

**RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT
SALE BY BANKRUPTCY ESTATE**

This AGREEMENT is entered into by and between the below named Buyer and the below named Seller, a bankruptcy estate subject to the jurisdiction of the United States Bankruptcy Court for the Western District of Washington ("Court"). Buyer agrees to purchase and the Seller agrees to sell the described property pursuant to the following terms and conditions:

BUYER(S) NAME:

ADDRESS:

PHONE NUMBER:

SELLER NAME: Chapter 7 Bankruptcy Estate of in the Western District of Washington at King as #

PROPERTY ADDRESS:

PURCHASE PRICE:

BUYER'S PREMIUM:

LEGAL DESCRIPTION: ATTACHED AT EXHIBIT "A" HERETO.

CLOSING DATE: 20 days following Court approval or such later date as all parties agree to in writing

SELLING FIRM:

ADDRESS:

BROKER: LAG #

PHONE: FAX:

EMAIL:

LISTING FIRM: Keller Williams Eastside

Buyer (s) Initials _____ Date _____ Initial _____ Date _____ Seller Initials _____ Date _____

BROKER: Chad Tharp PHONE:
EMAIL: Chad@trusteehub.com

EARNEST MONEY: HELD BY: Closing Agent

FORM OF EARNEST MONEY:

1. **Court Approval/No representations or Warranties.** Seller is a bankruptcy estate. The sale of property provided for herein is subject to entry of an order by the Court approving the sale. The Seller makes no representations or warranties, express or implied, regarding the property being sold or its condition. All sales are "AS IS, WHERE IS" and without any representation or warranties of any kind expressed or implied. Listing agent makes no representations or warranties expressed or implied regarding the property.

2. **Earnest Money Forfeiture.** The Buyer shall pay to the Listing Agent cash earnest money deposit in the amount of \$_____ at the time that all parties execute this Agreement. In the event Buyer fails, without legal excuse, to complete the purchase of the property following approval of the sale by the Court, the earnest money deposit made by Buyer shall be forfeited to Seller as the sole and exclusive remedy available to Seller for such failure. If the earnest money deposit is greater than five (5) percent of the purchase price, only that portion of the earnest money deposit equal to five (5) percent of the purchase price shall be forfeited to Seller. By their initials below, Buyer and Seller specifically acknowledge that they have read the preceding provision regarding forfeiture of the earnest money and agree to it.

Buyer (s) Initials _____ Seller Initials _____

3. **Financing.** Offer is conditioned on Buyer obtaining a Conventional Loan.

All purchases that are conditioned on approval of financing, Buyer agrees to all of the following:

a. That the Buyer will pay an amount not less than _____ that is not financed ("Downpayment"). Buyer shall promptly provide Seller with information that verifies Buyer has the funds immediately available for payment of the Downpayment. Buyer represents that Buyer has sufficient funds to close this sale in accordance with this Agreement, and is not relying on any contingent source of funds or gifts unless expressly set forth elsewhere in this Agreement. Buyer shall be responsible for payment of all financing costs incurred by Buyer.

Buyer (s) Initials _____ Date _____ Initial _____ Date _____ Seller Initials _____ Date _____

b. That the Buyer will, in good faith, submit one or more bona fide applications for a loan at a market rate of interest within seven (7) days after this Agreement is executed by all parties. A list of recipients of the application(s) shall be submitted to the Seller within the seven (7) days after this Agreement is executed by all parties. In the event that Buyer fails to submit the bona fide loan applications or the list as provided, notwithstanding anything to the contrary provided herein, this Agreement shall terminate and the Seller shall be entitled to retain the earnest money deposit provided by the Buyer.

c. That within thirty (30) days after this Agreement is executed by Seller and Buyer, Buyer shall submit to Seller a written approval of bona fide financing of the purchase price. Such written approval must be either unconditional or subject only to final appraisal review or updated financial statements of the Buyer. Updates to the written approval must be provided to the Seller not later than every thirty (30) days thereafter.

d. If the financing condition is not satisfied or waived on or before court approval, or such future date as agreed to in writing by the Seller, this Agreement shall terminate, and unless otherwise provided herein, the earnest money deposit shall be returned to the Buyer.

e. Buyer shall order an appraisal of the property to be purchased within three (3) days of the execution of this Agreement by Seller and Buyer.

4. Purchases Not Financed. Buyer shall promptly provide Seller with information that verifies Buyer has the funds immediately available for payment of the full purchase price. Not later than every thirty (30) days thereafter, Buyer will provide updated information that continues to verify that Buyer has the funds immediately available for payment of the full purchase price. Buyer represents that Buyer has sufficient funds to close this sale in accordance with this Agreement, and is not relying on any contingent source of funds or gifts unless expressly set forth elsewhere in this Agreement.

