

pointe 3
REAL ESTATE



SELLER BOOK

Hello from Pointe3.

We're excited to work with you.

Pointe3 Real Estate is a high quality, investment-minded real estate firm with top-notch brokers, extensive local market expertise, and a client-focused and technology-driven approach to helping our clients buy and sell property in the Puget Sound region.



We're experts at winning deals for our clients without leaving money on the table. Through implementing the most comprehensive marketing campaigns, being accessible and communicative throughout the process, and utilizing our extensive training in negotiations, we'll efficiently sell your property for top dollar.



The customer-driven, collaborative approach my team and I embody means that you'll get the market knowledge, negotiating expertise, and timely communication you deserve when selling your property.

I'm dedicated to helping you, and will be using my expertise along with the full resources of my firm to ensure you have the best possible experience.

Thank you, and let's get started!



Some of the tools in our marketing campaign:

Professional Photography: My team of photographers are experts at featuring properties in the best possible light.

1

3D Tours: Our interactive digital tour will give potential out-of-town buyers a better grasp of the features of your property.

2

Northwest Multiple Listing Service: As soon as I've listed the property on the NWMLS, buyers around the world will get notified if it matches their criteria, and real estate brokers will begin adding it to listing alerts for their new clients.

3

Zillow, Trulia, Redfin, RealScout, & Other Websites: I'll make sure your property is displayed on all the most highly trafficked real estate search portals and websites.

4

Relocation Network: I'll market your property to our extensive network of relocation and investor contacts.

5

Pointe3.com: Your property will be profiled on Pointe3.com and distributed throughout our company's social media outlets.

6

Facebook, Instagram, & Other Social Media: In addition to my company's social media accounts, I'll feature your property on my social media platforms to maximize our social reach.

7

Open Houses: My team and I will host open houses at the property, expertly selling each visitor on the features and benefits of purchasing, and following up with every potential buyer.

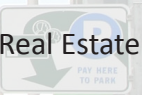
8

Signage & Flyers: I'll display signage (when allowed) and distribute flyers to catch the eye of any walk-bys.

9

Internal Networking: Each one of the dozens of brokers on the Pointe3 Real Estate team will know about your property and will help with the search for potential buyers.

10



Preparing your property.

Steps we can take to make your property as attractive as possible.

THE BASICS

- **De-personalize:** It's difficult for buyers to see past personal belongings, and you don't want them to be distracted when they're viewing the property. We want to try to evoke a neutral environment, so that any type of buyer walking through will feel comfortable in the space. Be sure to remove all personal effects, such as family photos, diplomas, certificates, pet items, or items tied to specific hobbies.
- **De-clutter:** You'll need to pack everything at some point, so consider this a jump start on the task! De-cluttering will make your home appear larger. The first steps to doing this is to pack up knick-knacks, clean everything off countertops, clean out closets and cabinets, and put any 'daily use' items away when you're not using them. Remember - only a few key items are needed to show off a room's space.

THE NEXT STEPS

- **Repairs & paint:** Now is the time for those minor repairs and fixes to happen - such as re-caulking, fixing leaky faucets, patching holes, replacing light bulbs, cleaning gutters, servicing the furnace, touching up paint, etc. Need some help with any tasks? I'm happy to give you some options, or you can visit P3vendors.com and use the password `pointe3re`.
- **Cleaning:** If you're able to deep clean the property, great! At a minimum, cleaning the windows both outside and in will help drastically with lighting and appearance. For curb appeal, tidy up any overgrown plants, mow the lawn, or rake dead leaves from the front.
- **Securing your home:** Hide any prescription drugs, valuable jewelry, or easily portable electronics in a secure place.



What do these terms mean?

A guide to some commonly used terms you'll see when selling.

