

**BANKRUPTCY SHORT SALE PURCHASE AND SALE AGREEMENT  
UNITED STATES BANKRUPTCY COURT FOR THE  
WESTERN DISTRICT OF WASHINGTON, AT SEATTLE**

THIS AGREEMENT is entered into by and between the below named Buyer and the below named Seller, in his or her capacity as a United States Bankruptcy Trustee for the below named bankruptcy estate. The Buyer agrees to purchase and the Seller agrees to sell the described property pursuant to the following terms and conditions:

BUYER: \_\_\_\_\_  
(Print Clearly)

ADDRESS: \_\_\_\_\_  
PHONE: \_\_\_\_\_

SELLER: \_\_\_\_\_  
United States Bankruptcy Trustee  
In re: \_\_\_\_\_  
Bankruptcy Number: \_\_\_\_\_

PROPERTY  
STREET ADDRESS: \_\_\_\_\_

LEGAL DESCRIPTION: Attached on Exhibit "A" hereto.

PURCHASE PRICE: \$ \_\_\_\_\_, all in cash at closing, inclusive of earnest money

DATE OF CLOSING: \_\_\_\_\_

SELLING BROKER: \_\_\_\_\_  
ADDRESS: \_\_\_\_\_  
AGENT: \_\_\_\_\_  
PHONE: \_\_\_\_\_  
EMAIL: \_\_\_\_\_

LISTING BROKER: Navigation Real Estate, LLC  
ADDRESS: 720 3<sup>rd</sup> Ave. Suite 1605, Seattle, WA 98104  
AGENTS: Christopher Foster and Mark Bertoldi  
PHONE: (425) 218-1932 / (425) 213-3871  
EMAIL: navigationre@gmail.com

EARNEST MONEY AMOUNT: \$ \_\_\_\_\_

FORM OF EARNEST MONEY: [        ] Cash  
[        ] Personal Check  
[        ] Cashier's Check

1. **No Representations or Warranties.** The Seller is a bankruptcy trustee, and therefore neither the bankruptcy trustee nor the Listing Broker maintains personal knowledge regarding the

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Seller                      Date                      Buyer                      Buyer                      Date

property. There are no representations or warranties regarding the property or its condition. **All sales are "as is, where is" and without any representations or warranties of any kind express or implied.**

2. **Earnest Money Forfeiture.** In the event the Buyer fails, without legal excuse, to complete the purchase of the property, the earnest money deposit made by the Buyer shall be forfeited to the Seller as the sole and exclusive remedy available to the Seller for such failure. If the earnest money deposit is greater than five percent of the purchase price, only that portion of the earnest money deposit equal to five percent of the purchase price shall be forfeited to the Seller. By their initials below, Buyer and Seller specifically acknowledge that they have read the preceding provision regarding forfeiture of the earnest money and understand and agree to it.

Seller Initials Here: \_\_\_\_\_

Buyer Initials Here: \_\_\_\_\_

3. **Financing.** This offer [ ] is [ ] is not conditioned upon Buyer obtaining a [ ] conventional [ ] FHA [ ] VA purchase loan.

4. **Mutual Acceptance.** Mutual Acceptance shall occur on the date the Selling Broker receives the bankruptcy court order approving the sale. Buyers acknowledge, understand and agree that the bankruptcy court order does not obligate the lender to accept this offer and lender approval is required to close this transaction. Buyer(s) hereby indemnify and hold Seller and Listing Broker harmless for any and all claims related to or arising out of the bankruptcy court and/or lender not approving the Buyer(s)' offer.

5. **Down Payment/Loan Application.** Buyer agrees to pay \$\_\_\_\_\_ down, and to make an application, in good faith, within seven days after mutual acceptance of this Agreement, for a market rate loan to pay the balance of the purchase price. If application is not made within 7(seven) days, Seller may retain the earnest money and this Agreement shall terminate.

6. **Financing Deadline/Seller Termination Notice.** If Buyer has not within 60 days after mutual acceptance of this Agreement, given notice that Buyer has obtained financing or waived the financing condition, then this Agreement shall terminate upon the expiration of the 60th day after mutual acceptance. If termination occurs, Seller shall remit the earnest money to the Buyer.

7. **Loan Costs.** Seller will not be responsible for any loan costs except (1) such portion of Buyer's costs that Buyer is prohibited from paying pursuant to applicable FHA regulations; and (2) if this sale is financed by a VA loan, the Seller agrees to pay those closing costs Buyer is prohibited from paying pursuant to applicable VA regulations.

