front of, adjacent to or abutting thereon;

Situate in the City of Mercer Island, County of King, State of Washington.

PARCEL B:

The Northwesterly 60 Feet, in Width, of Lot 13 in Block C of Replat of Island Park, as per Plat recorded in Volume 13 of Plats, Page 58, Records of King County;

Together with Second Class Shore Lands as conveyed by the State of Washington situate in front of, adjacent to or abutting thereon;

Situate in the City of Mercer Island, County of King, State of Washington.

