

REAL ESTATE PURCHASE ADDENDUM

This Real Estate Purchase Addendum (“Addendum”) is to be made part of, and incorporated into, the Real Estate Purchase Contract (“Contract”) between

_____ (“Seller”)

And _____ (“Buyer”)

For the property located at the following address:

_____ (“Property”).

Buyer and Seller may each be referred to herein as a “Party” and collectively as the “Parties.” The Contract and this Addendum together constitute the “Agreement.”

The Seller and the Buyer agree as follows:

1. LIMITATION OF SELLER’S LIABILITY AND BUYER’S WAIVER OF IMPORTANT RIGHTS:

BUYER UNDERSTANDS AND ACKNOWLEDGES THAT SELLER HAS ACQUIRED THE PROPERTY THROUGH FORECLOSURE, DEED-IN-LIEU OF FORECLOSURE, OR SIMILAR PROCESS, SELLER HAS NEVER OCCUPIED THE PROPERTY, AND SELLER HAS LITTLE OR NO DIRECT KNOWLEDGE ABOUT THE CONDITION OF THE PROPERTY. BUYER AGREES THAT BUYER IS BUYING THE PROPERTY “AS IS.” SELLER WILL MAKE NO REPAIRS.

Buyer’s Initials: _____ / _____

NOTWITHSTANDING ANY PROVISION TO THE CONTRARY IN THE AGREEMENT, SELLER’S LIABILITY AND BUYER’S SOLE AND EXCLUSIVE REMEDY IN ALL CIRCUMSTANCES AND FOR ALL CLAIMS (AS THE TERM IS DEFINED IN SECTION 16 OF THIS ADDENDUM, AND ALL REFERENCES IN THIS ADDENDUM TO “CLAIMS,” “CLAIM,” “Claims,” or “Claim” SHALL HAVE SUCH MEANING) ARISING OUT OF OR RELATING IN ANY WAY TO THE AGREEMENT OR THE SALE OF THE PROPERTY TO BUYER INCLUDING, BUT NOT LIMITED TO, SELLER’S BREACH OR TERMINATION OF THE AGREEMENT, THE CONDITION OF THE PROPERTY, SELLER’S TITLE TO THE PROPERTY, THE OCCUPANCY STATUS OF THE PROPERTY, THE SIZE, SQUARE FOOTAGE, BOUNDARIES, OR LOCATION OF THE PROPERTY, AT THE TIME OF CLOSING, INCLUDING, WITHOUT LIMITATION, ANY HIDDEN DEFECTS OR ENVIRONMENTAL CONDITIONS AFFECTING THE PROPERTY, WHETHER KNOWN OR UNKNOWN, WHETHER SUCH DEFECTS OR CONDITIONS WERE DISCOVERABLE THROUGH INSPECTION OR NOT. THE BUYER ACKNOWLEDGES THAT THE SELLER, AND ITS AGENTS, BROKERS, AND REPRESENTATIVES HAVE NOT MADE, AND THE SELLER SPECIFICALLY NEGATES AND DISCLAIMS, ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS, OR GUARANTEES, IMPLIED OR EXPRESS, ORAL OR WRITTEN, WITH RESPECT TO:

Buyer’s Initials _____ / _____

- (a) THE PHYSICAL CONDITION OR ANY OTHER ASPECT OF THE PROPERTY INCLUDING, BUT NOT LIMITED TO, THE STRUCTURAL INTEGRITY OR THE QUALITY OR CHARACTER OF MATERIALS USED IN CONSTRUCTION OF ANY IMPROVEMENTS, AVAILABILITY AND QUANTITY OR QUALITY OF WATER, STABILITY OF THE SOIL, SUSCEPTIBILITY TO LANDSLIDE OR FLOODING, SUFFICIENCY OF DRAINAGE, WATER LEAKS, WATER DAMAGE, MOLD OR ANY OTHER MATTER AFFECTING THE STABILITY OR INTEGRITY OF THE PROPERTY;
- (b) THE CONFORMITY OF THE PROPERTY TO ANY ZONING, LAND USE OR BUILDING CODE REQUIREMENTS OR COMPLIANCE WITH ANY LAWS, STATUTES, RULES, ORDINANCES, OR REGULATIONS OF ANY FEDERAL, STATE OR LOCAL GOVERNMENTAL AUTHORITY, OR TITLE GRANTING OF ANY REQUIRED PERMITS OR APPROVALS, IF ANY, OF ANY GOVERNMENTAL BODIES THAT HAD JURISDICTION OVER THE CONSTRUCTION OF THE ORIGINAL STRUCTURE, ANY IMPROVEMENTS, AND/OR ANY REMODELING OF THE STRUCTURE;
- (c) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, INCLUDING DEFECTS, APPARENT OR NON-APPARENT OR LATENT, THAT NOW EXIST OR MAY HEREAFTER EXIST AND THAT, IF KNOWN TO BUYER, WOULD CAUSE BUYER TO REFUSE TO PURCHASE THE PROPERTY; AND
- (d) THE EXISTENCE, LOCATION, SIZE, OR CONDITION OF ANY OUTBUILDINGS OR SHEDS ON THE PROPERTY.
- (e) ANY CLAIMS ARISING OUT OF OR RELATING IN ANY WAY TO ENCROACHMENTS, EASEMENTS, BOUNDARIES, SHORTAGES IN AREA OR ANY OTHER MATTER THAT WOULD BE DISCLOSED OR REVEALED BY A SURVEY OR INSPECTION OF THE PROPERTY OR SEARCH OF PUBLIC RECORDS; AND
- (f) ANY CLAIMS ARISING OUT OF OR RELATING IN ANY WAY TO THE SQUARE FOOTAGE, SIZE, OR LOCATION OF THE PROPERTY, OR ANY INFORMATION PROVIDED ON THE MULTIPLE LISTING SERVICE, OR BROCHURES OR WEB SITES OF SELLER OR SELLER'S AGENT OR BROKER.
- (g) COSTS OR EXPENSES INCURRED BY BUYER IN SELLING A CURRENT OR PRIOR RESIDENCE OR TERMINATING A LEASE ON A CURRENT OR PRIOR RESIDENCE, OBTAINING OTHER LIVING ACCOMMODATIONS, MOVING, STORAGE OR RELOCATION EXPENSES, OR ANY OTHER COSTS OR EXPENSES INCURRED BY BUYER IN CONNECTION WITH THE AGREEMENT SHALL BE LIMITED TO NO MORE THAN:
 - 1. A RETURN OF BUYER'S EARNEST MONEY DEPOSIT IF THE SALE TO BUYER DOES NOT CLOSE; AND