CLOSING COSTS: *The fees and costs due by both parties at the time the purchase is complete. Some examples of the most common closing costs are below:*

Buyer Closing Costs

- Loan origination fee
- Appraisal
- Credit report
- Homeowner's insurance
- Pro-rated taxes
- Document preparation fee
- Title insurance for lender
- Recording fees
- Half of escrow fee
- Mortgage insurance premium

Seller Closing Costs

- Pay off of existing mortgage(s)
- Real estate commissions
- Pay off of leased items
- Pro-rated taxes
- Half of escrow fee
- Title insurance for buyer
- Excise tax (1.78% of sale price)

ESCROW: *Escrow is an impartial third party where documents and funds are deposited by buyers, sellers and lenders. They make sure all signatures are made on documents, work with the title officer, record documents, transfer funds and create a settlement statement outlining all the costs.*

EARNEST MONEY: *A good faith offering to show a buyer's commitment to your property. Escrow holds this in an account and it becomes part of the total funds to close - it is not additional to those monies. It's refunded to the buyer if they fulfill all their obligations, but the sale doesn't close.*

FORM 17: *The disclosure form that you'll fill out about your property and all its features.*

TITLE INSURANCE: *Title is the rights to a piece of property. Title insurance is a policy protecting parties from losses if a property ownership dispute happens.*

How do property taxes work?

Here's an explanation of how property taxes get divvied up during a sale.

In Washington State, County Property Taxes are only due **twice a year**.

The first payment is due on or before **April 30th**, and that payment covers the time period between January 1st - June 30th.

The second payment is due on or before **October 31st**, which covers the time period between July 1st - December 31st.

FIRST HALF TAXES	
January	February
March	April *
May	June

SECOND HALF TAXES	
July	August
September	October *
November	December

The County Treasurer does NOT accept partial tax payments.

So, based on the closing date, there may be property taxes that the buyer will owe you for, or there may be taxes that you'll owe the buyer for.

Because of this, at closing, escrow will verify the tax payments and prorate the taxes between you and the buyer as needed.

You'll see this property tax proration reflected on the Settlement Statement.

Moving Timeline

Selling your primary home? These steps will make your move go smoothly.

8 WEEKS BEFORE MOVING

- Take an inventory of all household goods
- Start preparing travel arrangements
- Decide if you're hiring professional movers
- Organize a moving sale
- Arrange travel requirements for any pets
- Contact schools at your new neighborhood regarding admissions

6 WEEKS BEFORE MOVING

- Get moving boxes & pack rarely used items
- Look at your new property's floorplan, and plan what to give away or sell
- Transfer subscriptions to the new address
- Begin collecting records from your current schools, doctors, and vets.

4 WEEKS BEFORE MOVING

- Start changing your address with utility companies, the post office, banks, and insurance, setting your change date to shortly after your closing date.
- Schedule your moving company
- Check on any parking restrictions or elevator reservations at your new residence for moving day

2 WEEKS BEFORE MOVING

- Begin packing valuables
- Use up any frozen food and perishables
- Update your home owner's insurance provider
- Schedule cleaning of your current home
- Confirm that utilities are connected at your new home
- Pick up any prescriptions, dry cleaning, or other pending items

1 WEEK BEFORE MOVING

- Set aside everything you'll take which will not be moved with the moving company
- Finish packing non-necessities

2 DAYS BEFORE MOVING

- Make an "unload first" box with the most important items for Day 1 in your new home, such as toiletries, coffee, cups, towels, etc.
- Prepare a cooler with some drinks for moving day

MOVING DAY

- Check every room and around the premise
- Lock windows, turn off lights, close doors, and take a final tour
- Take a photo at your old home and your new home!

Need a vendor to help at your old home or at your new home? Our contractor list has dozens of reputable local resources for you, whether you need a mover, a plumber, an interior designer, an attorney, or anything in between.

Visit P3vendors.com and use the password **pointe3re**

THE LAW OF REAL ESTATE AGENCY

This pamphlet describes your legal rights in dealing with a real estate firm or broker. Please read it carefully before signing any documents.

The following is only a brief summary of the attached law.

SEC. 1. Definitions. Defines the specific terms used in the law.

