



DEPARTMENT OF ENTERPRISE SERVICES

Real Estate Services

PO Box 41468 • Olympia, WA 98504-1468

SELLER DISCLOSURE STATEMENT†
COMMERCIAL PROPERTY

SELLER: State of Washington Department of Enterprise Services

† To be used in transfers of commercial real estate as defined in RCW 60.42.005. See RCW Chapter 64.06 for further explanations.

INSTRUCTIONS TO THE SELLER

Please complete the following form. Do not leave any spaces blank. If the question clearly does not apply to the property write "NA." If the answer is "yes" to any asterisked (*) item(s), please explain on attached sheets. Please refer to the line number(s) of the question(s) when you provide your explanation(s). For your protection you must date and initial each page of this disclosure statement and each attachment. Delivery of the disclosure statement must occur not later than five (5) business days, unless otherwise agreed, after mutual acceptance of a written purchase and sale agreement between Buyer and Seller.

NOTICE TO THE BUYER

THE FOLLOWING DISCLOSURES ARE MADE BY SELLER ABOUT THE CONDITION OF THE PROPERTY LOCATED AT Tacoma Rhodes Center 939 & 940 Market St. & 950 Broadway

CITY Tacoma, COUNTY Pierce ("THE PROPERTY") OR AS LEGALLY DESCRIBED ON THE ATTACHED EXHIBIT A. SELLER MAKES THE FOLLOWING DISCLOSURES OF EXISTING MATERIAL FACTS OR MATERIAL DEFECTS TO BUYER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE STATEMENT. UNLESS YOU AND SELLER OTHERWISE AGREE IN WRITING, YOU HAVE THREE (3) BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO YOU TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. IF THE SELLER DOES NOT GIVE YOU A COMPLETED DISCLOSURE STATEMENT, THEN YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A PURCHASE AND SALE AGREEMENT.

THE FOLLOWING ARE DISCLOSURES MADE BY SELLER AND ARE NOT THE REPRESENTATIONS OF ANY REAL ESTATE LICENSEE OR OTHER PARTY. THIS INFORMATION IS FOR DISCLOSURE ONLY AND IS NOT INTENDED TO BE A PART OF ANY WRITTEN AGREEMENT BETWEEN BUYER AND SELLER.

FOR A MORE COMPREHENSIVE EXAMINATION OF THE SPECIFIC CONDITION OF THIS PROPERTY YOU ARE ADVISED TO OBTAIN AND PAY FOR THE SERVICES OF QUALIFIED EXPERTS TO INSPECT THE PROPERTY, WHICH MAY INCLUDE, WITHOUT LIMITATION, ARCHITECTS, ENGINEERS, LAND SURVEYORS, PLUMBERS, ELECTRICIANS, ROOFERS, BUILDING INSPECTORS, ON-SITE WASTEWATER TREATMENT INSPECTORS, OR STRUCTURAL PEST INSPECTORS. THE PROSPECTIVE BUYER AND SELLER MAY WISH TO OBTAIN PROFESSIONAL ADVICE OR INSPECTIONS OF THE PROPERTY OR TO PROVIDE APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN THEM WITH RESPECT TO ANY ADVICE, INSPECTION, DEFECTS OR WARRANTIES.

Seller [X] is / [] is not occupying the property.

I. SELLER'S DISCLOSURES:

* If you answer "Yes" to a question with an asterisk (*), please explain your answer and attach documents, if available and not otherwise publicly recorded. If necessary, use an attached sheet.

Table with 3 columns: YES, NO, DON'T KNOW. Rows include questions about legal authority, title (first right of refusal, option, lease, life estate), encroachments, leased parking, and private road/easement agreements.

SELLER'S INITIALS: [Signature] DATE: 6/1/2020 SELLER'S INITIALS: _____ DATE: _____



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Form with columns YES, NO, DON'T KNOW and rows for various disclosures including rights-of-way, water, sewer, structural, systems and fixtures, and environmental issues.

SELLER'S INITIALS: [Signature] DATE: [Signature] SELLER'S INITIALS: _____ DATE: _____



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- *D. Are there any substances, materials, or products in or on the property that may be environmental concerns...
*E. Is there any soil or groundwater contamination?
*F. Has the property been used as a legal or illegal dumping site?
*G. Has the property been used as an illegal drug manufacturing site?