2. THE LESSER OF BUYER'S ACTUAL DAMAGES OR \$1,000.00 IF THE SALE TO BUYER CLOSES.
3. BUYER SHALL NOT BE ENTITLED TO A RETURN OF BUYER'S EARNEST MONEY DEPOSIT IF BUYER MATERIALLY BREACHES THE AGREEMENT.
4. BUYER AGREES THAT SELLER SHALL NOT BE LIABLE TO BUYER UNDER ANY CIRCUMSTANCES FOR ANY SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES WHATSOEVER, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), OR ANY OTHER LEGAL OR EQUITABLE PRINCIPLE, THEORY, OR CAUSE OF.

References to the "Seller" in this Section 1 of this Addendum shall include the Seller and the Indemnified Parties (as defined in Section 16 of this Addendum, and all references in this Addendum to "Indemnified Parties" or "INDEMNIFIED PARTIES" shall have the meaning set forth in Section 16).

2. EFFECTIVE DATE:

The date of Seller's execution of this Addendum shall be the "Effective Date" of the Agreement notwithstanding any prior understanding or agreement with respect to the financial terms set forth herein. The Agreement shall be null and void if the Agreement signed by the Buyer is not actually received by the Seller before the Seller accepts a competing offer, or gives verbal or written notice of revocation to the Buyer, the Buyer's agent, or the listing agent. The Agreement must be approved by the Seller's management and it must be signed by all parties in order to be binding.

3. INSPECTIONS & REPORTS:

- (a) On or before ten (10) calendar days (five days for non-contingent cash) from the Effective Date, the Buyer shall inspect the Property or obtain for its own use, benefit and reliance, inspections and/or reports on the condition of the Property, or Buyer shall be deemed to have 1) waived such inspections and any objections to the condition of the Property, and to have 2) accepted the condition of the Property. The Buyer shall keep the Property free and clear of liens and indemnify and hold the Seller and the Indemnified Parties harmless from all Claims arising out of or relating in any way to the Buyer's inspections, and the Buyer shall repair the Property, at Buyer's sole expense, for all such Claims. The Buyer shall not directly or indirectly cause any inspections to be made by any government building or zoning inspectors or government employees without the prior written consent of the Seller, unless required by law, in which case, the Buyer shall provide reasonable notice to the Seller prior to any such inspection. If the Seller has winterized the Property and the Buyer desires to have the Property inspected, the Seller will have the Property de-winterized prior

to inspection and re-winterized after inspection. The Buyer agrees to pay both of these expenses in advance to the Seller or listing agent for the Seller's behalf. The amount paid under this provision shall be nonrefundable but will be applicable to Buyer's funds paid into escrow at close of escrow and credited as an expense to the Seller.

Any Buyer requested or mandatory reports or inspections, Buyer is to pay and obtain. Buyer is to pay for Natural Hazard Report were applicable by state, Escrow Holder to order. Seller may have obtained inspections. Buyer can request a copy of any reports with in the first 5 days of the purchase contract. If Buyer elects not to inquire regarding Seller reports the Buyer accepts all property conditions and holds the Seller harmless against any and all future property claims. Seller recommends the Buyer obtain professional inspections on all aspects to the property, including but not limited to structural, electrical, mechanical, termite, soil, mold, roof, pool/spa, asbestos, Lead, plumbing, sewer, septic, HOA litigation, title encumbrances, permits any city violations or city required reports that may affect the property. Buyer to confirm current square footage, room count, permit status, tax rates, waste disposal system, utility services, fees, assessments, boundary lines, abatements, parking status tied to unit (if applicable). Buyer is responsible for obtaining all pre-city inspection reports and completing any work required. Buyer holds harmless the Seller, Broker and/or Listing Agent or affiliates of any repairs or retrofits called out by the Buyer, state or city departments before or after closing. Buyer shall provide the Seller with written notice at least two (2) days prior to Buyer's entry onto the Property.