SEC. 2. Relationships between Brokers and the Public. Prescribes that a broker who works with a buyer or seller represents that buyer or seller — unless the broker is the listing agent, a seller's subagent, a dual agent, the seller personally or the parties agree otherwise. Also prescribes that in a transaction involving two different brokers licensed to the same real estate firm, the firm's designated broker and any managing broker responsible for the supervision of both brokers are dual agents and each broker owes represents his or her client — unless the parties agree in writing that both brokers are dual agents.

SEC. 3. Duties of a Broker Generally. Prescribes the duties that are owed by all brokers, regardless of who the broker represents. Requires disclosure of the broker's agency relationship in a specific transaction.

SEC. 4. Duties of a Seller's Agent. Prescribes the additional duties of a broker representing the seller or landlord only.

SEC. 5. Duties of a Buyer's Agent. Prescribes the additional duties of a broker representing the buyer or tenant only.

SEC. 6. Duties of a Dual Agent. Prescribes the additional duties of a broker representing both parties in the same transaction, and requires the written consent of both parties to the broker acting as a dual agent.

SEC. 7. Duration of Agency Relationship. Prescribes when an agency relationship begins and ends. Provides for the duties of accounting and confidentiality, continue after the termination of an agency relationship.

SEC. 8. Compensation. Allows real estate firms to share compensation with cooperating real estate firms. States that payment of compensation does not necessarily establish an agency relationship. Allows brokers to receive compensation from more than one party in a transaction with the parties' consent.

SEC. 9. Vicarious Liability. Eliminates the liability of a party for the conduct of the party's agent or subagent unless the principal participated in or benefited from the conduct or the agent or subagent is negligent. Also limits the liability of a broker for the conduct of a subagent.

SEC. 10. Imputed Knowledge and Notice. Eliminates the common law rule that notice to or knowledge of an agent constitutes notice to or knowledge of the principal.

SEC. 11. Interpretation. This law establishes statutory duties which supersede common law fiduciary duties owed by an agent to a principal.

SEC. 12. Short Sale. Prescribes an additional duty of a firm representing the seller of owner-occupied real property in a short sale.

MEMO REGARDING YOUR DISCLOSURE RIGHTS AND OBLIGATIONS

During a real estate transaction, Buyers need to understand their own duty of diligence and if you seller, Pointe3 Real Estate and its Brokers are not a lawyer, and if this Memo is provided by Pointe3 Real Estate, or some of the information used and/or advised. Please, or ask an attorney if you have any disclosure questions.

Disclosure Overview For Buyers

It's important for buyers to realize that sellers have no duty to inspect their property or find defects at all. Additionally, Sellers may not even see some conditions of their property to be defects.

Sellers have:

- a limited duty to disclose material defects that substantially affect the physical condition of or title to the property, and
- a limited duty to disclose information that substantially adversely affects the value of the property.

Sellers typically have NO duty to disclose things like events occurring at the property or within the neighborhood, such as:

- Crimes that occurred at the property or within the neighborhood
- Any future development that may occur in the neighborhood
- Political or religious activities in the area.

For a Buyer to discover these things, they are encouraged to conduct an inspection which includes reviewing the neighborhood. Washington law puts the duty of diligence on the Buyer to inspect the property and investigate any information that a Seller provides, even if you were inspections or don't follow through with any further investigations. The duty of diligence means that you are held to the standard as if you had done a diligent investigation.

Negligence requires that the seller be on notice of the defect and that he or she fails to disclose it through the contract or verbally. Seller is not aware of the condition of the property and have no duty to investigate its condition. At the same time, a seller who has knowledge of a material defect has a duty to disclose the defect, and it is not a claim of fraud unless proven from the Buyer to have been so.