8. **Inspections.** The Buyer has five (5) days from the date of mutual acceptance to inspect the premises. Unless the Buyer provides Seller with notice within said five (5) days that the property is not acceptable then the inspection requirement will be deemed to be waived on the close of business, five (5) calendar days from mutual acceptance. Notwithstanding the foregoing, if the financing institution requires an additional inspection, Seller agrees to permit such inspection. **The Buyer will pay all costs and fees associated with such inspections and Seller shall have no liability therefor.** Buyer will return the property to its original condition after said inspection or test. The Buyer will indemnify, defend and hold the Seller, its officers, agents and attorneys and the Listing Broker harmless from all claims arising out of Buyer's inspection or testing of the property.

9. **Personal Property.** The Seller is a bankruptcy trustee and has no knowledge of whether or not there is any leased personal property on the premises. It shall be up to the Buyer to make an

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Seller                      Date                      Buyer                      Buyer                      Date

appropriate investigation to determine whether or not there is any leased property on the premises **which in any case is not included in the sale.** No personal property shall be transferred pursuant to this Agreement.

10. **Possession.** Buyer shall be entitled to possession upon closing.

11. **Closing.** "Closing" means the date on which all documents are recorded and the sales proceeds are available to Seller.

12. **Escrow Agent.** The transaction shall be escrowed by Chicago Title Insurance Co., c/o Lorrie Thompson, 3002 Colby Ave., Everett, WA 98201 (425)258-3683, lorrie.thompson@ctt.com, or such other escrow as the Seller may designate.

13. **Title Insurance.** Seller shall provide a standard form of title insurance from Escrow Agent. Buyer shall have five (5) days from receipt of the commitment within which to advise Seller in writing of Buyer's approval or disapproval thereof, stating with specificity the basis for any objections. If Buyer indicates objections to the status of title, then Seller shall have five (5) days thereafter within which to advise Buyer whether Seller will remove the objectionable items. If Seller fails to so advise Buyer that Seller will remove all such objectionable items, then this Agreement shall terminate, except for Buyer's indemnification obligations, and the Deposit shall be refunded to Buyer, less the cancellation fee for the title commitment and other deductions authorized under this Agreement.

14. **Title Transfer.** Title shall be transferred by the Trustee's quit claim deed, without warranty as to title. As such, Seller shall not be liable for title defects of any kind whatsoever.

15. **Buyer's Funds To Close.** Buyer represents 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.

16. **Closing Costs And Pro-Ration.** Buyer and Seller shall each pay one-half of the escrow fee. Seller shall pay excise tax. Taxes for the current year shall be pro-rated. Buyer shall pay for oil in the oil tank. Buyer is not liable for pre-closing utility bills.

17. **Limitation; Disclaimer.**

(a) BUYER ACKNOWLEDGES THAT NEITHER SELLER NOR LISTING BROKER HAVE KNOWLEDGE OF THE PROPERTY AND THAT BY THE END OF THE PARAGRAPH 7 INSPECTION PERIOD BUYER WILL HAVE SATISFIED ITSELF IN ALL RESPECTS WITH THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, ALL MATTERS RELATED TO HAZARDOUS SUBSTANCES. BUYER AGREES THAT IT WILL BE PURCHASING THE PROPERTY ON AN AS IS, WHERE IS BASIS, AND AGREES THAT NEITHER SELLER, AGENT NOR ANY REPRESENTATIVE OF SELLER HAS MADE ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE WHATSOEVER, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY INCLUDING, BUT NOT LIMITED TO, WARRANTIES WITH RESPECT TO FITNESS OF THE PROPERTY FOR A PARTICULAR PURPOSE, THE ZONING THEREOF, THE PROPERTY'S DIMENSIONS, SIZE OR ACREAGE, ANY APPLICABLE GOVERNMENTAL LAWS, RULES OR REGULATIONS, THE AVAILABILITY OF WATER, SEWER OR OTHER UTILITIES OR THE SUITABILITY OF THE PROPERTY FOR BUYER'S INTENDED USE THEREOF. BUYER FURTHER ACKNOWLEDGES THAT AS IT HAS BEEN GRANTED THE RIGHT TO CONDUCT A DILIGENT INVESTIGATION OF THE PROPERTY

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Seller                      Date                      Buyer                      Buyer                      Date

(EMPLOYING SUCH INDEPENDENT PROFESSIONALS AS BUYER DEEMS NECESSARY) WITH REGARD TO ITS CONDITION, PERMITTED USE, AND SUITABILITY FOR BUYER'S INTENDED USE THEREOF, AS WELL AS ALL OTHER FACTORS DEEMED MATERIAL TO BUYER.