Buyer's Initials _____ / _____

Within five (5) calendar days of receipt of any inspection report prepared by or for the Buyer, but not later than ten (10) calendar days (seven days for non-contingent cash offers) from the Effective Date, whichever first occurs, the Buyer shall provide written notice to the Seller of any items disapproved or problems with the condition of the Property. The Buyer's failure to provide such written notice to Seller shall be deemed as Buyer's acceptance of the condition of the Property. The Buyer shall immediately provide to the Seller, at no cost, upon request by the Seller, complete copies of all inspection reports upon which the Buyer's disapproval of the condition of the Property is based. In no event shall the Seller be obligated to make any repairs or replacements, or correct any problems or defects that may be indicated in the Buyer's inspection reports. The Seller may, at its sole discretion, make such repairs, replacements, or corrections to the Property. If the Seller elects not to repair or correct the Property, the Buyer may cancel the Agreement within five (5) calendar days of receiving notice from Seller that Seller elects not to repair or correct the Property. If Buyer timely notifies Seller of such cancellation, then Buyer shall receive all earnest money deposited. If the Seller elects to make any such repairs or corrections to the Property, the Seller shall notify the Buyer after completion of the repairs or corrections and the Buyer shall have five (5) calendar days from the date of such notice, to inspect the repairs or corrections and notify the Seller of any items disapproved. The Buyer's failure to notify Seller of any items disapproved shall be deemed acceptance by Buyer of the condition of the Property.

Buyer's Initials _____ / _____

In situations that are applicable, a structural, electrical, mechanical or termite inspection report may have been prepared for the benefit of the Seller. Upon Buyer's request, the Buyer may review such reports, but the Buyer acknowledges that such inspection reports were prepared for the sole use and benefit of the Seller. Buyer shall not rely upon any such inspection reports obtained by the Seller in making a decision to purchase the Property, and such reports shall not serve as a basis for Buyer to terminate the Agreement.

- (b) If the Property is a condominium or planned unit development or co-operative, unless otherwise required by law, the Buyer, at the Buyer's own expense, is responsible for obtaining and reviewing the covenants, conditions and restrictions, existing litigious notices of action (if any) and bylaws of the condominium or planned unit development or cooperative within ten (10) calendar days of the Effective Date. The Seller agrees to use reasonable efforts, as determined at the Seller's sole discretion, to assist the Buyer in obtaining a copy of the covenants, conditions and restrictions, and bylaws. The Buyer will be deemed to have accepted the covenants, conditions and restrictions, and bylaws if the Buyer does not notify the Seller in writing within fifteen (15) calendar days of the Effective Date of the Buyer's objection to the covenants, conditions and restrictions, and/or bylaws. Buyer will pay for HOA transfer fees, doc preparation fees and condo certifications if applicable.

Buyer's Initials _____ / _____

4. MOLD, MILDEW, SPORES AND/OR OTHER MICROSCOPIC ORGANISMS:

Mold, mildew, spores and/or other microscopic organisms and/or allergens (collectively referred to in the Agreement as "Mold") are environmental conditions that are common in residential properties and may affect the Property. Mold, in some forms, has been reported to be toxic and to cause serious physical injuries, including but not limited to, allergic and/or respiratory reactions or other problems, particularly in young children, elderly persons, persons with immune system problems, allergies, or respiratory problems, and pets. Mold has also been reported to cause extensive damage to personal and real property. Buyer is advised to thoroughly inspect the Property for Mold. Mold may appear as discolored patches or cottony or speckled growth on walls, furniture or floors, behind walls and above ceilings. Any and all presence of moisture, water stains, mildew odors, condensation, and obvious Mold growth, are all possible indicators of a Mold condition, which may or may not be toxic. Mold may have been removed or covered in the course of any cleaning, painting, or repairing the Property. Buyer acknowledges that, if Seller, or any of Seller's employees, contractors, representatives, brokers, or agents cleaned or repaired the Property or remediated the Mold contamination, that Seller does not in any way warrant the cleaning, repairs, or remediation, or that the Property is free of Mold. Buyer is further advised to have the Property thoroughly inspected for Mold, any hidden defects, and/or environmental conditions or hazards affecting the Property. Buyer is also advised that all areas contaminated with Mold should be properly and thoroughly remediated. Buyer represents and warrants that: (A) Buyer accepts full responsibility and liability for all hazards, and Claims that may result from the presence of Mold in or around the Property;

(B) If Buyer proceeds to close on the purchase of the Property, then Buyer is assumed to have inspected and evaluated the condition of the Property to Buyer's complete satisfactory (and Buyer is satisfied with the condition of the Property notwithstanding the past or present existence of Mold in or around the Property; and (C) Buyer has not, in any way, relied upon any representations or warranties of Seller, or Seller's employees, officers, directors, contractors, representatives, brokers, or agents concerning the past or present existence of Mold or any environmental hazards in or around the Property.

In the event the Property is affected by an environmental hazard either Party may terminate the Agreement. In the event the Seller decides to sell the Property to the Buyer and the Buyer agrees to purchase the Property (as evidenced by Buyer and Seller proceeding to close) despite the presence of an environmental hazard, the Buyer releases the Seller and the Indemnified Parties from any Claims arising out of or relating in any way to the environmental hazard or conditions of the Property, and Buyer agrees to also execute an additional general release at closing, in a form acceptable to Seller, related to the environmental hazard if Seller so requests. In the event the Buyer elects not to execute the additional release, Seller may, at the Seller's sole discretion, terminate the Agreement upon notice given to Buyer.

