

Residential Purchase and Sale Agreement  
for the Vacant Lot at  
10803 E 44th Ave., Spokane Valley, WA

This "Residential Purchase and Sale Agreement for the Vacant Lot at 10803 E 44th Ave., Spokane Valley, WA" (the "Agreement") represents an offer to purchase a lot of real property.

1. THE PARTIES

The buyer is Julie C. Watts. Ms. Watts' contact information is

Mailing address - \_\_\_\_\_

Email address – \_\_\_\_\_

Phone number – \_\_\_\_\_

The sellers are Daniel A. Knierim; Rebecca L. Girardi; the Estate of Douglas W. Knierim, represented by its Administrator Anna C. Fraser; and the Oshien Russell Pendell Trust, represented by its Trustee Daniel A. Knierim.

Mr. Knierim's contact information, both for himself and for the Oshien Russell Pendell Trust, is

Mailing address - \_\_\_\_\_

Email address - \_\_\_\_\_

Phone number - \_\_\_\_\_

Ms. Girardi's contact information is

Mailing address - \_\_\_\_\_

Email address – \_\_\_\_\_

Ms. Fraser's contact information is

Mailing address - \_\_\_\_\_

Email address - \_\_\_\_\_

"Seller" refers to the four sellers as a single entity. "Sellers" refers to them as four individuals. "Signers" refers to the Buyer and the Sellers as five individuals.

"The Parties" refers to both Buyer and Seller. "Party" or "the Party" refers to one or the other of the Parties.

## 2. THE PROPERTY

The Property subject to this Agreement is a one acre lot of vacant land in Spokane County with street address 10803 E 44th Ave., Spokane Valley, WA 99206. The Property is Lot 2 of three created by Short Plat Subdivision SHP 2015-0012. Its Tax Parcel number is 45333.2102, and the abbreviated legal description is 33-25-44: SHP-2015-0012 LOT 2. The full legal description is:

LOT 2 OF SPOKANE VALLEY FINAL SHORT PLAT SHP-2015-0012, AS PER PLAT RECORDED IN BOOK 37 OF SHORT PLATS, PAGES 82 - 84, RECORDS OF SPOKANE COUNTY; SITUATE IN THE CITY OF SPOKANE VALLEY COUNTY OF SPOKANE, STATE OF WASHINGTON.

## 3. PURCHASE PRICE

The purchase price for the Property shall be \$150,000 US dollars, to be paid in full on the date of closing. Buyer affirms having access to sufficient funds to buy the Property and cover all required costs before Closing.

## 4. EFFECTIVE DATE

The Effective Date of this Agreement shall be the next business day after all Signers listed above have signed this Agreement.

Seller shall notify Buyer within one business day after all the Sellers have signed. Buyer shall notify Seller within one business day after Buyer has signed.

## 5. CLOSING DATE

The Closing Date shall be thirty-one calendar days after the Effective Date, or such other date agreed to in writing and signed by all Signers, and accepted by Closing Agent. If the date is not a business day, the Closing Date shall be the next business day.

## 6. CLOSING AGENT

The Closing Agent shall be Vista Title and Escrow, with an office at 12209 East Mission Ave, Suite 3, Spokane Valley. The business acting as Closing Agent shall also provide all title insurance and escrow services related to this Agreement.

Seller shall provide a signed copy of this Agreement to Closing Agent, and pay any initial fee required for Closing Agent to start the escrow and closing process, within one business day after the Effective Date.

If Closing Agent determines that any Party has taken an action that could prevent or delay closing, or has failed to take an action in time to prevent a delay of closing, Closing Agent shall inform both Parties within one business day.

Closing Agent shall close this transaction on or before the Closing Date if all requirements have been satisfied. Closing Agent shall also provide a settlement statement to each Party at closing.

## 7. EARNEST MONEY

The amount of the Earnest Money deposit shall be \$4,500. Buyer shall deposit the Earnest Money in a form acceptable to Closing Agent no later than five business days after the Effective Date.

Closing Agent shall hold the Earnest Money in escrow. The Earnest Money shall be applied to the Purchase Price upon successful closing.

## 8. CONDITION OF TITLE

Closing Agent shall provide a preliminary title report to both Parties within five business days after receiving a signed copy of this Agreement. That report shall state any condition of title that might impair its marketability, prevent issuance of title insurance, or otherwise delay closing.

Buyer shall have five business days after receiving the preliminary title report to examine it (the "Examination Period"). Seller represents that, to the best of Seller's knowledge, the Property is free and clear of any claims, indebtedness, liabilities, or restrictions on transfer, except for the following:

- a) zoning, prohibitions, requirements, or other restrictions imposed by any governmental authority;
- b) any restrictions appearing on the plat of record of the Property; and
- c) public utility easements of record.

If any condition of title which is not excluded by the exceptions listed in this section is unacceptable to Buyer, Buyer shall notify Seller by the next business day after the Examination Period. The Parties shall then have ten business days from the end of the Examination Period to negotiate mutually satisfactory remedies. If the Parties cannot find satisfactory remedies in that time, this Agreement shall terminate immediately without changing either Party's status of being or not being in default.

