



U.S. Department of Justice

United States Marshals Service

Asset Forfeiture Division

ADDENDUM TO REAL ESTATE PURCHASE CONTRACT

This Addendum to Real Estate Purchase Contract (“Addendum”) is made part of that certain Real Estate Purchase Contract (“Contract”) dated the day of _____, 20____ between the United States of America, acting by and through the United States Marshals Service (“Seller”) and _____ (“Purchaser”) for the purchase of the property known as _____ (“Property”).

Purchase Price: _____

Estimated End of Due Diligence: _____

Estimated Closing Date: _____

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

- 1. Entire Agreement. IN THE EVENT OF ANY CONFLICT BETWEEN THE ADDENDUM AND THE CONTRACT OR ESCROW INSTRUCTIONS OR NOTICE OF OTHER DOCUMENTS ATTACHED TO THE CONTRACT, THE TERMS OF THE ADDENDUM SHALL PREVAIL EXCEPT AS OTHERWISE PROVIDED BY FEDERAL LAW.**
- 2. Purchase Price.** The Purchase Price for the Property shall be paid to Seller by certified or cashier’s check or by wired funds at the closing. Funds over \$25,000 will only be accepted by wire.
- 3. Earnest Money.** Immediately following Seller’s acceptance of the Contract, escrow shall be opened with an escrow agent designated by Seller or otherwise acceptable to Seller. The earnest money deposited shall be in the amount of at least 5% of the purchase price or \$2,500.00, whichever is greater (\$_____). If settlement does not occur, through no fault of Seller, on or before the agreed upon Contract closing date, Seller may, in its sole and absolute discretion, declare in writing the Contract is terminated, and Purchaser hereby agrees that the escrow agent, if any, shall release the earnest money deposit to Seller.
- 4. Closing Date.** The closing (“Closing”) shall take place on or before the date set forth above unless the closing date is extended by Seller under the terms of the Contract. The Closing shall be held at a place designated and approved by Seller as allowed by law and convenient to all parties. Seller may, in its discretion, grant extensions to these time limits. The Seller may unilaterally extend the Closing for up to 60 days. Any further extensions must be agreed to in writing by both the Seller and the Purchaser. The Purchaser hereby specifically and expressly

recognizes and accepts that properties obtained through forfeiture occasionally have delays in the closing date.

5. **Mortgage Contingency.** (Purchaser must initial either “a.” or “b.”).

Purchaser’s obligation to purchase the Property under the Contract (check one):

_____ a. **IS NOT** contingent upon obtaining financing for the purchase of the Property;

_____ b. **IS** contingent upon obtaining financing in the amount of _____ for the purchase of the Property. The Purchaser shall make written application for said financing within 5 business days of the execution of the Contract and shall provide to the Seller documentation of such application. Failure to provide to the Seller documentation of such written application within said 5 business days, shall constitute consent for the escrow agent to release the earnest money deposit to Seller without further notification to the Purchaser, but shall not release the Purchaser from any obligations under the Contract, except as the Seller may determine within its sole and absolute discretion. If the Seller does not receive written notice from the Purchaser of approval or rejection for the Purchaser’s financing within 15 business days of written application, the financing contingency shall be deemed removed and the earnest money deposit shall be retained by Seller if the Purchaser fails to close on the transaction. If, after the Purchaser has made a timely and complete financing application with a lender, said application is rejected in writing by the lender within the terms of the financing contingency, the Sales Contract shall be deemed null and void and neither party shall have any further rights or obligations or liabilities and the earnest money shall be returned to purchaser; provided, however, that the Purchaser shall provide a copy of the written rejection to the Seller within 1 day after receiving the written rejection, has acted in good faith, and has otherwise complied with the terms and conditions of the Sales Contract.

THIS CONTRACT IS NOT CONTINGENT UPON THE SALE AND CLOSING OF ANY OTHER REAL PROPERTY. ANY SUCH CONTINGENCIES ARE VOID.

_____ **Purchaser’s Initials**

6. **Disclosure.** Purchaser acknowledges and agrees that subject Property was acquired through forfeiture due to illegal activity and Seller’s knowledge of the Property is limited. Purchaser acknowledges that the Seller is the United States of America and is not bound by the law of any state, including state disclosure laws. Accordingly, to the fullest extent allowed by federal law, Seller shall be exempt from providing or filing any disclosure statement with respect to the Property.