In the event the Seller has received official notice that the Property is in violation of building codes or similar laws or regulations, the Seller may terminate the Agreement or delay the date of closing or the Buyer may terminate the Agreement. In the event the Agreement is terminated by either Buyer or Seller pursuant to this Section 1, any earnest money deposit will be returned to the Buyer. If there is an enforcement proceeding arising from allegations of such violations before an enforcement board, special master, court or similar enforcement body, and neither the Buyer nor the Seller terminate the Agreement, the Buyer agrees (A) to accept the Property subject to the violations, and (B) to be responsible for compliance with the applicable code and with orders issued in any code enforcement proceedings. Buyer agrees to execute for closing any and all documents necessary or required by any agency with jurisdiction over the Property and to resolve the deficiencies as soon as possible after the closing.

The closing of this sale shall constitute acknowledgement by the Buyer that Buyer had the opportunity to retain an independent, qualified professional to inspect the Property and that the condition of the Property is acceptable to the Buyer at the time of closing. The Buyer agrees that Seller and the Indemnified Parties shall have no liability for any claims that the Buyer or the Buyer's successors or assigns may incur as a result of construction or other defects that may now or hereafter exist with respect to the Property.

The Seller may be exempt from filing one or more disclosure statement(s) regarding the condition of the Property because the Property was acquired through foreclosure, deed-in-lieu of foreclosure, forfeiture, tax sale, eminent domain or similar process. To the fullest extent allowed by law, Buyer waives any right to receive such disclosure statement(s) from Seller. Buyer agrees to execute a separate waiver, in a form acceptable to Seller, if the law requires the waiver to be in a separate form. Seller has never occupied the property. Buyer acknowledges there will not be a "Seller's Property Disclosure Statement" Seller Advises

the Buyer to perform any inspections that Buyer deems necessary.

Buyer's Initials _____ / _____

5. LEAD PAINT AND LEAD USED IN PLUMBING:

Lead paint, in common use last century may be present in the home especially if it was built prior to 1978. Unfortunately, lead based additives have managed to make their way from China to the United States, though illegally so, in the last few years. Additionally Lead was used in soldering plumbing pipes together prior to 1989. This represents a serious health hazard when consumed orally or inhaled during renovations or disturbed in any way. In plumbing applications just using water from such piping systems can create serious health problems with consumption over a long period of time. Buyer shall include investigation of presence of Lead based paint and Lead used in plumbing applications during the inspection process. Because removal of such materials constitutes a disposal of an environmentally dangerous material the cost to do so may be substantial. The extensive nature of a major removal of materials may also be quite expensive. Buyer shall satisfy this concern through inspection and closing of escrow shall constitute acceptance of the Property with these materials present.

6. ASBESTOS:

Asbestos was a common insulating material used in the last century in wrapping plumbing systems, air conditioning and heating systems, flooring materials, exterior siding, thermal and sound insulation, and other areas of the home. Though Asbestos can constitute a major health threat, it does so by being disturbed or scoured to an air-born state. Seller may have intentionally or unintentionally encapsulated areas containing Asbestos during the renovations of the home, or not encapsulated them, in areas such as "Popcorn" ceilings among others. Seller will not have examined such areas, materials, or applications to determine if, in fact, they do contain Asbestos. Because removal of such materials constitutes a disposal of an environmentally dangerous material the cost to do so may be substantial. The extensive nature of a major removal of materials may also be quite expensive. Buyer shall satisfy this concern through inspection and closing of escrow shall constitute acceptance of the Property with these materials present.

7. REPAIRS:

Termite Report or work is not part of this contract. Seller will not complete any repairs including but not limited to, roof, plumbing, pest, structural, electrical, pool, spa, lender required repairs, and any mandatory city required repairs. **THIS PROPERTY IS SOLD IN AS-IS CONDITION AND NO REPAIRS WILL BE MADE BY SELLER. BUYER ACKNOWLEDGES AND ACCEPTS PROPERTY IN AS-IS CONDITION.**

Buyer's Initials _____ / _____

Neither the Buyer, nor its representatives, shall enter upon the Property to make any repairs and/or treatments prior to closing without the prior written consent of the Seller. To the extent that the Buyer, or its representatives, make repairs and/or treatments to the Property prior to closing, the Buyer hereby agrees to release and indemnify the Seller and the Indemnified Parties from and against any and all Claims related in any way to the repairs and/or treatments, and Buyer further agrees, at Seller's request, to execute a separate release and indemnification in a form acceptable to the Seller prior to the commencement of any such repairs or treatments. The Buyer acknowledges that all repairs and treatments are done for the benefit of the Seller and not for the benefit of the Buyer unless and until the sale of the Property closes in accordance with the Agreement, and if Buyer closes Buyer acknowledges that the Buyer has inspected or has been given the opportunity to inspect all repairs and treatments. Any repairs or treatments made, or caused to be made, by the Seller shall be completed prior to the closing. Under no circumstances shall the Seller be required to make any repairs or treatments after the Closing Date. The Buyer acknowledges that closing on this transaction shall be deemed to be the Buyer's reaffirmation that the Buyer is satisfied with the condition of the Property and with all repairs and treatments to the Property. Further, when Buyer closes, Buyer waives all Claims arising out of problems relating in any way to the condition of, or treatments or repairs to, the Property. Any repairs or treatments shall be performed for functional purposes only and exact restoration of appearance or cosmetic items following any repairs or treatments shall not be required. The Seller shall not be obligated to obtain or provide to the Buyer any receipts for repairs or treatments, written statements indicating dates or types of repairs and or treatments, copies of such receipts or statements, or any other documentation regarding any repairs and treatments to the Property. **THE SELLER DOES NOT WARRANT OR GUARANTEE ANY WORK, REPAIRS, OR TREATMENTS TO THE PROPERTY.**