Title shall be marketable at Closing. The title insurance policy issued at Closing may not contain any exceptions inconsistent with marketable title. If title cannot be made so insurable by the Closing Date, then this Agreement shall terminate without changing either Party's status of being or not being in default.

## 9. TITLE INSURANCE

Within thirty days after successful closing, Closing Agent shall provide Buyer with a standard owner's policy of title insurance insuring marketable title in the Property in the amount of the Purchase Price. The preliminary title report shall specify the terms of that title insurance policy, including any conditions, exceptions, or exclusions found by Closing Agent.

## 10. LIENS AND CHARGES DUE

Seller shall pay any local improvement district, capacity, or impact charges that are due before Closing. Buyer shall be responsible for any such charges that are due after Closing.

## 11. CONDITION OF PROPERTY

Seller shall maintain the Property in its current state until Closing, normal wear and tear excepted. If the Property is substantially damaged prior to closing through no fault of Seller, Seller shall be relieved of its duty to maintain the Property, without changing either Party's status of being or not being in default. Buyer may then terminate this Agreement without changing either Party's status of being or not being in default.

Any personal property on the Property when possession is transferred shall become Buyer's property.

## 12. INSPECTION

Buyer shall not rely on anything said or written by Seller or Seller's agents or representatives, none of whom make any additional representations or warranties, express or implied, about the physical condition of the Property, other than specific statements in this Agreement and its attachments. Buyer shall rely only on the Buyer's own investigation.

Seller encourages Buyer to fully inspect the Property. The Inspection Period will start on the date Closing Agent receives the Earnest Money, and end after fifteen business days.

Buyer shall inspect the Property to Buyer's complete satisfaction.

Buyer may engage appropriate professional inspectors at Buyer's expense.

During the Inspection Period, Seller shall permit access to Buyer and Buyer's inspectors at reasonable times, provided Buyer agrees in advance that:

- a) Buyer's entry and inspection shall be at Buyer's sole risk and expense;
- b) Buyer shall promptly repair, to Seller's satisfaction, any damage or disturbance to the

Property caused by or arising out of Buyer's or Buyer's agent's actions or presence on the Property; and

c) Buyer shall indemnify, hold harmless, and defend Seller from and against all claims, lawsuits, losses, and expenses, including but not limited to attorneys' fees, arising out of or resulting from Buyer's or Buyer's agent's actions or presence on the Property.

If inspection discovers any defect in the condition of the property that is not acceptable to Buyer, Buyer shall provide the inspection report with the description of the defect to Seller no later than the next business day after the Inspection Period.

The Parties shall have ten business days from the end of the Inspection Period to negotiate mutually satisfactory remedies for any defects.

If the Parties cannot find satisfactory remedies in that time, this Agreement shall terminate immediately without changing either Party's status of being or not being in default.

If Buyer's lender or other funding source ("Lender") requires its own inspection of the Property, Seller shall permit access at reasonable times, provided that Lender agrees in advance to the conditions listed in this section.

Buyer accepts responsibility for any defects in the Property that are not reported to Seller by the next business day after the Inspection Period, including any defects that cannot be observed by casual inspection.

### 13. DEED AND "SUBJECT TO" CLAUSE

Seller shall convey title by a statutory warranty deed that includes the statement "Subject to: Covenants, conditions, restrictions, easements, and other encumbrances, if any, that appear in the public record."

### 14. CLOSING COSTS

Seller shall pay:

- any prorated property taxes due as of the Closing Date;
- the recording costs for releasing encumbrances against the Property;
- owner's title insurance premium;
- excise taxes;
- any costs of execution (such as notary fees) for all Sellers.

Buyer shall pay:

- all costs of any loan or other source of funds, including lender's title insurance;
- recording fees for deed of trust and reconveyance;
- the prorated amount of any property taxes paid in advance by Seller;
- any costs of execution (such as notary fees) for Buyer;
- all costs of inspections and other optional services incurred by Buyer that are not strictly required to close the sale.

Seller and Buyer shall split equally all other costs required to close the sale, including:

- recording fees for the statutory warranty deed;
- Closing Agent's escrow and settlement fees not listed above.

#### 15. SALE INFORMATION

Closing Agent, appraiser, loan originator, and others participating in this transaction (the "Participants") will need access to confidential information about the Parties and this sale. The Participants shall take care to maintain confidentiality, and to reveal such information only to the specific staff members and agents who require access to fulfill their responsibilities in the transaction. Participants shall not transmit any confidential information through insecure channel (such as un-encrypted email).

Participants may, upon request by any of the Signers, supply the requested information after authenticating the identity of the requester.

#### 16. FIRPTA CERTIFICATION AND WITHHOLDING

No later than five business days before Closing Date, all of the Sellers shall provide Buyer and Closing Agent with certification of their non-foreign status.