7. **Condition of Property.** As a material part of the consideration to be received by Seller under the Contract as negotiated and agreed to by Purchaser and Seller, PURCHASER ACKNOWLEDGES AND AGREES TO ACCEPT THE PROPERTY IN ITS “AS-IS” CONDITION, NO CREDITS WILL BE ISSUED TO THE PURCHASER FOR ITEMS DISCOVERED DURING DUE DILIGENCE. As such the condition existed on the date of Purchaser’s offer, including, without limitation, zoning, land use or building code requirements or compliance with any law, rules, ordinances or regulations of any Governmental authority; any hidden defects, environmental conditions affecting the property; or the existence of mold, whether known or unknown, whether such defects or conditions were discoverable through inspection or not Seller has never occupied this property and makes no representations. Seller will not pay for state transfer tax, Home Owners Association (HOA) transfer fees, or fees associated with closing

unless otherwise specified in Paragraph 11. Seller does not pay for home warranties. Seller may charge \$100.00 per diem for a delay in closing that is at no fault of the Seller.

8. Inspection. (Purchaser must initial either “a.” or “b.”)

_____ a. Purchaser waives the opportunity to inspect the property.

_____ b. **WITHIN _____ DAYS OF THE ACCEPTANCE BY THE SELLER OF THE CONTRACT, THE PURCHASER SHALL HAVE THE RIGHT, AT PURCHASER’S EXPENSE, TO INSPECT THE PROPERTY (THE “INSPECTION PERIOD”).** Purchaser shall keep the property free and clear of all liens, indemnify, and hold the United States harmless from all liability claims, demands, damages, or costs, and repair all damages arising from the inspection and/or tests. Purchaser may use only non-destructive testing and may not conduct a “Phase II” environmental site assessment. If such inspections disclose conditions or information unsatisfactory to the Purchaser, which Seller is unwilling or unable to correct, then Purchaser may only cancel the Contract during the Inspection Period without losing their Earnest Money. Purchaser’s written notice of cancellation shall attach a copy of the written report, which discloses conditions or information unsatisfactory to Purchaser. **PURCHASER’S FAILURE TO TIMELY NOTIFY SELLER IN WRITING WITHIN THE TIME SPECIFIED IN THIS PARAGRAPH SHALL CONCLUSIVELY BE CONSIDERED APPROVAL OF THE PROPERTY IN ITS CONDITION AS OF DATE OF CONTRACT.**

Notwithstanding any other provisions in this Paragraph 8, Purchaser understands that the Property, including fixtures, and any appliances in the sale, are not new and agrees to accept them in their present condition with no express or implied representations or warranties of condition. Purchaser agrees to use the Property inspection time period, if any, to examine all aspects of the Property.

9. Occupancy Status of Property. (Seller must initial “a.” or “b.”). Initial by Purchaser.

_____ a. Property is currently vacant. Purchaser will not use or occupy or cause or permit others to use or occupy the Property prior to closing.

_____ b. Property is currently occupied and Purchaser has reviewed and accepted the existing lease and/ or occupancy agreement.

i. Seller will transfer to Purchaser at closing such security deposits as are in its possession and will notify Purchaser of the amounts of such deposits, if any, within 5 business days of accepting this Contract. Purchaser acknowledges that the United States does not typically receive security deposits in forfeitures and the receipt of any such deposits is not a condition of this Contract.

ii. If the property is occupied at closing, all rent, due and payable and collected from occupants for the month in which the closing occurs will be prorated among the Seller and Purchaser as of the closing date.

iii. Purchaser acknowledges and agrees that the Property may be subject to the provisions of local rent control ordinances and regulations governing the relationship between landlord and tenant. At closing Purchaser agrees to assume all duties and responsibilities of a property owner and landlord under all applicable ordinances and regulations and any existing lease

or occupancy agreement. Any costs incurred in performing such duties and responsibilities, enforcing the landlord's rights under the lease or occupancy agreement, or evicting the tenant shall be Purchaser's sole responsibility and cost.

10. **Personal Property.** Purchaser agrees that any items of personal property, except for installed appliances, now or hereafter located on the Property (collectively, "Personal Property") shall not be included in the sale of the Property or the Purchase Price unless each item of Personal Property is specifically described and referenced herein. Purchaser assumes full responsibility for any Personal Property remaining on the Property at the time of closing. Any personal property sold by Seller shall be accepted by Purchaser on an "as is, where is" basis without representation or warranty of any kind or nature, and specifically excluding any warranties of merchantability or fitness for any particular purpose.