Buyer's Initials: _____ / _____

8. OCCUPANCY STATUS OF PROPERTY:

The Buyer acknowledges that neither the Seller, nor its representatives, brokers, agents or assigns, has made any warranties or representations, implied or express, relating to the existence of any tenants or occupants at the Property unless otherwise noted in Section 24 of this Addendum. The Seller, and its representatives, brokers, agents, and assigns, shall not be responsible for evicting or relocating any tenants, occupants or personal property at the Property prior to or subsequent to closing unless otherwise noted in Section 24 of this Addendum.

The Buyer further acknowledges that, to the best of the Buyer's knowledge, the Seller (A) is not holding any security deposits from former or current tenants, and (B) has no information as to any security deposits that may have been paid by former or current tenants to anyone. Buyer agrees that no sums representing such tenant security deposits or any rights, title, or interest in such deposits shall be transferred to the Buyer as part of this transaction. The Buyer further agrees to assume all responsibility and liability for the refund of such security

deposits to any tenants pursuant to the provisions of applicable laws and regulations. All rents that are due and payable and collected from tenants for the month in which closing occurs will be prorated according to the prorations set for other prorated costs and assets in the Contract based on the date of close of escrow.

The Buyer acknowledges that this Property may be subject to the provisions of local rent control ordinances and regulations. The Buyer agrees that upon the closing all eviction proceedings and other duties and responsibilities of a property owner and landlord, including, but not limited to, those proceedings required for compliance with such local rent control ordinances and regulations, will be the Buyer's sole responsibility.

Buyer understands that the Property may be subject to redemption by the prior owner upon payment of certain sums, and Buyer may be dispossessed of the Property. Buyer is advised to consult with an attorney to fully understand the import and impact of the foregoing. Buyer agrees Buyer shall have no recourse against Seller in the event the right of redemption is exercised.

9. PERSONAL PROPERTY:

Items of personal property, including but not limited to, window coverings, appliances, manufactured homes, mobile homes, vehicles, spas, antennas, satellite dishes, and garage door openers, now or hereafter located on the Property, are not included in this sale or the purchase price unless the personal property is specifically described and referenced in Section 24 of this Addendum. Any personal property at or on the Property may be subject to claims by third parties, and therefore, may be removed from the Property prior to or after the Closing Date. The Seller makes no representations or warranties as to the condition of any personal property, title thereto, or whether any personal property is encumbered by any liens. The Buyer assumes responsibility for any personal property remaining on the Property at the time of closing.

10. CERTIFICATE OF OCCUPANCY:

If the Property is located in a jurisdiction that requires a certificate of occupancy, smoke detector certification, septic certification, or any similar certification or permit ("Certificate of Occupancy") or any form of improvement or repair to the Property to obtain such Certificate of Occupancy necessary for the Property to be occupied, the Buyer understands that the Seller requires the Certificate of Occupancy to be obtained by the Buyer at the Buyer's sole cost and expense. The Buyer shall make application for all required Certificates of Occupancy within ten (10) calendar days of the Effective Date. The Buyer shall not have the right to delay the closing due to the Buyer's failure or inability to obtain any required Certificate of Occupancy. Failure of the Buyer to obtain and furnish the Certificate of Occupancy shall be a material breach of the Agreement. Buyer is to occupy the property at close of escrow and sign the "Owner Occupant Certification Addendum."

11. DELIVERY OF POSSESSION OF PROPERTY:

The Seller shall deliver possession of the Property to the Buyer at closing of the sale. The delivery of possession shall be subject to the rights of any tenants or parties in possession per Section 8 of this Addendum. If the Buyer alters the Property or causes the Property to be altered in any way and/or occupies the Property or allows any other person to occupy the Property prior to closing and finding without the prior written consent of the Seller, then: (A) Such event shall constitute a material breach by the Buyer under the Agreement; (B) The Seller may terminate the Agreement; (C) The Buyer shall be liable to the Seller for all Claims caused by any such alteration or occupation of the Property prior to closing and finding; and (D) Buyer waives all Claims for improvements made by the Buyer to the Property including, but not limited to, any Claims for unjust enrichment.

12. DEED:

The deed to be delivered at closing shall be a deed that covenants that grantor grants only that title that grantor may have and that grantor will only defend title against persons claiming by, through, or under the grantor, but not otherwise (which deed may be known as a Special Warranty, Limited Warranty, Quitclaim or Bargain and Sale Deed). Any reference to the term “deed” or “Special Warranty Deed” herein shall be construed to refer to such form of deed.