U.S. Department of Housing and Urban Development

EQUAL HOUSING OPPORTUNITY

We Do Business in Accordance With the Federal Fair Housing Law
(The Fair Housing Amendments Act of 1988)

It is illegal to Discriminate Against Any Person Because of Race, Color, Religion, Sex, Handicap, Familial Status, or National Origin

- In the sale or rental of housing or residential lots
- In the provision of real estate brokerage services
- In advertising the sale or rental of housing
- In the appraisal of housing
- In the financing of housing
- Blockbusting is also illegal

Anyone who feels he or she has been discriminated against may file a complaint of housing discrimination:
1-800-669-9777 (Toll Free)
1-800-927-9275 (TTY)

U.S. Department of Housing and Urban Development
Assistant Secretary for Fair Housing and Equal Opportunity
Washington, D.C. 20410

Form HUD-985 (Rev. 12/2007)

The undersigned acknowledges receipt of the following:

- The Law of Real Estate Agency handout
- Memo Regarding Your Disclosure Rights & Obligations
- Equal Housing Opportunity handout

Client _____

Date _____

Client _____

Date _____

Client _____

Date _____



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- SEC. 3. Duties of a Broker Generally.** Prescribes the duties that are owed by all brokers, regardless of who the broker represents. Requires disclosure of the broker's agency relationship in a specific transaction.
- SEC. 4. Duties of a Seller's Agent.** Prescribes the additional duties of a broker representing the seller or landlord only.
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- SEC. 6. Duties of a Dual Agent.** Prescribes the additional duties of a broker representing both parties in the same transaction, and requires the written consent of both parties to the broker acting as a dual agent.
- SEC. 7. Duration of Agency Relationship.** Describes when an agency relationship begins and ends. Provides that the duties of accounting and confidentiality continue after the termination of an agency relationship.
- SEC. 8. Compensation.** Allows real estate firms to share compensation with cooperating real estate firms. States that payment of compensation does not necessarily establish an agency relationship. Allows brokers to receive compensation from more than one party in a transaction with the parties' consent.
- SEC. 9. Vicarious Liability.** Eliminates the liability of a party for the conduct of the party's agent or subagent, unless the principal participated in or benefited from the conduct or the agent or subagent is insolvent. Also limits the liability of a broker for the conduct of a subagent.
- SEC. 10. Imputed Knowledge and Notice.** Eliminates the common law rule that notice to or knowledge of an agent constitutes notice to or knowledge of the principal.
- SEC. 11. Interpretation.** This law establishes statutory duties which replace common law fiduciary duties owed by an agent to a principal.
- SEC. 12. Short Sale.** Prescribes an additional duty of a firm representing the seller of owner-occupied real property in a short sale.

SECTION 1:

DEFINITIONS.

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

- (1) "Agency relationship" means the agency relationship created under this chapter or by written agreement between a real estate firm and a buyer and/or seller relating to the performance of real estate brokerage services.
- (2) "Agent" means a broker who has entered into an agency relationship with a buyer or seller.
- (3) "Broker" means broker, managing broker, and designated broker, collectively, as defined in chapter 18.85 RCW, unless the context requires the terms to be considered separately.
- (4) "Business opportunity" means and includes a business, business opportunity, and goodwill of an existing business, or any one or combination thereof when the transaction or business includes an interest in real property.
- (5) "Buyer" means an actual or prospective purchaser in a real estate transaction, or an actual or prospective tenant in a real estate rental or lease transaction, as applicable.
- (6) "Buyer's agent" means a broker who has entered into an agency relationship with only the buyer in a real estate transaction, and includes sub-agents engaged by a buyer's agent.
- (7) "Confidential information" means information from or concerning a principal of a broker that:
 - (a) Was acquired by the broker during the course of an agency relationship with the principal;
 - (b) The principal reasonably expects to be kept confidential;
 - (c) The principal has not disclosed or authorized to be disclosed to third parties;
 - (d) Would, if disclosed, operate to the detriment of the principal; and
- (e) The principal personally would not be obligated to disclose to the other party.
- (8) "Dual agent" means a broker who has entered into an agency relationship with both the buyer and seller in the same transaction.
- (9) "Material fact" means information that substantially adversely affects the value of the property or a party's ability to perform its obligations in a real estate transaction, or operates to materially impair or defeat the purpose of the transaction. The fact or suspicion that the property, or any neighboring property, is or was the site of a murder, suicide or other death, rape or other sex crime, assault or other violent crime, robbery or burglary, illegal drug activity, gang-related activity, political or religious activity, or other act, occurrence, or use not adversely affecting the physical condition of or title to the property is not a material fact.
- (10) "Owner-occupied real property" means real property consisting solely of a single-family residence, a residential condominium unit, or a residential cooperative unit that is the principal residence of the borrower.
- (11) "Principal" means a buyer or a seller who has entered into an agency relationship with a broker.
- (12) "Real estate brokerage services" means the rendering of services for which a real estate license is required under chapter 18.85 RCW.
- (13) "Real estate firm" or "firm" have the same meaning as defined in chapter 18.85 RCW.
- (14) "Real estate transaction" or "transaction" means an actual or prospective transaction involving a purchase, sale, option, or exchange of any interest in real property or a business opportunity, or a lease or rental of real property. For purposes of this chapter, a prospective transaction does not exist until a written offer has been signed by at least one of the parties.
- (15) "Seller" means an actual or prospective seller in a real estate transaction, or an actual or prospective landlord in a real estate rental or lease transaction, as applicable.
- (16) "Seller's agent" means a broker who has entered