11. **Closing Costs and Adjustments**

EXCEPT AS PROVIDED BELOW ALL CLOSING COSTS ARE THE RESPONSIBILITY OF THE PURCHASER, INCLUDING COSTS CUSTOMARILY PAID BY THE SELLER UNLESS OTHERWISE AGREED UPON BY THE SELLER.

Purchaser and Seller agree to prorate the following expenses as of closing: real estate taxes, municipal water and sewer charges, utility charges, common area charges, condominium or planned unit development or similar community assessments, cooperative fees, maintenance fees, and rents, if any. Payment of special assessment district bonds and assessments, and payments of homeowner's association special assessments shall be paid current and prorated between Purchaser and Seller as of the closing date with payments not yet due and owing to be assumed by Purchaser without credit toward the Purchase Price. Seller shall pay their own closing/settlement fee, and Seller attorney fees.

Seller shall not be responsible for any amounts due, paid, or to be paid after closing. In the event Seller has paid any taxes, special assessments or other fees and there is a refund of any such taxes, assessments or fees after the closing, and Purchaser as current owner of the Property receives the payment, Purchaser will immediately submit the refund to Seller.

Purchaser recognizes and expressly accepts that the Seller is exempt from paying any and all form of taxes to local and state authorities, including any costs associated with the recordation of deeds, deeds of trust or any other document associated with the transfer of property by or to the United States of America. Should the local and/or state jurisdiction within which the Property resides nonetheless require full payment of those costs (other than real estate taxes, which shall be prorated as of closing) then, regardless of local custom or any provision in the Contract to the contrary, Purchaser shall be fully responsible for the payment of those costs to complete the transaction.

12. **Survey.** If required Purchaser shall pay the cost of any survey. No survey shall be provided by Seller.

13. Insurable title

a. As a condition of this agreement Purchaser waives any option it may have under state law to select its own title and escrow companies and will accept the Sellers title and escrow services who are experienced with asset forfeiture sales.

b. Seller shall provide and Purchaser shall accept such title as Seller's title insurance company shall be willing to approve and insure in accordance with its standard form of title policy approved by the governing agency for the state where the Property is located, subject only to the matters provided for in this Contract. Lender's and owner's title insurance will be at Purchaser's expense.

c. Purchaser must notify Seller in writing of any and all title objections, within 5 days of seller providing purchaser a copy of the commitment or all objections to title shall be waived. Seller will notify Purchaser of their intent to cure or not cure any objections within 5 days of receipt of said objections. If Seller cannot cure said timely and properly made objections after a good faith effort, or to do so would delay the closing beyond the original or any extended closing date, Purchaser agrees to accept Seller's title policy at Purchaser's expense. Failure to accept the Seller's title policy shall constitute release of all earnest money deposits to the Seller, and the Contract shall be considered null and void. In the event that said timely, written objections cannot be cured within 90 days from delivery of notice of objections and/or the Seller's title insurer cannot insure over said objections by issuing a title insurance policy at normal risk rates, then Seller, in its sole and absolute discretion may declare the Contract null and void. In such event, the Purchaser agrees that the Contract is of no further force or effect as to the Property but agrees, nonetheless to immediately and promptly execute a release of Contract as requested by Seller. Once release received by Seller, Purchasers' earnest money deposit shall be returned. Seller shall not be obligated to pay interest on earnest money.

14. Form of Deed. The deed to be delivered at closing shall be a deed that covenants that grantor grants only that title which 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, Quit Claim, Marshals, or Bargain and Sale Deed).

15. Waivers. As a material part of the consideration to be received by Seller under the Contract as negotiated and agreed to by Purchaser and Seller, Purchaser waives the following:

a. All rights, if any exist, to file and maintain an action against Seller for specific performance and any right to record a *lis pendens* against the property or to record or file the Contract, this Contract or any memorandum thereof in the official real property records, or any other provisional or permanent remedy that would cloud title to the Property or prevent or impair Seller from conveying the property to another;

b. All rights to dispute any controversy, claim or other matter in question arising out of or relating to the transaction or contract or its breach in state court; and

c. All rights, if any exist, to binding or non-binding arbitration or mediation.