7. FULL DISCLOSURE BY SELLER

A. Other conditions or defects:

*Are there any other existing material defects affecting the property that a prospective buyer should know about?

B. Verification

The foregoing answers and attached explanations (if any) are complete and correct to the best of Seller's knowledge and Seller has received a copy hereof. Seller agrees to defend, indemnify and hold real estate licensees harmless from and against any and all claims that the above information is inaccurate.

Date: 6/1/2020 Date:
Seller: [Signature] Seller:

NOTICE TO BUYER
SEX OFFENDER REGISTRATION

INFORMATION REGARDING REGISTERED SEX OFFENDERS MAY BE OBTAINED FROM LOCAL LAW ENFORCEMENT AGENCIES. THIS NOTICE IS INTENDED ONLY TO INFORM YOU OF WHERE TO OBTAIN THIS INFORMATION AND IS NOT AN INDICATION OF THE PRESENCE OF REGISTERED SEX OFFENDERS.

II. BUYER'S ACKNOWLEDGEMENT

Buyer hereby acknowledges that:

- A. Buyer has a duty to pay diligent attention to any material defects that are known to Buyer or can be known to Buyer by utilizing diligent attention and observation.
B. The disclosures set forth in this statement and in any amendments to this statement are made only by Seller and not by any real estate licensee or other party.
C. Buyer acknowledges that, pursuant to RCW 64.06.050(2), real estate licensees are not liable for inaccurate information provided by Seller, except to the extent that real estate licensees know of such inaccurate information.
D. This information is for disclosure only and is not intended to be a part of the written agreement between Buyer and Seller.
E. Buyer (which term includes all persons signing the "Buyer's acceptance" portion of this disclosure statement below) has received a copy of this Disclosure Statement (including attachments, if any) bearing Seller's signature(s).

SELLER'S INITIALS: [Signature] DATE: 6/1/2020 SELLER'S INITIALS: DATE:



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BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS DISCLOSURE STATEMENT AND ACKNOWLEDGES THAT THE DISCLOSURES MADE HEREIN ARE THOSE OF THE SELLER ONLY, AND NOT OF ANY REAL ESTATE LICENSEE OR OTHER PARTY.

DATE: _____ DATE: _____
BUYER: _____ BUYER: _____

BUYER'S WAIVER OF RIGHT TO REVOKE OFFER

Buyer has read and reviewed the Seller's responses to this Seller Disclosure Statement. Buyer approves this statement and waives Buyer's right to revoke Buyer's offer based on this disclosure.

DATE: _____ DATE: _____
BUYER: _____ BUYER: _____

BUYER'S WAIVER OF RIGHT TO RECEIVE COMPLETED SELLER DISCLOSURE STATEMENT

Buyer has been advised of Buyer's right to receive a completed Seller Disclosure Statement. Buyer waives that right. However, if the answer to any of the questions in the section entitled "Environmental" would be "yes," Buyer may not waive the receipt of the "Environmental" section of the Seller Disclosure Statement.

DATE: _____ DATE: _____
BUYER: _____ BUYER: _____

If the answer is "Yes" to any asterisked (*) items, please explain below (use additional sheets if necessary). Please refer to the line number(s) of the question(s).

SELLER'S INITIALS: DATE: SELLER'S INITIALS: _____ DATE: _____

Tacoma Rhodes Center
Sellers Disclosure Statement Form 17C

Explanations:

Section 1B. #3 – Leases

1. Title to the property is subject to multiple leases. See attached documentation for reference.

Section 1D. – Leased Parking

1. 940 Market St. Parking Garage has approximately 538 parking spaces. Of which, approximately 557 parking passes are sold monthly plus an average of 15 daily/hourly parking passes are sold per day.

Section 1F. – Easements

1. 939 Market has Tacoma Power electrical vaults in the sidewalk along Court C.