5. **Loan Costs.** Seller will not be responsible for, or credit any loan costs except such portion of Buyer’s loan cost that Buyer is prohibited from paying pursuant to applicable FHA and VA regulations.

6. **Fees.** Buyer acknowledges and agrees to pay the sum of \$181.00 as non-refundable fee to the United States Bankruptcy Court for Seller’s filing of a motion to approve sale free and clear of liens. In the event that the transaction closes, Buyer will be credited at closing for this fee. In the event that the transaction does not close, for any reason, the fee is considered non-refundable and will not be credited or refunded to Buyer.

7. **Inspections.** Buyer has ten (10) days from the date of initial signing to inspect the premises and provide written

Buyer (s) Initials _____ Date _____ Initial _____ Date _____ Seller Initials _____ Date _____

bids, if necessary from a licensed contractor to justify value. Inspection contingency shall be deemed waived at the close of business ten (10) days from initial signing unless Buyer provides Seller with written notice that the property is not acceptable. If such notice is provided in a timely manner, this Agreement shall terminate, and the Buyer's earnest money deposit, if any, shall be returned and the Seller shall be released of all obligations hereunder. Notwithstanding the foregoing, if Buyer's lender requires an additional inspection, Seller agrees to permit such inspection so long as a written request is made for the additional inspection during the initial ten (10) day inspection period. The time for the additional inspection period shall be ten (10) days from the end of the initial ten (10) day inspection period. The inspection contingency shall be deemed waived at the close of business at the end of additional inspection period unless Buyer provides Seller a written notice that the property is not acceptable during the additional inspection period. If such notice is provided in a timely manner, this Agreement shall terminate, and the Buyer's earnest money deposit, if any, shall be returned and the Seller shall be released of all obligations hereunder. Buyer will pay all costs and fees associated with such inspections and Seller shall have no liability therefore. Buyer will return the property to its original condition after said inspection or test. It is Buyer and/or the selling agent's responsibility to verify and contact the utility companies in order to turn on the utilities for inspection. In the event that a septic inspection is required, Buyer is responsible for hiring and paying for septic inspection including acquiring any and all required certificates. Buyer agrees to hold Seller, its officers, brokers and attorneys harmless from all claims arising out of Buyer's inspection or testing of the property.

8. Feasibility Study. If this Agreement is subject to a feasibility study, Buyer has ten (10) days from the date of initial signing to complete the feasibility study. The feasibility study contingency shall be deemed waived at the close of business ten (10) days from initial signing unless Buyer provides Seller with written notice that the property is not feasible for the Buyer's use. If such notice is provided in a timely manner, this Agreement shall terminate, and the Buyer's earnest money deposit, if any, shall be returned and the Seller shall be released of all obligations hereunder. If the Purchase and Sale Agreement is subject to a feasibility study and the sale does not close because of any contingency which Buyer does not waive, Buyer shall provide Seller a copy of every study, report, analysis or appraisal regarding the property within ten (10) days after providing the notice. Until such copies are provided, Seller is not obligated to return any earnest money deposit or promissory note.

9. Defects. Buyer represents to Seller that Buyer will fully inspect the property and Buyer assumes the responsibility and risks of all defects and conditions, including such defects and conditions, if any, that cannot be observed by casual inspection. Seller makes no representations or warranties express or implied of any kind with respect to, among other things: (a) the dimension, size or acreage of the premises; (b) any applicable governmental laws or regulations; (c) availability of water, sewer or other utilities; (d) the environmental condition of the property; or (e) the existence or non-existence of urea-formaldehyde, asbestos, mold or fill material.

10. Personal Property. Seller is a bankruptcy estate and is selling only that property described herein that is owned by the bankruptcy estate. Buyer shall make an appropriate investigation to determine whether there is any leased property on the premises which, if present, is not included in the sale. The bankrupt debtor(s) that filed the bankruptcy petition that created the Seller may claim personal property on the premises, such as, but not limited

Buyer (s) Initials _____ Date _____ Initial _____ Date _____ Seller Initials _____ Date _____

to, non built-in appliances, drapes, curtains, etc., as exempt property. In such instance, the personal property claimed as exempt is not included in the sale.