16. **Conditions to Seller's Performance.** Seller shall have the right, at Seller's sole discretion, to extend the closing date or to terminate the Contract in good faith at the convenience of the Seller. In the event the Seller elects to terminate the Contract under this section, through no fault of Purchaser, Seller shall return the earnest money to Purchaser, and the parties shall have no further obligation under the Contract.
17. **Remedies for Default.** In the event of Purchaser's default, Seller at its option may: (a) retain earnest money as liquidated damages, and/or (b) elect to pursue any remedy in law or equity. Purchaser acknowledges and agrees that by signing the Addendum, Seller shall have the right to retain or seek the release of the earnest money under this section, without any further action, consent, or document from the Purchaser.
18. **Indemnification.** Purchaser agrees to indemnify and fully protect, defend and hold Seller, its employees, contractors, servicers, representatives, agents, attorneys, tenants, and brokers harmless from and against any and all claims, costs, liens, loss, damages, attorneys' fees and expenses of every kind and nature that may be sustained by or made against Seller, its employees, contractors, servicers, representatives, agents, attorneys, tenants, or brokers due to or arising out of a breach of Purchaser's representations under the Contract or any failure of the Purchaser to fulfill any of the Purchaser's covenants or agreements contained in the Contract. Any other provisions of the Contract notwithstanding, Seller shall not indemnify or hold harmless Purchaser, nor shall Seller be liable to pay Purchaser's attorney's fees.
19. **Interpretation.** In the event an ambiguity or question of intent or interpretation arises, this Contract shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Contract.
20. **Delivery of Deed.** Delivery of the Deed to the Property to Purchaser by Seller shall be deemed to be full performance and discharge of all of Seller's obligations under the Contract.
21. **Severability.** Any term or provision of this Contract that is invalid or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Contract or affecting the validity or enforceability of any of the terms or provisions of this Contract in any other jurisdiction. If any provision of this Contract is so broad as to be unenforceable, the provision will be interpreted to be only so broad as is enforceable.
22. **Assignment of Contract.** Neither this Contract nor any of the rights, interests, or obligations hereunder may be assigned by either Seller or Purchaser (whether by operation of law or otherwise) without the prior written consent of the other party.
23. **Counterparts.** The Contract may be executed in any number of counterparts, and each such counterpart shall be deemed to be an original, but all of which, when taken together, shall constitute one agreement. The Contract may be delivered by facsimile or electronic mail in Portable Document (PDF) format.

24. **Notices.** Any notices required to be given under the Contract shall be deemed to have been delivered when actually received in the case of hand or overnight delivery. All notices to Seller will be deemed sent or delivered to Seller when receipt of same has been acknowledged by Seller's listing broker or agent. All notices to Purchaser shall be deemed sent or delivered when sent or delivered to Purchaser or Purchaser's attorney or agent.
25. **Attorney Review.** Purchaser acknowledges that Purchaser has had the opportunity to consult with its legal counsel regarding the Contract. Accordingly, the terms of the Contract are not to be construed against any party because that party drafted the Contract or construed in favor of any Party because that Party failed to understand the legal effect of the provisions of the Contract.
26. **Governing Law:** **THE ENFORCEMENT, INTERPRETATION, AND CONSTRUCTION OF THE CONTRACT AND ALL MATTERS RELATING HERETO, SHALL BE GOVERNED BY FEDERAL LAW, AND IN THE EVENT THAT FEDERAL LAW IS SILENT OR INAPPLICABLE, AND AS FEDERAL LAW PERMITS, THE LAWS OF THE STATE IN WHICH THE PROPERTY IS PHYSICALLY LOCATED SHALL APPLY, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF.**
27. **Conflict of Legal Descriptions.** In the event of a conflict between the description of the Property in the Contract and the description of the Property set forth in the court order forfeiting the Property to Seller ("Order of Forfeiture"), the description of the Property in the Order of Forfeiture shall prevail for purposes of this Contract.
28. **Prohibited Purchasers.** Purchaser hereby covenants and represents to Seller that Purchaser is not acting, and will not act, directly or indirectly, in concert with, or on behalf of, the person or entity from whom the Property was forfeited or whose conduct resulted in the forfeiture of the Property or those persons acting in concert therewith in the purchase and acquisition of the Property which is the subject of the Contract.

_____ **Purchaser's Initials**

29. **Additional Terms or Conditions.** (insert "NONE" if applicable)

PURCHASER'S ACCEPTANCE:

Entity Name: (if applicable): _____

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Tax I.D. No. (if an entity): _____

Agent Name (if applicable): _____

Agent Telephone Number: _____

Agent E-mail Address: _____

Accepted this _____ day of _____, 20____

SELLER'S ACCEPTANCE:

For and on behalf of the United States of America
By the United States Marshals Service

By: _____

Name: _____

Title: _____

Date: _____