into an agency relationship with only the seller in a real estate transaction, and includes subagents engaged by a seller's agent.

(17) "Subagent" means a broker who is engaged to act on behalf of a principal by the principal's agent where the principal has authorized the broker in writing to appoint subagents.

SECTION 2: RELATIONSHIPS BETWEEN BROKERS AND THE PUBLIC.

(1) A broker who performs real estate brokerage services for a buyer is a buyer's agent unless the:

(a) Broker's firm has appointed the broker to represent the seller pursuant to a written agency agreement between the firm and the seller, in which case the broker is a seller's agent;

(b) Broker has entered into a subagency agreement with the seller's agent's firm, in which case the broker is a seller's agent;

(c) Broker's firm has appointed the broker to represent the seller pursuant to a written agency agreement between the firm and the seller, and the broker's firm has appointed the broker to represent the buyer pursuant to a written agency agreement between the firm and the buyer, in which case the broker is a dual agent;

(d) Broker is the seller or one of the sellers; or

(e) Parties agree otherwise in writing after the broker has complied with RCW 18.86.030(1)(f).

(2) In a transaction in which different brokers affiliated with the same firm represent different parties, the firm's designated broker and any managing broker responsible for the supervision of both brokers, is a dual agent, and must obtain the written consent of both parties as required under RCW 18.86.060. In such case, each of the brokers

shall solely represent the party with whom the broker has an agency relationship, unless all parties agree in writing that the broker is a dual agent.

(3) A broker may work with a party in separate transactions pursuant to different relationships, including, but not limited to, representing a party in one transaction and at the same time not representing that party in a different transaction involving that party, if the broker complies with this chapter in establishing the relationships for each transaction.

SECTION 3: DUTIES OF A BROKER GENERALLY.

(1) Regardless of whether a broker is an agent, the broker owes to all parties to whom the broker renders real estate brokerage services the following duties, which may not be waived:

(a) To exercise reasonable skill and care;

(b) To deal honestly and in good faith;

(c) To present all written offers, written notices and other written communications to and from either party in a timely manner, regardless of whether the property is subject to an existing contract for sale or the buyer is already a party to an existing contract to purchase;

(d) To disclose all existing material facts known by the broker and not apparent or readily ascertainable to a party; provided that this subsection shall not be construed to imply any duty to investigate matters that the broker has not agreed to investigate;

(e) To account in a timely manner for all money and property received from or on behalf of either party;

(f) To provide a pamphlet on the law of real estate agency in the form prescribed in