13. DEFECTS IN TITLE:

If the Buyer raises an objection to the Seller’s title to the Property, which, if valid, would make title to the Property uninsurable, the Seller shall have the right unilaterally to terminate the Agreement by giving written notice of the termination to the Buyer. However, if the Seller is able to correct the problem through reasonable efforts, as the Seller determines, at its sole and absolute discretion, prior to the closing date set forth in the Agreement, including any written extensions, or if title insurance is available from a reputable title insurance company at regular rates containing affirmative coverage for the title objections, then the Agreement shall remain in full force and the Buyer shall perform pursuant to the terms set forth in the Agreement. The Seller is not obligated to (A) remove any exception, (B) bring any action or proceeding or bear any expense in order to convey title to the Property, or (C) make the title marketable or insurable. Any attempt by the Seller to remove such title exceptions shall not impose an obligation upon the Seller to remove those exceptions. The Buyer acknowledges that the Seller’s title to the Property may be subject to court approval of foreclosure or to a mortgagor’s right of redemption. In the event the Seller is not able to (A) make the title insurable or correct all title problems, or (B) obtain title insurance for the Property from a reputable title insurance company, either Party may terminate the Agreement and any earnest money deposit will be returned to the Buyer as the Buyer’s sole remedy at law or equity.

14. REPRESENTATIONS AND WARRANTIES:

In addition to Buyer's representations and warranties made elsewhere herein, such as those found in Section 1 of this Addendum, the Buyer represents and warrants to the Seller the following:

- (a) The Buyer is purchasing the Property solely in reliance on its own investigation and inspection of the Property and not on any information, representation or warranty provided or to be provided by the Seller, its servicers, representatives, brokers, employees, agents, or assigns, including, but not limited to, any information provided on any brochures or web sites of Seller or Seller's agents or brokers, or any information on the Multiple Listing Service.
- (b) Neither the Seller, nor its servicers, employees, representatives, brokers, agents or assigns, has made any representations or warranties, implied or express, relating to the condition of the Property or the contents thereof, except as expressly set forth in Section 24 of this Addendum.
- (c) The Buyer has not relied on any representation or warranty from the Seller, or Seller's agents or brokers regarding the nature, quality, or workmanship of any repairs made by the Seller.
- (d) The Buyer will not occupy, or cause or permit others to occupy, the Property prior to closing and funding, and, unless and until any necessary Certificate of Occupancy has been obtained from the appropriate governmental entity, Buyer will not occupy or cause or permit others to occupy the Property after closing.
- (e) Buyer is not an officer, an employee, a director, or a Business Partner (as defined below) of Seller, or its parent company, subsidiaries, or affiliated companies. Buyer understands and acknowledges that Seller prohibits such persons from purchasing the Property, directly, indirectly, or through a family member or an interest in a partnership, corporation, joint venture, trust, or other entity. "Business Partner" shall mean any agent, broker, appraiser, attorney, trustee, property inspection or Preservation Company, Title Company, representative, or vendor of Seller or its parent company, subsidiaries, or affiliated companies.
- (f) Buyer represents that the Buyer is not a real estate licensee, and that the real estate licensee representing the Buyer is not related to, or affiliated with the Buyer, unless so stipulated by additional Addendum or in the Agreement and acceptable to Seller and relevant lending servicers who will be providing funds for this transaction.

15. CONDITIONS TO THE SELLER'S PERFORMANCE:

The Seller shall have the right, at the Seller's sole discretion, to extend the Closing Date or to terminate the Agreement if:

- (a) Full payment of any mortgage insurance claim related to the loan previously secured

by the Property is not confirmed prior to the Closing Date or the mortgage insurance company exercises its right to acquire title to the Property;

- (b) The Seller determines that it is unable or it is economically not feasible to convey good and marketable title to the Property insurable by a reputable title insurance company at regular rates;
- (c) A third party having an interest in the Property (or the loan that was secured by the Property) has requested that the servicing lender, or any other party, release the servicing of or repurchase such loan or the Property;
- (d) Any third party, whether tenant, homeowner's association, or otherwise, exercises rights under a right of first refusal to purchase the Property;
- (e) The Buyer is the former mortgagor of the Property whose interest was foreclosed, or is related to or affiliated in any way with the former mortgagor, and the Buyer has not disclosed this fact to the Seller prior to the Seller's acceptance of the Agreement. Such failure to disclose shall constitute a material breach under the Agreement, entitling the Seller to exercise any of its rights and remedies, including, without limitation, retaining the earnest money deposit; or
- (f) The Seller, at the Seller's sole discretion, determines that the sale of the Property to the Buyer, or any related transactions, is in any way associated with illegal activity of any kind.
- (g) Property and sale are subject to clear title and final Seller/Managing Partner/Entity Member approval. In the event Seller/Managing Partner/Entity Member subsequently disapproves the sale while under contract, the buyers deposit will be returned in full. Seller will not be responsible for any of Buyer's costs incurred during the transaction.

In the event the Seller elects to terminate the Agreement as a result of Section 15 (a), (b), (c), (d), (f), or (g) above, the Seller shall return the Buyer's earnest money deposit and the parties shall have no further obligation under the Agreement.