#### 17. TRANSFER OF DEED AND POSSESSION

After Closing Agent disburses all funds due to Seller, and the statutory warranty deed has been recorded, Closing Agent shall provide the deed to Buyer, and proof of same to Seller. Buyer shall then be entitled to possession of the Property.

#### 18. BINDING EFFECT

This Agreement represents a contract between the Parties. The requirements and obligations of the Agreement shall be for the benefit of, and be binding upon, the Parties, their heirs, successors, legal representatives, and assigns.

#### 19. DISPUTE RESOLUTION

If any dispute or claim arises between the Parties before Closing which the Parties cannot resolve to their mutual satisfaction within three business days, either Party may choose to terminate this Agreement. Such termination will not change either Party's status of being or not being in default.

After Closing if any dispute or claim between the Parties arises out of this Agreement, or out of

any resulting transaction, and the dispute or claim is not within the jurisdiction of a probate, small claims or bankruptcy court, that dispute (the "Dispute") is subject to the requirements of this section. If the Parties cannot resolve the Dispute themselves, the Parties agree to mediate before resorting to arbitration; and to arbitrate before resorting to court action.

a.) Mediation.

The Parties shall proceed in good faith to submit the Dispute to professional mediation. The mediator shall be certified by an association of professional mediators, and shall have professional experience mediating real property disputes in Spokane County.

The required costs of mediation, such as the mediator's fee, shall be shared equally by the Parties. Any Party that chooses to incur additional costs, such as fees for attorneys, witnesses, representatives, or other types of assistance in the mediation, shall pay those costs.

Unless otherwise agreed in mediation, the Parties retain their rights to proceed to arbitration.

b.) Arbitration.

Any Dispute which is not settled through mediation, shall be decided by neutral, binding arbitration. The arbitrator shall be a retired judge, retired justice, or an attorney, and shall have at least five (5) years of residential real estate law experience in Spokane County.

Under arbitration, the Parties shall have the right to discovery in accordance with Washington State law. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this Agreement to arbitrate shall be governed by the Federal Arbitration Act.

The required costs of arbitration, such as the arbitrator's fee, shall be shared equally by the Parties. Any Party that chooses to incur additional costs, such as fees for attorneys, witnesses, representatives, or other types of assistance in the arbitration, shall pay those costs.

## 20. TERMINATION

If this sale does not close successfully by the Closing Date, this Agreement shall terminate on the Expiration Date without changing either Party's status of being or not being in default.

If this Agreement terminates without closing, and without default by either Party, Buyer and Seller shall split equally all necessary costs associated with this Agreement (such as Closing Agent's fees) incurred from the Effective Date through the date of termination. The Closing Agent shall disburse the remainder of the Earnest Money, if any, to Buyer.

If any dispute or claim between the Parties related to this Agreement or any resulting transaction remains unresolved after termination, the requirements for mediation and/or arbitration as stated in the DISPUTE RESOLUTION section above remain in effect until the dispute is resolved.

All other obligations and requirements of this Agreement will end on the date of termination.

After termination, this Agreement may be revived only in written form that is signed by all the Signers.

## 21. DEFAULT

If a Party fails to fulfill all its obligations under this Agreement, or fails to complete this sale when obligated to do so, and the sale does not close by Closing Date, that Party shall be in default.

If either Party defaults, this Agreement shall terminate the next business day unless the Party in default offers terms for revising this Agreement to the other Party on that day. If the Parties do not agree on a revision in writing by the following business day, this Agreement will terminate that day.

If Buyer defaults, Buyer shall forfeit the full amount of the Earnest Money. Seller's only remedy shall be Closing Agent's disbursement of the remainder to Seller after deducting any charges due.

If Seller defaults, Seller shall pay all necessary costs incurred by the Closing Agent from the Effective Date to the Closing Date. Buyer's only remedy shall be the return of the full amount of the Earnest Money.

## 22. INTEGRATION AND AMENDMENT

This Agreement is the entire understanding between the Parties and supersedes all other understandings and representations. This Agreement may be modified only in written form that is signed by all the original signers of this Agreement.

## 23. NOTICES

All notices pursuant to this Offer must be written and signed by the respective party or its agent and all such correspondence will be effective upon it being mailed with return receipt requested, hand-delivered, or emailed, according to the contact information in Section 1 "The Parties."

## 24. ATTACHED EXHIBITS

The following attachment is incorporated into this Agreement by reference:

Exhibit A -- FIRPTA Certifications



## SIGNATURES

This Agreement and any attachments, supplements, or modifications, including any copy, may be signed in two or more counterparts, all of which shall constitute one and the same writing.

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Buyer: Julie C. Watts

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Date

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Seller: Daniel A. Knierim

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Date

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Seller: Rebecca L. Girardi

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Date

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Seller: The Estate of Douglas W. Knierim,  
represented by its Administrator Anna C. Fraser

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Date

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Seller: The Oshien Russell Pendell Trust,  
represented by its Trustee Daniel A. Knierim

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Date