RCW 18.86.120 to all parties to whom the broker renders real estate brokerage services, before the party signs an agency agreement with the broker, signs an offer in a real estate transaction handled by the broker, consents to dual agency, or waives any rights, under RCW 18.86.020(1)(e), 18.86.040(1)(e), 18.86.050(1)(e), or 18.86.060(2)(e) or (f), whichever occurs earliest; and

(g) To disclose in writing to all parties to whom the broker renders real estate brokerage services, before the party signs an offer in a real estate transaction handled by the broker, whether the broker represents the buyer, the seller, both parties, or neither party. The disclosure shall be set forth in a separate paragraph entitled "Agency Disclosure" in the agreement between the buyer and seller or in a separate writing entitled "Agency Disclosure."

(2) Unless otherwise agreed, a broker owes no duty to conduct an independent inspection of the property or to conduct an independent investigation of either party's financial condition, and owes no duty to independently verify the accuracy or completeness of any statement made by either party or by any source reasonably believed by the broker to be reliable.

SECTION 4:

DUTIES OF A SELLER'S AGENT.

(1) Unless additional duties are agreed to in writing signed by a seller's agent, the duties of a seller's agent are limited to those set forth in RCW 18.86.030 and the following, which may not be waived except as expressly set forth in (e) of this subsection:

(a) To be loyal to the seller by taking no action that is adverse or detrimental to the seller's interest in a transaction;

(b) To timely disclose to the seller any conflicts of interest;

(c) To advise the seller to seek expert advice on matters relating to the transaction that are beyond the agent's expertise;

(d) Not to disclose any confidential information from or about the seller, except under subpoena or court order, even after termination of the agency relationship; and

(e) Unless otherwise agreed to in writing after the seller's agent has complied with RCW 18.86.030(1)(f), to make a good faith and continuous effort to find a buyer for the property; except that a seller's agent is not obligated to seek additional offers to purchase the property while the property is subject to an existing contract for sale.

(2) (a) The showing of properties not owned by the seller to prospective buyers or the listing of competing properties for sale by a seller's agent does not in and of itself breach the duty of loyalty to the seller or create a conflict of interest.

(b) The representation of more than one seller by different brokers affiliated with the same firm in competing transactions involving the same buyer does not in and of itself breach the duty of loyalty to the sellers or create a conflict of interest.

SECTION 5:

DUTIES OF A BUYER'S AGENT.

(1) Unless additional duties are agreed to in writing signed by a buyer's agent, the duties of a buyer's agent are limited to those set forth in RCW 18.86.030 and the following, which may not be waived except as expressly set forth in (e) of this subsection:

(a) To be loyal to the buyer by taking no action that is adverse or detrimental to the buyer's interest in a transaction;

(b) To timely disclose to the buyer any conflicts of interest;

(c) To advise the buyer to seek expert advice on matters relating to the transaction that are beyond the agent's expertise;

(d) Not to disclose any confidential information from or about the buyer, except under subpoena or court order, even after termination of the agency relationship; and

(e) Unless otherwise agreed to in writing after the buyer's agent has complied with RCW 18.86.030(1)(f), to make a good faith and continuous effort to find a property for the buyer; except that a buyer's agent is not obligated to:

(i) seek additional properties to purchase while the buyer is a party to an existing contract to purchase; or

(ii) show properties as to which there is no written agreement to pay compensation to the buyer's agent.

(2) (a) The showing of property in which a buyer is interested to other prospective buyers by a buyer's agent does not in and of itself breach the duty of loyalty to the buyer or create a conflict of interest.

(b) The representation of more than one buyer by different brokers affiliated with the same firm in competing transactions involving the same property does not in and of itself breach the duty of loyalty to the buyer or create a conflict of interest.

SECTION 6: DUTIES OF A DUAL AGENT.

(1) Notwithstanding any other provision of this chapter, a broker may act as a dual agent only with the written consent of both parties to the transaction after the dual agent has complied with

RCW 18.86.030(1)(f), which consent must include a statement of the terms of compensation.