16. INDEMNIFICATION:

The Buyer agrees to indemnify, defend and hold harmless Seller, and its affiliates, subsidiaries, parent company, representatives, agents, officers, directors, employees, attorneys, shareholders, servicers, tenants, brokers, predecessors, successors, and assigns ("Indemnified Parties") from and against any and all claims, causes of action, whether administrative or judicial, losses, costs (including any and all reasonable attorneys' fees, court costs, and reasonable costs of investigation, litigation, and settlement), expenses, sanctions, curtailments, interest, liabilities, penalties, fines, demands, liens, judgments, compensation, fees, loss of profits, injuries, death, and/or damages, of any kind whatsoever, whether known or unknown, fixed or contingent, joint or several, criminal or

civil, or in law or in equity (“Claims”) arising from, in connection with, or in any way relating to:

- (a) Inspections or repairs made by the Buyer or its agents, representatives, brokers, employees, contractors, successors or assigns;
- (b) the imposition of any fine or penalty imposed by any governmental entity resulting from the Buyer’s failure to timely obtain any Certificate of Occupancy or to comply with equivalent laws and regulations;
- (c) claims for amounts due and owed by the Seller for real property taxes, homeowner’s association dues or assessment, or any other items prorated at closing, including any penalty or interest and other charges, arising from the proration of such amounts for which the Buyer received a credit at closing;
- (d) the Buyer or the Buyer’s tenants, agents or representatives use and/or occupancy of the Property prior to closing and/or issuance of required Certificates of Occupancy; or
- (e) The Buyer’s breach of or failure to comply fully with any provision in the Agreement.

17. RISK OF LOSS:

In the event of fire, destruction, or other casualty loss to the Property after the Seller’s acceptance of the Agreement and prior to closing and finding, the Seller may, at its sole discretion, repair or restore the Property, or either Party may terminate the Agreement. If the Seller elects to repair or restore the Property, then the Seller may, at its sole discretion, limit the amount to be expended. If the Seller elects to repair or restore the Property, the Buyer shall either (a) acquire the Property in its AS-IS condition at the time of such acquisition at the purchase price provided in the Contract with no reduction for such loss, or (b) terminate the Agreement and receive a refund of any earnest money deposit.

18. EMINENT DOMAIN:

In the event that the Seller’s interest in the Property, or any part thereof, shall have been taken by eminent domain, or shall be in the process of being taken on or before the Closing Date, either Party may terminate the Agreement and the earnest money deposit shall be returned to the Buyer and neither Party shall have any further rights or liabilities hereunder.

19. KEYS:

Buyer is aware that the property may be on a master key system. Additionally various vendors, tradesmen, real estate agents and brokers, workers, cleaning crews and inspectors may have had possession or access to keys before or during the escrow period. **BUYER IS ENCOURAGED TO RE-KEY THE PROPERTY AFTER CLOSING.** Buyer agrees to hold Seller and the Indemnified Parties harmless for any Claims relating in any way to any theft or damage of personal

property that occurs after the Closing Date. Seller may not have keys to all locks on the property including but not limited to storage cabinets, sheds, outbuildings, bypass interior doors, bathroom doors, rear doors, garage man doors, mailboxes, and others. Buyer accepts this as a condition of sale and will analyze the cost of lock re-keying and replacement as a portion of their cost in acquisition of the property.

Buyer's Initials: _____ / _____

20. WINDOWS AND WINDOW TREATMENTS:

The Seller may have removed or replaced window treatments during the process of preparing the property for sale, including curtains, vertical and horizontal blinds and any mounting brackets or systems. These items will not be provided by the Seller. Any items which are damaged or removed or destroyed during any inspections or repairs will also not be replaced. Windows which may have been designed as multiple pane windows, which may have gas or air between said panes, and which may be missing panes, gas or trim, or seal-broken, or damaged in some way shall be delivered in their current As Is state. Buyer accepts this as a condition of sale and will analyze the cost of replacing windows and window treatments as a portion of their cost in acquisition of the property.

21. TITLE AND CLOSING:

All fees related to Title, escrow/closing and legal/attorney services are to be paid by Buyer(s) unless stated otherwise in section #24. The provider of Title, escrow/closing and legal/attorney services are negotiable and will be chosen by Seller if not stated otherwise in section #24. Any Agreement language regarding percentage splits in costs (e.g. 50/50 split) shall be superseded by this Addendum.

22. FORCE MAJEURE:

No Party shall be responsible for delays or failure of performance resulting from acts of God, riots, acts of war, epidemics, power failures, earthquakes or other disasters, providing such delay or failure of performance could not have been prevented by reasonable precautions and cannot reasonably be circumvented by such Party through use of alternate sources, workaround plans, or other means.

23. ATTORNEY REVIEW:

The Buyer acknowledges that Buyer has had the opportunity to consult with its legal counsel if Buyer so chooses regarding the Agreement and that accordingly the terms of the Agreement are not to be construed against any Party because that Party drafted the Agreement or construed in favor of any Party because that Party failed to

understand the legal effect of the provisions of the Agreement.

No Attorney's Fees or Cost: No party to this agreement shall be entitled to recover attorney fees, costs of suit, expert witness fees, or any other fees or expenses associated with any litigation arbitration, mediation, or any other form of alternative dispute resolution relating to or arising out of this Agreement. The Parties intend and expressly agree that each party shall bear his, her or its own attorney's fees, costs of suit, expert witness fees and nay and all other cost or expenses in any dispute related to or arising out of this Agreement.