- 11. **Hazardous Waste.** Seller is a bankruptcy estate Buyer understands and agrees that any knowledge about the condition of the property held by any party including, but not limited to, the Trustee of the bankruptcy estate, Listing Broker, debtor, debtors’ employees and agents, shall not be imputed to the Seller. Buyer shall make all inquiries and inspections regarding the property being purchased, and hereby assumes all risk and costs related with the presence of hazardous waste, environmental condition, and all other conditions of the property. Buyer hereby waives any and all rights of contribution, indemnity and/or reimbursement with respect to any and all defects, including but not limited to, hazardous waste, abatement and environmental condition.
- 12. **Possession.** Buyer shall be entitled to possession upon closing unless otherwise agreed upon in writing.
- 13. **Closing.** “Closing” means the date on which all transfer documents are recorded with the County and the sale proceeds are available to the Seller. Buyer agrees that Seller will not clean the interiors or exteriors of any structures. The sale is “as is, where is”. The Closing Date is as set forth above.
- 14. **Escrow Agent.** The transaction shall be escrowed by an independent escrow company (“Escrow Company”) of Seller’s choice. Buyer will be informed of contact information for Escrow Company within 2 days of initial signing of this Agreement.
- 15. **Condition of Title.** Unless otherwise specified in this Agreement, title to the property shall be marketable at closing. The following shall not cause title to be unmarketable: rights, reservations, covenants, conditions and restrictions presently of record and general to the area, including but not limited to zoning, easements and encroachments not materially affecting the value of or unduly interfering with Buyer’s intended use of the property, and reserved oil and/or mineral rights. The Seller will request that the Court order authorizing the sale of the property provide that the property be sold, free and clear of any monetary encumbrances not assumed by the Buyer. If for any reason the Seller is unable to transfer marketable title to the Buyer then this Agreement is null and void, the Buyer’s earnest money deposit, if any, shall be returned and the Seller shall be released of all obligations hereunder.
- 16. **Title Insurance.** Seller shall provide a standard form of title insurance from a title insurance company of Seller’s choice. Seller authorizes lender or Escrow Company, at Seller’s expense, to apply for a standard form buyer’s policy of title insurance with homeowner’s additional protection and inflation protection endorsement, if available at no additional cost. The preliminary commitment therefore, and the policy to be issued, shall contain no exceptions other than general exclusion and exceptions in said standard form and the items referred to in paragraph 15, above. If title cannot be made so insurable prior to closing, the earnest money shall, be refunded to the Buyer, less any unpaid costs described in paragraph 21 hereof, and this Agreement shall thereupon be terminated. Buyer shall have the right to waive such defects or encumbrances and shall hold all parties harmless from such election.

Buyer (s) Initials _____ Date _____ Initial _____ Date _____ Seller Initials _____ Date _____

- 17. Title Transfer.** Title shall be transferred by a bankruptcy estate’s quit claim deed.

- 18. Closing Costs and Pro-ration.** Buyer and Seller shall each pay one-half of the escrow fee. In the event that the underlying lien holder only pays for a portion of Seller’s title and escrow fee, it is Buyer’s responsibility to pay for any shortages. Seller shall pay excise tax. Property taxes for the current year shall be pro-rated. Buyer shall pay for any remaining fuel or oil in the propane/oil tank, if applicable. Buyer is responsible for any outstanding pre-closing utility bills, delinquent HOA dues, sub-escrow fees and escrow shortages of any kind.

- 19. Sale Information.** After approval by the United States Bankruptcy Court, Listing Broker is authorized to report this Agreement including price and all terms to the Northwest Multiple Listing Association or such other applicable listing association that publishes it to its members, financing institutions, appraisers and anyone else related to the sale. Buyer and Seller authorize lender, Escrow Company, appraiser, title insurance company or other party related to the sale, to furnish upon request any and all information, documents concerning the status, progress and final disposition of financing, appraisal, closing, title condition, and any other matter concerning this sale, including buyer’s credit report to listing and/or selling broker.

- 20. Notices.** Unless otherwise specified, any notice required or permitted in, or related to, this Agreement (including any addenda hereto) must be in writing, signed by any one Buyer or Seller (including either husband or wife) and received by Listing Broker who, *for this limited purpose, shall be the broker of both parties*). Any time limit in or applicable to a notice shall commence on the date following receipt of the notice by the Listing Broker, unless that date is Saturday, Sunday or holiday, in which event it will commence on the following business day. Buyer must keep Listing Broker advised of their whereabouts to receive prompt notification of a receipt of notice.

Listing Broker has no responsibility to advise of receipt of a notice beyond either phone or email or causing a copy of the notice to be delivered to the Selling Broker via the contact information provided in this Agreement.