(b) BUYER ACKNOWLEDGES THAT NEITHER SELLER NOR LISTING BROKER HAVE ACTUAL PERSONAL KNOWLEDGE OF, AND MAKES NO WARRANTY WITH RESPECT TO, THE PRESENCE ON, ABOVE OR BENEATH THE PROPERTY (OR ANY PARCEL IN PROXIMITY THERETO), OR THE RELEASE THEREFROM OF ANY HAZARDOUS SUBSTANCES OR MATERIALS WHICH ARE CATEGORIZED AS HAZARDOUS OR TOXIC UNDER ANY LOCAL, STATE OR FEDERAL LAW, STATUTE, ORDINANCE, RULE OR REGULATION PERTAINING TO ENVIRONMENTAL OR SUBSTANCE REGULATION, CONTAMINATION, CLEAN-UP OR DISCLOSURE ("HAZARDOUS SUBSTANCES") NOR AS TO ANY VIOLATION OF ANY ENVIRONMENTAL LAW. BY ACCEPTANCE OF THE DEED, BUYER ACKNOWLEDGES THAT BUYER'S OPPORTUNITY FOR INSPECTION AND INVESTIGATION OF THE PROPERTY (AND OTHER PARCELS IN PROXIMITY THERETO) WAS ADEQUATE TO ENABLE BUYER TO MAKE BUYER'S OWN DETERMINATION WITH RESPECT TO THE PRESENCE OR RELEASE OF HAZARDOUS SUBSTANCES AND AGREES TO INDEMNIFY, DEFEND AND HOLD SELLER HARMLESS WITH RESPECT TO THE PRESENCE OR RELEASE OF HAZARDOUS SUBSTANCES.

Buyer's Initials: \_\_\_\_\_

18. **Condemnation or Casualty.** Buyer may terminate this Agreement and obtain a refund of the Deposit if improvements on the Property are destroyed or materially damaged by casualty before Closing, or if condemnation proceedings are commenced against all or a material portion of the Property before Closing. Damage will be considered material if the cost of repair exceeds the lesser of \$100,000 or five percent (5%) of the purchase price stated in this Agreement. Alternatively, Buyer may elect to proceed with Closing, in which case at Closing Seller shall assign to Buyer all claims and rights to proceeds under any property insurance policy held by Seller with respect to the Property.

19. **Bankruptcy Estate Fee.** A Bankruptcy Estate Fee shall be paid to the Seller and approved by the United States Bankruptcy Court as part of this sale. The Bankruptcy Estate Fee shall be \$\_\_\_\_\_, and shall be paid by the Buyer in cash, at closing. The Bankruptcy Estate fee shall not be subject to any commission by the agents.

20. **Notices.** All notices provided for herein shall be in writing and may be delivered personally or mailed registered or certified mail, return receipt requested, and, if mailed, shall be considered delivered three (3) days after deposit in such mail. The addresses to be used in connection with such correspondence and notices are those shown on page 1 of this Agreement, or such other address as a party shall from time to time direct.

21. **Transfer.** This Agreement shall inure to the benefit of and be binding upon the parties hereto and their heirs and permitted successors and assigns. Buyer may not assign its rights or obligations hereunder without Seller's prior written consent.

22. **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

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Seller                      Date                      Buyer                      Buyer                      Date

proceeding involving this Agreement shall be in U.S. Bankruptcy Court for the Western District of Washington.

23. **Sale Information.** Selling agent is authorized to report this Agreement (including price and all terms) to the Northwest Multiple Listing Associations 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 all lenders, closing agents, appraisers, title insurance companies and other parties related to the sale, to furnish the listing and/or selling agents, on request, any and all information, and copies of 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.

24. **Seller Conditions.** This Agreement is subject to approval by the Bankruptcy Court. Unfortunately, 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, the purchase agreement is conditioned on: (a) the trustee obtaining an opinion from an accountant that the proposed sale will not result in adverse tax consequences and (b) 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.

25. **Subsequent Offers.** All purchase agreements are subject to approval and order of the Bankruptcy Court. The Seller will apply to the Bankruptcy Court for approval of the sale set forth herein as soon as reasonably practicable. The Bankruptcy Court hearing generally takes place within six weeks of mutual acceptance. Further, if the trustee receives a better offer on the property prior to the court hearing, the trustee may, in his sole discretion, accept such offer contingent upon approval of the court and request that the court accept the better offer. This clause is an explanation of the law and removal of this clause from this Agreement will not change the law. Seller agrees, however, to follow the procedure set forth in the next paragraph allowing for Buyer to match competing offer.

26. **Competing Bids.** If this agreement is the first agreement the Seller has accepted regarding the subject property, the Seller, subject to court approval, hereby agrees that the Buyer may match the proposed purchase price of any third party offer. Promptly after receiving a third party offer, the Seller will notify the Buyer of the existence and terms of the third party offer. Buyer may then notify the Seller in writing, within 24 hours of receipt from the Seller's written notice of the third party's offer, that the Buyer will meet or exceed those terms. Price increases must be in increments of not less than one percent of the original offer. If an offer is received within 24 hours of the court hearing date, the court may have the proposed purchasers submit in writing their last, highest, and best offers at or following the hearing to approve the sale.

