



## THE SANCTUARY

### Frequently Asked Questions

**Thank you for your continued interest in The Sanctuary.** The following information is provided to address frequently asked questions about The Sanctuary. Additional information will be posted to the project website at [www.LiveatSanctuary.com](http://www.LiveatSanctuary.com) as soon as it is officially released.

**Q. Why was The Sanctuary removed from an active listing status and when will it reappear?**

**A.** The project stalled in 2010 and the construction lender filed a petition with the King County Superior Court to appoint a receiver to take control of the project. The Sanctuary is anticipated to be reintroduced to the market by late summer 2011 once the construction is completed and the pricing is finalized.

**Q. What is a receiver sale - is that different than buying from the developer?**

**A.** The receiver, Resource Transition Consultants LLC ("RTC") is appointed by the King County Superior Court to take over control of the project including the completion of construction and sale of the homes. The court supervises the receiver and approves each sale. The court order approving each sale confirms that the buyer is receiving his or her home free and clear of all liens including those of contractors or lenders who may not be receiving all that they are owed. A receivership is an alternative to a foreclosure proceeding where a lender takes ownership of the project or a bankruptcy proceeding where a trustee takes control of the project.

**Q. Would buying a home through a receiver affect the homebuyer or the purchased unit in any other way?**

**A.** No. After the homes are sold, the receivership proceedings will terminate. As stated above, a receivership has the benefit of court approval and confirmation that the buyer is receiving the home free of all liens and creditor claims. The buyer's rights, including any warranties of quality, are determined by reference to the terms of the purchase and sale agreement. RTC will be offering homes in The Sanctuary "as-is" without warranty. Buyers will receive the benefit of any transferable manufacturers' warranties, which are typically in place for appliances. A receiver has statutory immunity from liability, including any claims by buyer, provided that the receiver complies with its statutory obligations and directions from the court.

**Q. Are units at The Sanctuary for sale right now?**

**A.** Not quite yet. Units will be offered for sale to the public just as soon as RTC finalizes all the information required by brokers to confidently sell the asset (i.e. finish specifications, pricing, HOA budget, Public Offering Statement, etc.). It's likely this information will be available by late summer 2011. However, prospective homebuyers will have an opportunity to reserve specific units now (see below).

**Q. What does the "note sale" referenced in the press release mean to buyers and brokers?**

**A.** It's a very positive sign because the project can now move ahead. A new lender familiar with repositioning real estate assets has stepped in to replace the original syndicate of lenders. In addition to simplifying the decision-making process (i.e. pricing, unit specifications, etc.) this new lender will provide the necessary resources to RTC to complete the development and sell the residential units on the open market.

**Q. Will a receiver sale be as complicated as short sales?**

**A.** No, generally a receiver sale is far more direct and expedient. A short sale requires a lender to accept a purchase price that's lower than the mortgage value, which can be a very protracted exercise and sometimes results in no sale at all (wasting the broker's and buyer's time). Fortunately, a receiver sale will work off a set price and the listing broker (RSIR) will have a high degree of confidence that offers accepted by RTC will be approved by the court. The court approval process can typically occur as quickly as completing financing for the buyer. As a result, after a Purchase and Sale Agreement is mutually accepted, it closes substantially like any traditional real estate transaction.

**Q. What is the advantage of buying through a receiver?**

**A.** A primary benefit is value. Before a receiver is appointed, developers often stubbornly resist resetting pricing in an attempt to save some or all of the developer's equity invested in the project. When a receiver takes over a project, the receiver has the authority to reset pricing based on market conditions rather than the original investment costs. The reset pricing is often substantially below cost and can result in buyers receiving significant value. In the case of The Sanctuary the new prices are expected to be up to 40% lower than the original asking prices. In addition, a sale through a receivership cleans up any title issues that may exist. This increases the certainty of being able to close.

**Q. What financing options will be available?**

**A.** RTC and RSIR are working with MetLife Home Loans as the preferred mortgage lender for The Sanctuary and questions concerning loans should be directed to Brandon Ehrlich at 206.251.5019 or email [behrlich@metlife.com](mailto:behrlich@metlife.com).

**Q. How can brokers / buyers reserve a position for a future purchase opportunity at The Sanctuary?**

**A.** Brokers / buyers are invited to download the Reservation Form, which provides for a priority position to purchase a specific home just as soon as the product offering is available. A fully refundable \$5,000 reservation deposit is required that will be held in escrow, which will be converted towards the earnest money deposit if the buyer and seller elect to sign a Purchase and Sale Agreement. Buyers are limited to one first position reservation only. Brokers / buyers are not permitted to reserve a home for a third party as reservations are not assignable. Buyers will be required to demonstrate their financial capability to purchase the home in order to maintain their reservation position.

**Q. Is The Sanctuary a Condominium and, if not, what is it?**

**A.** The Sanctuary is not a condominium. The Sanctuary is a unit lot subdivision. This means each owner will have full, fee simple ownership of his or her home. Each home is subject to and benefits from easements for shared areas such as the parking garage, stairways, walkways and hallways, shared elevator, utilities, and the atrium. There will be an association to manage and maintain these easement areas. In addition, the nature of the The Sanctuary requires that owners live in close quarters. As a result, the Association will also have the authority and responsibility to enforce reasonable restrictions on the use of the shared easements and residential use of each home.

**For additional questions, please contact Chris Rossman at 206.595.0983 or [chris.rossman@sothebysrealty.com](mailto:chris.rossman@sothebysrealty.com).**