Section 4A. – Roof Leaks in last 5 years

1. 950 Broadway roof leaked over the past 5 years. However, roof has just been replaced with an EPDM material. Only final punch list items left to be completed. Roof replacement also included the sky bridge roof between the Broadway and Market St. buildings. Some siding on the roof stair and elevator towers were repaired as well.
2. 940 Market St. Parking Garage Front Entry Overhang – currently leaks

Section 4B. – Leaks / Flooding of occupied subsurface in last 5 years

1. An HVAC waterline burst in the tool room on the 5th floor of the Market St. building December 28, 2018. This caused water to infiltrate floors 1-5. Most areas had concrete subfloors, a few affected areas were wood subfloors. Water and water damaged areas were remediated by a contractor.
2. A water fountain on the 4th floor of the Broadway building leaked and affected floors 1-4 on January 6, 2019. Water and water damage to all floors were remediated by contractors.
3. From time to time, rain water infiltrates through the Court C sidewalk along the Broadway building and leaks into the Mezzanine level west hallway and down to first floor west hallway.
4. From time to time, rain water infiltrates through the Market St. sidewalk into the vacant concrete storage areas on floor 2 down to floor 1.
5. The Parking Garage top deck expansion joint leaks rain water down to floor 3 and subsequently rain water at times has worked its way down each floor's curbing cracks and floor-beam joints into Tenant's office and restroom spaces below. Currently, no leaks in to Tenant's space is occurring.

Section 4C. – Conversions, Additions or Remodeling

1. Since DES has owned the Tacoma Rhodes Center, there have been multiple conversions, additions and remodeling. See attached documentation for reference.

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Section 4E. – Defects with the following:

- 1) Foundations –
 - a. Water infiltrates through the Broadway building foundation and is directed to a drain in the basement.
 - b. Water infiltrates through the first floor foundation in the southwest corner storage room.
- 2) Ceilings –
 - a. 5th floor Broadway ceiling has cosmetic damage in various areas as a result of the previous leaking roof that was just replaced.
 - b. Ceilings above the drop ceilings in the Market building are old lathe and plaster and have disconnected from the structure falling on top of the ceiling tiles/grids in various areas.
- 3) Sidewalks –
 - a. Some sidewalks were replaced in front of all 3 buildings on Market St. and Broadway. However, Court D on the west side of the Parking Garage has concrete planter boxes built into the sidewalks that City of Tacoma would like to have removed in the future.
- 4) Interior walls –
 - a. Southwest corner basement storage room wall in Market St. building has tested positive for mold as a result of the foundation wall water infiltration.
- 5) Windows –
 - a. Various windows throughout the Market St. and Broadway buildings have failed seals and a few have cracks in the glass.
 - b. Floor to ceiling glass windows in the Sky bridge from the Parking Garage to the Market St. building leak from time to time.
- 6) Exterior Walls & Siding –
 - a. There are various cracks in the stucco siding on both buildings and some areas of brick that may need repair.
 - b. Broadway roof stair and elevator towers had some siding repairs completed during the roof replacement recently, but additional cracks in siding may exist.
- 7) Other –
 - a. Various documentation is attached which indicates other possible defects. See attached for reference.

Section 5A. – Systems and Fixtures

- Item (3) – Heating and Cooling
 - A few Heat Pumps within the Broadway and Market St. buildings are noted by the HVAC maintenance company to have possible leaks in the refrigerant lines.
 - A couple of units have also been noted to have other issues such as a noisy fan, etc.
 - Heat recovery unit on the Broadway building roof is not operational
 - See attached documentation for reference

Section 6A. – Environmental – Flooding, standing water or drainage problems affecting the property

- 1) See items noted above.

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- 2) Parking Garage entries both have parking lot drains that when covered by debris during a hard rain, can cause water to accumulate up to a couple of feet deep. This restricts access and could possibly cause water to infiltrate into Tenant's office and garage space at the main entrance. The drains must be kept clear during rain.

Section 6D. – Environmental – substances, materials, or products

- 1) During the Broadway building water fountain leak in January 2019, the remediation contractor found asbestos containing materials several subfloors below the top layer of flooring on floors - Mezzanine, 3 & 4.
- 2) Recently, an ACM testing on the 2nd floor of the Broadway building revealed less than .25% ACM's on 2 of 7 samples.

BJD 6/1/2020