27. **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 accept this offer. Acceptance is not effective until a signed copy hereof is actually received by the office of the selling agent. If this offer is not so accepted, it shall lapse and Seller shall direct escrow to issue a refund of the earnest money to Buyer.

28. **Counteroffers.** If a party makes a counteroffer the other party shall have until 9:00 p.m. on the second day following receipt of the counteroffer to accept it. Acceptance is only effective by delivering a signed acceptance of the counteroffer to the office of the selling broker.

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Seller                      Date                      Buyer                      Buyer                      Date

29. **Commission.** A real estate commission will be paid in accordance with the listing agreement and pursuant to an order of the Bankruptcy Court. The commission may be subject to change by a lender or a secured creditor.

30. **Condominium.** If the Property is a condominium, then (a) the following parking and storage spaces, if any, are included in the transaction: (i) parking space no. \_\_\_\_\_; and (ii) storage space no. \_\_\_\_\_, and (b) Seller agrees to deliver a Resale Certificate to Buyer following mutual acceptance of the Agreement by all parties. BUYER SHALL BE CONCLUSIVELY DEEMED TO HAVE APPROVED SAID RESALE CERTIFICATE UNLESS WITHIN FIVE (5) DAYS FOLLOWING RECEIPT THEREOF BUYER GIVES NOTICE OF DISAPPROVAL THEREOF TO SELLER. If Buyer disapproves the Resale Certificate, the Agreement shall terminate, except for Buyer's indemnification obligations, and the earnest money shall be refunded to Buyer, less any deductions authorized under this Agreement.

Buyer's Initials: \_\_\_\_\_

31. **Disclosure Statement.** The Seller is a bankruptcy trustee and exempt from providing a real property transfer disclosure statement and therefore no such statement will be provided.

32. **Earnest Money Deposit.** Selling Broker will deposit any check to be held by escrow as earnest money within three (3) days after receipt or after the Seller has signed this Agreement, whichever occurs later. If the earnest money is held by Selling Broker and is over \$10,000.00 it shall be deposited into an interest bearing trust account in Selling Broker's name provided that Buyer completes an IRS Form W-9. Interest, if any, after deduction of bank charges and fees, will be paid to Buyer. Buyer agrees to reimburse Selling Broker for bank charges and fees in excess of the interest earned, if any. If the Buyer does not complete an IRS Form W-9 before Selling Broker must deposit the earnest money or if the earnest money is \$10,000.00 or less, the earnest money shall be deposited into the Housing Trust Fund Account. Selling Broker may transfer the earnest money to Escrow Agent. Buyer agrees to pay financing and purchase costs incurred by Buyer. If all or part of the earnest money is to be refunded to Buyer and any such costs remain unpaid, the Selling Broker or Closing Agent may deduct and pay them therefrom.

33. **Lead Paint.** If a residential dwelling was built on the property prior to 1978, and Buyer receives a Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards ("NWMLS Form 22J) after mutual acceptance, the Buyer may rescind this Agreement at any time up to three days hereafter.

34. **Agency Disclosure.** The Northwest Multiple Listing Association requires real estate licensees (agents) to disclose to the Buyer and Seller in a real estate transaction whether the licensee represents the Seller, the Buyer, both the Seller and the Buyer, or neither. The listing licensee represents the Seller. The selling licensee represents:

[        ] Seller [        ] Buyer [        ] Neither        [        ] Both.

Seller Licensee Initials Here: \_\_\_\_\_

Buyer Initials Here: \_\_\_\_\_

35. **Addenda.** The following addenda are attached hereto and made a part of this Agreement:

(a) NWMLS Form 22J

\_\_\_\_\_  
Seller                      Date                      Buyer                      Buyer                      Date

(b) [ ] None [ ] Attached:

36. **Attorney Review.** Buyer(s) acknowledge that he/she/they have had the opportunity to review this Agreement and the bankruptcy sale process with an attorney.

37. **Entire Agreement.** This Agreement, including the Addenda, constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements, oral or written, express or implied, and all negotiations or discussions of the parties, whether oral or written and may not be amended except by document signed by both parties. There are no warranties, representations or agreements among the parties in connection with the subject matter hereof except as set forth herein.

SELLER - \_\_\_\_\_, Bankruptcy Trustee

\_\_\_\_\_  
By: \_\_\_\_\_  
(Print Full Name)

Date: \_\_\_\_\_

BUYER - \_\_\_\_\_ BUYER - \_\_\_\_\_

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

Date: \_\_\_\_\_ Date: \_\_\_\_\_

DEADLINE FOR ACCEPTANCE  
(Not less than three business  
days from receipt by Seller): \_\_\_\_\_

\_\_\_\_\_  
Seller Date Buyer Buyer Date