(2) Unless additional duties are agreed to in writing signed by a dual agent, the duties of a dual agent are limited to those set forth in RCW 18.86.030 and the following, which may not be waived except as expressly set forth in (e) and (f) of this subsection:

(a) To take no action that is adverse or detrimental to either party's interest in a transaction;

(b) To timely disclose to both parties any conflicts of interest;

(c) To advise both parties to seek expert advice on matters relating to the transaction that are beyond the dual agent's expertise;

(d) Not to disclose any confidential information from or about either party, except under subpoena or court order, even after termination of the agency relationship;

(e) Unless otherwise agreed to in writing after the dual agent has complied with RCW 18.86.030(1)(f), to make a good faith and continuous effort to find a buyer for the property; except that a dual agent is not obligated to seek additional offers to purchase the property while the property is subject to an existing contract for sale; and

(f) Unless otherwise agreed to in writing after the dual agent has complied with RCW 18.86.030(1)(f), to make a good faith and continuous effort to find a property for the buyer; except that a dual agent is not obligated to:

(i) seek additional properties to purchase while the buyer is a party to an existing contract to purchase; or

(ii) show properties as to which there is no written agreement to pay compensation to the dual agent.

(3) (a) The showing of properties not owned by the seller to prospective buyers or the listing of competing properties for sale by a dual agent does not in and of itself constitute action that is

adverse or detrimental to the seller or create a conflict of interest.

(b) The representation of more than one seller by different brokers licensed to the same firm in competing transactions involving the same buyer does not in and of itself constitute action that is adverse or detrimental to the sellers or create a conflict of interest.

(4) (a) The showing of property in which a buyer is interested to other prospective buyers or the presentation of additional offers to purchase property while the property is subject to a transaction by a dual agent does not in and of itself constitute action that is adverse or detrimental to the buyer or create a conflict of interest.

(b) The representation of more than one buyer by different brokers licensed to the same firm in competing transactions involving the same property does not in and of itself constitute action that is adverse or detrimental to the buyer or create a conflict of interest.

SECTION 7:

DURATION OF AGENCY RELATIONSHIP.

(1) The agency relationships set forth in this chapter commence at the time that the broker undertakes to provide real estate brokerage services to a principal and continue until the earliest of the following:

- (a) Completion of performance by the broker;
- (b) Expiration of the term agreed upon by the parties;
- (c) Termination of the relationship by mutual agreement of the parties; or
- (d) Termination of the relationship by notice from either party to the other. However, such

a termination does not affect the contractual rights of either party.

(2) Except as otherwise agreed to in writing, a broker owes no further duty after termination of the agency relationship, other than the duties of:

- (a) Accounting for all moneys and property received during the relationship; and
- (b) Not disclosing confidential information.

SECTION 8:

COMPENSATION.

(1) In any real estate transaction, a firm's compensation may be paid by the seller, the buyer, a third party, or by sharing the compensation between firms.

(2) An agreement to pay or payment of compensation does not establish an agency relationship between the party who paid the compensation and the broker.

(3) A seller may agree that a seller's agent's firm may share with another firm the compensation paid by the seller.

(4) A buyer may agree that a buyer's agent's firm may share with another firm the compensation paid by the buyer.

(5) A firm may be compensated by more than one party for real estate brokerage services in a real estate transaction, if those parties consent in writing at or before the time of signing an offer in the transaction.

(6) A firm may receive compensation based on the purchase price without breaching any duty to the buyer or seller.

(7) Nothing contained in this chapter negates the requirement that an agreement authorizing or employing a broker to sell or purchase real estate for compensation or a commission be in writing and signed by the seller or buyer.

SECTION 9: VICARIOUS LIABILITY.

(1) A principal is not liable for an act, error, or omission by an agent or subagent of the principal arising out of an agency relationship:

- (a) Unless the principal participated in or authorized the act, error, or omission; or
- (b) Except to the extent that:
 - (i) the principal benefited from the act, error, or omission; and
 - (ii) the court determines that it is highly probable that the claimant would be unable to enforce a judgment against the agent or subagent.