- 21. Earnest Money Receipt and Disbursement.** Listing Broker shall acknowledge receipt of Buyer’s earnest money deposit in the form set forth above. The earnest money deposit shall be held in Escrow Company’s pooled trust account (with interest paid to the Washington Housing Fund or such other relevant fund in accordance with applicable laws).

- 22. Earnest Money Deposit.** If all or part of the earnest money is to be refunded to Buyer and any Buyer closing or loan costs remain due and unpaid, Listing Broker or Escrow Company may deduct and pay them therefrom.

- 23. Seller Conditions.** This Agreement is subject to approval by the Court. The trustee does not always have access to a title report or information with respect to the tax consequences of a sale when a purchase offer is made. Accordingly, this Agreement is conditioned on: (1) The trustee obtaining an opinion from an accountant that the proposed sale will not result in adverse tax, and (2) if the trustee in his or her sole discretion deems it appropriate, the court authorizing an award to the estate of reasonable fees and expenses pursuant to 11 U.S.C Section 506 (c) if there are liens against the property.

Buyer (s) Initials _____ Date _____ Initial _____ Date _____ Seller Initials _____ Date _____

- 24. **Subsequent Offers.** This agreement is subject to approval and order of the Court. Seller will seek Court approval of the sale as soon as reasonably practicable. To seek Court approval, the Seller must file a motion with the Court requesting an order approving the sale, and provide notice of the motion and an opportunity for a hearing before the Court. Normally, during this notice period before an order is entered approving or denying the sale, the Court will consider objections to the sale and higher or better offers for the property. Seller shall provide Buyer with notice of any objections, and higher and better offers. Buyer is encouraged to attend the scheduled hearing, particularly if higher or better offers are submitted. Seller will attempt to provide Buyer with an opportunity to submit a higher or better offer of its own, or respond to any objections. When higher or better offers are submitted, the Court often will facilitate continued bidding for the property until the highest and best offer is achieved.

- 25. **Commission.** A real estate commission will be paid at closing in accordance with the listing agreement and pursuant to an order of the Bankruptcy Court. Such commission is disclosed on the MLS listing.

- 26. **Agreement To Purchase And Time Limit For Acceptance.** Buyer offers to purchase the property on the above terms and conditions. Seller has until the close of business on the date set forth below to sign this offer. The initial signing is not effective until a signed copy hereof is actually received by the office of the Listing Broker. If this offer is not so signed, it shall lapse and the any earnest money deposit shall be refunded or returned to Buyer.

- 27. **Counteroffers.** If a party makes a counteroffer the other party shall have until 9:00pm on the second day following receipt of the counteroffer to agree or respond to the counteroffer. Agreement on counteroffer terms is only effective by Seller and Buyer both delivering the signed counteroffer to the office of the Listing Broker.

- 28. **Resale Certificate.** If the subject real property is a condominium, Buyer agrees to order and deliver a Resale Certificate to their lender and Seller within ten (10) days after lien holder approval of this Agreement by all parties. **Resale Certificate is conclusively deemed approved by Buyer unless Buyer gives notice of disapproval within five (5) days following receipt.** If Buyer disapproves said Resale Certificate, this agreement shall terminate and the earnest money shall be refunded to Buyer.

- 29. **Disclosure Statement.** Seller is exempt from providing a real property transfer disclosure statement and therefore no such statement will be provided.

- 30. **Lead Paint.** Buyer is required to sign the lead-based paint addendum if the property was built prior to 1987.

- 31. **Signs, Lockboxes, Keys and Occupancy.** Signs and lockboxes will typically be removed within 7 days after closing. If they are not removed within 7 days, please notify Listing Brokerage. Do not remove them. If anything is lost or stolen, Selling Broker agrees to reimburse Listing Broker for the cost of such items. If Buyer needs to remove the doorknob to rekey, Buyer shall leave the lockbox and sign beside the front door. Buyer's Broker must not allow Buyers to move into the property until escrow has closed. Buyer shall not occupy the property or move personal items into the property for any reason prior to notification from the escrow company that the Trustee's Deed has

Buyer (s) Initials _____ Date _____ Initial _____ Date _____ Seller Initials _____ Date _____

been recorded. Any early occupancy by Buyer will be cause for immediate termination of escrow, at Seller’s unilateral discretion and loss of Buyer’s earnest money, along with any civil charges, if necessary. A proposal for early occupancy requires prior court approval and is subject to a month-to-month lease agreement. Request for early occupancy must be given to the listing agent directly. Buyer should re-key property immediately after closing due to the possibility of other people having copies of keys. Buyer shall be responsible for obtaining all keys for the property, including but not limited to, the front door, common area keys, passes, FOB’s, garage door openers and mailbox keys.