24. ADDITIONAL TERMS OR CONDITIONS:

- 1) Purchase price to be \$_____
- 2) Close of escrow to be on or before _____
- 3) Seller to pay up to \$_____ of Buyer's recurring and non-recurring closing costs.
- 4) Escrow earnest deposit to be \$_____. Buyer's earnest money deposit is to be placed in a trust account acceptable to the Seller within three (3) calendar days following the Effective Date.
- 5) Buyer to pay for all Buyer and Seller fees including but not limited to Title, escrow/closing and legal/attorney services.
- 6) All Remaining Buyer contingencies, including loan contingency to be automatically removed in 20 days (5 if cash) after acceptance unless an extension is agreed upon in writing.
- 7) Buyer's agent or lender to provide loan approval 20 days after Effective Date, if applicable.
- 8) Seller to select all services unless Buyer to pay. Notice to perform to be executed within 24 hours.
- 9) Close of escrow delays caused by Buyer, Buyer's agent or lender are subject to \$50 daily per diem charge until close of escrow.
- 10) Buyer to pay for any government recordings, charges, transfer taxes and documentary stamps.

25. MODIFICATION:

No provision, term or clause of the Agreement shall be revised, modified, amended or waived except by an instrument in writing signed by the Buyer and the Seller.

26. ELECTRONIC SIGNATURE:

An electronic signature by the Seller or its Attorney in Fact shall be given the same effect as a written signature.

27. EFFECT OF ADDENDUM:

THIS REAL ESTATE PURCHASE ADDENDUM AMENDS AND SUPPLEMENTS THE CONTRACT AND, IF APPLICABLE, ESCROW INSTRUCTIONS. IN THE EVENT THERE IS ANY CONFLICT BETWEEN THIS ADDENDUM AND THE CONTRACT OR ESCROW INSTRUCTIONS OR NOTICE OR OTHER DOCUMENTS ATTACHED AND MADE A PART OF THE AGREEMENT, THE TERMS OF THIS ADDENDUM TAKE PRECEDENCE AND SHALL PREVAIL, EXCEPT AS OTHERWISE PROVIDED BY APPLICABLE LAW. The undersigned, if executing the Agreement on behalf of a Seller and/or a Buyer that is a corporation, partnership, trust or other entity, represents and warrants that he/she is authorized by that entity to enter into the Agreement and bind the entity to perform all duties and obligations stated in the Agreement and shall provide Seller with proof of such authority upon execution of the Agreement.

Buyer's Initials: _____ / _____

28. INITIALS:

Buyer and Seller agree to all of the terms in the Agreement whether any provision or page is separately initialed or not. For emphasis some sections or provisions or pages in the Agreement contain a place for Buyer and/or Seller to separately initial, but the failure by Buyer or Seller to initial any section, provision, or page in the Agreement shall not affect the enforceability of any term or provision in the Agreement.

29. ENTIRE AGREEMENT:

The Agreement (including any disclosure of information on lead based paint or hazards, and other disclosure forms or notices required by law to be provided to Buyer) constitutes the entire agreement between the Buyer and the Seller concerning the subject matter hereof and supersedes all previous written and oral communications, understandings, representations, warranties, covenants, and agreements. Further, Buyer and Seller represent that there are no oral or other written agreements between the Parties.

ALL NEGOTIATIONS ARE MERGED INTO THE AGREEMENT, AND NO ORAL OR WRITTEN, EXPRESS OR IMPLIED, PROMISES, REPRESENTATIONS, WARRANTIES, COVENANTS, UNDERSTANDINGS, COMMUNICATIONS, AGREEMENTS, OR INFORMATION MADE OR PROVIDED BY THE SELLER, OR SELLER'S EMPLOYEES, AGENTS, REPRESENTATIVES, OR BROKERS, INCLUDING, BUT NOT LIMITED TO ANY INFORMATION ON SELLER'S OR

SELLER'S AGENT OR BROKER'S WEB SITES, SALES BROCHURES, OR ON THE MULTIPLE LISTING SERVICE SHALL BE DEEMED VALID OR BINDING UPON THE SELLER, UNLESS EXPRESSLY INCLUDED IN THE AGREEMENT.

30. LANGUAGE IN BOLD OR CAPITALIZED:

FOR EMPHASIS AND BUYER'S BENEFIT SOME PROVISIONS HAVE BEEN BOLDDED AND OR CAPITALIZED (LIKE THIS SECTION). BUT EACH AND EVERY PROVISION IN THIS ADDENDUM IS SIGNIFICANT AND SHOULD BE REVIEWED AND UNDERSTOOD. NO PROVISION SHOULD BE IGNORED OR DISREGARDED BECAUSE IT IS NOT IN BOLD OR EMPHASIZED IN SOME MANNER. AND THE FAILURE TO BOLD, CAPITALIZE, OR EMPHASIZE IN SOME MANNER ANY TERMS OR PROVISIONS IN THIS ADDENDUM SHALL NOT AFFECT THE ENFORCEABILITY OF ANY TERMS OR PROVISIONS.

IN WITNESS WHEREOF, the Buyer and the Seller have entered into the Agreement effective as of the date it is executed by Seller as set forth below.

BUYER(S):

Print Name: _____

Signature: _____ Date: _____

Print Name: _____

Signature: _____ Date: _____

SELLER:

By: _____

Signature: _____ Date: _____
("Effective Date")