(2) A broker is not liable for an act, error, or omission of a subagent under this chapter, unless that broker participated in or authorized the act, error or omission. This subsection does not limit the liability of a firm for an act, error, or omission by a broker licensed to the firm.

SECTION 10: IMPUTED KNOWLEDGE AND NOTICE.

(1) Unless otherwise agreed to in writing, a principal does not have knowledge or notice of any facts known by an agent or subagent of the principal that are not actually known by the principal.

(2) Unless otherwise agreed to in writing, a broker does not have knowledge or notice of any facts known by a subagent that are not actually known by the broker. This subsection does not limit the knowledge imputed to the designated broker or any managing broker responsible for the supervision of the broker of any facts known by the broker.

SECTION 11: INTERPRETATION.

The duties under this chapter are statutory duties and not fiduciary duties. This chapter supersedes the fiduciary duties of an agent to a principal under the common law. The common law continues to apply to the parties in all other respects. This chapter does not affect the duties of a broker while engaging in the authorized or unauthorized practice of law as determined by the courts of this state. This chapter shall be construed broadly.

SECTION 12: SHORT SALE.

When the seller of owner-occupied residential real property enters into a listing agreement with a real estate firm where the proceeds from the sale may be insufficient to cover the costs at closing, it is the responsibility of the real estate firm to disclose to the seller in writing that the decision by any beneficiary or mortgagee, or its assignees, to release its interest in the real property, for less than the amount the borrower owes, does not automatically relieve the seller of the obligation to pay any debt or costs remaining at closing, including fees such as the real estate firm's commission.

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MEMO REGARDING YOUR DISCLOSURE RIGHTS AND OBLIGATIONS

During a real estate transaction, Sellers need to understand their own duty of diligence. Pointe3 Real Estate and its Brokers are not attorneys, and this Memo is provided by Pointe3 Real Estate as general information and not legal advice. Please consult an attorney if you have any disclosure questions.

Disclosure Overview For Sellers

For Sellers, disclosure is like a form of insurance. When you disclose a condition, you shift the burden of investigation and diligence on to the Buyer. If you don't disclose, you risk looking like you're concealing, which can open you up to a lawsuit.

There are many protections in place in the law for Sellers, but they don't stop Buyers from suing you - and most Buyer lawsuits aren't covered by insurance. For a Buyer to prove fraudulent concealment, they only need to show that you had knowledge of a hidden defect and failed to disclose it. It's not necessary for the Buyer to prove that you intended to deceive or hide it.

The best way to approach disclosure is to try to consider the property from the Buyer's perspective and then disclose what they would want to know. Often times, issues that lead to lengthy lawsuits wouldn't have been an issue had the Seller disclosed it up front, or conditions aren't important enough to them to fully investigate before the purchase.

To best protect yourself, you may want to make full disclosure of the property and the neighborhood, even beyond what your legal duty is.

Buyers and Sellers are encouraged to do their due diligence regarding disclosure and investigation, and should seek the advice of an attorney if they have any further questions.



**EQUAL HOUSING
OPPORTUNITY**

**We Do Business in Accordance With the Federal Fair
Housing Law**

(The Fair Housing Amendments Act of 1988)

**It is illegal to Discriminate Against Any Person
Because of Race, Color, Religion, Sex,
Handicap, Familial Status, or National Origin**

- In the sale or rental of housing or residential lots
- In the provision of real estate brokerage services
- In advertising the sale or rental of housing
- In the appraisal of housing
- In the financing of housing
- Blockbusting is also illegal

Anyone who feels he or she has been discriminated against may file a complaint of housing discrimination:

**1-800-669-9777 (Toll Free)
1-800-927-9275 (TTY)**

**U.S. Department of Housing and
Urban Development
Assistant Secretary for Fair Housing and
Equal Opportunity
Washington, D.C. 20410**