32. Agency Disclosure and Receipt of Agency Pamphlet. Buyer acknowledges receipt of the pamphlet entitled “The Law of Real Estate Agency”. The Department of Licensing requires real estate licensees (Brokers) to disclose to the Buyer and Seller in a real estate transaction whether the licensee represents Seller, Buyer, both Buyer and Seller, or neither. The Listing Broker represents Seller. The Selling Broker represents:

Selling Broker Initials _____

Buyer Initials _____

Buyer Initials _____

33. Termination of Contract. Seller has the right to terminate the contract at any time upon written notice to Buyer. In that event, except as otherwise provided herein, Buyer shall be entitled to refund of Earnest Money deposit less any expenses incurred by Seller or Listing Broker.

34. Affiliated Business Relationships. Buyer acknowledges that Seller and Selling Broker may have affiliated business relationships with certain lenders or mortgage companies, escrow and title companies, attorneys and other real estate professionals. Buyer hereby waives any objection to Seller’s use of preferred or affiliated businesses in order for Seller’s unique transactions to close smoothly.

35. Lienholder(s) Approval. Buyer acknowledges that this transaction may be subject to approval by lien holder(s). Buyer acknowledges such approval may be conditioned on modification of the terms of this Agreement.

36. Utilities. Seller has no knowledge of which utilities serve the property. Buyer must verify presence of gas, water, sewer, electric, propane, cable, etc. and which companies provide service. Buyer hereby waives escrow’s payment of all utilities except those required to clear to title.

37. Applicable Law, Jurisdiction and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Jurisdiction and venue for any proceeding involving this Agreement shall be in the Court. Likewise, the Buyer and Selling Broker acknowledge that any conflicts regarding representation, listing, contract and transaction must be resolved exclusively in the Court. **38. FIRPTA – TAX Withholding at Closing.** The Escrow Company is instructed to prepare a certification (NWMLS Form 22E or equivalent) that Seller is not a

Buyer (s) Initials _____ Date _____ Initial _____ Date _____

Seller Initials _____ Date _____

“foreign person” within the meaning of the Foreign Investment In Real Property Tax Act. Seller shall sign this certification.

39. Assignment. Buyer may not assign this Agreement, or Buyer’s rights hereunder without Seller’s prior written consent, unless the parties indicate that assignment is permitted by the addition of “and/or assigns” on the line identifying the Buyer on the first page of this Agreement.

40. Addenda. The following addenda are attached hereto and made part of this Agreement:

- None
- Legal description - Exhibit “A”
- Short Sale Addendum- Exhibit “B”
- _____

Buyer (s) Initials _____ Date _____ Initial _____ Date _____

Seller Initials _____ Date _____

Seller: Bankruptcy Estate Of

By: _____

Edmund J. Wood, Trustee

Date: _____

Buyer:

Buyer Signature: _____

Date: _____

Buyer Phone and Email: _____

Buyer Signature: _____

Date: _____

Buyer Phone and Email: _____

Buyer (s) Initials _____ Date _____ Initial _____ Date _____

Seller Initials _____ Date _____

ADDENDUM A - LEGAL DESCRIPTION

Buyer (s) Initials _____ Date _____ Initial _____ Date _____

Seller Initials _____ Date _____

ADDENDUM B – FOR SHORT SALES

Generally, the Court will not approve a sale of real estate in a bankruptcy case where allowed secured claims or liens against the property being sold exceed the value of the real estate. However, if the holders of the secured claims and liens consent to a sale for an amount less than their claims and liens (commonly referred to as a "Short Sale") and the Seller is able to obtain a purchase price that exceeds the consensual amount sufficient to pay the costs incurred by the Seller and pay some meaningful amount to creditors of the Seller, the Court may favorably consider approval of the "Short Sale". The amount that a Buyer pays in excess of the consensual amount to be paid to secured creditors, liens and closing expenses, is often referred to as the "Buyer's Premium". The sale set forth in the Agreement is a Short Sale, and to improve the chances of approval by the Court, the Seller believes that the Buyer must pay a "Buyer's Premium". The Seller believes that the minimum amount of a "Buyer's Premium" that is reasonable and necessary for the sale of the property pursuant to the Agreement is \$_____. The Buyer hereby agrees to pay the Seller \$_____ in cash at closing in addition to the Purchase Price as a "Buyer's Premium".

Buyer (s) Initials _____ Date _____ Initial _____ Date _____

Seller Initials _____ Date _____