

# ADDENDUM #1

## SPECIAL PROVISION ADDENDUM TO THE CONTRACT BETWEEN THE UNDERSIGNED PARTIES CONCERNING THE PROPERTY AT:

PROPERTY ADDRESS: \_\_\_\_\_

DATE: \_\_\_\_\_ ASSET NO.: \_\_\_\_\_

This Addendum is attached and thereby becomes a part of the purchase and sales contract. In the event there is a conflict between the purchase and sales contract and this Addendum, the Addendum is the controlling instrument in the transaction.

1. Seller shall furnish to Buyer(s) at closing a Special Warranty Deed, or comparable instrument as allowed where the subject property is located. It is the intent of the Seller to deliver insurable title to the subject property through the conveyance of the Special Warranty Deed or comparable instrument. The comparable instrument, at a minimum, must contain the following language: "Grantor covenants that it is seized and possessed of the said land and has a right to convey it, and warrants the title against the lawful claims of all persons claiming by, through and under it, but not further otherwise".
2. Notwithstanding anything in the attached contract (hereinafter, the "Contract") to the contrary, the Special Warranty Deed to be delivered by the Seller at closing shall include the following "subject to" provisions:

The following reservations from and exceptions to this conveyance and the warranty of title made herein shall apply.

- (1) All easements, rights-of-way and prescriptive rights whether of record or not, pertaining to any portion(s) of the herein described property (hereinafter, the "Property");
  - (2) All valid oil, gas and mineral rights, interests or leases, royalty reservations, mineral interest and transfers of interest of any character, in the oil, gas or minerals of record in any county in which any portion of the Property is located;
  - (3) All restrictive covenants, terms, conditions, contracts, provisions, zoning ordinances and other items of record in any county in which any portion of the Property is located, pertaining to any portion(s) of the Property, but only to the extent that same are still in effect;
  - (4) All presently recorded instruments (other than liens and conveyances by, through or under the Grantor) that affect the Property and any portion(s) thereof;
  - (5) Ad valorem taxes, fees and assessments, if any, for the current year and all prior and subsequent years, the payment of which Grantee assumes (at the time of transfer of title), and all subsequent assessments for this and all prior years due to change(s) in land usage (including, but not limited to, the presence or absence of improvements, if any, on the Property), ownership, or both, the payment of which Grantee assumes; and
  - (6) Any conditions that would be revealed by a physical inspection and survey of the Property.
3. **Title/Closing Agent.** Seller shall select the title and closing agent. The Seller shall pay the title examination fee and the premium for the owner's title insurance policy. Buyer shall pay their customary closing fee to the closing/title agent. If Buyer obtains a mortgage loan in connection with this purchase, the Buyer will pay any premium of a mortgagee title policy. The Buyer is entitled to legal representation at the closing and may elect to have such representation at the Buyer's expense. All closing transactions will be held at the Title/Closing Agent selected by the Seller. It is Seller's intent to deliver owner's title insurance policy in lieu of an abstract in the customary abstract states. The Buyer hereby accepts title insurance in lieu of an abstract if applicable. In the event there is a requirement for the abstract to be updated, the associated expense will be a Buyer expense on the HUD 1 Settlement Statement.
  4. The undersigned Buyer and Seller hereby: (i) authorize and direct any title company or closing agent providing services in connection with this transaction (the "Closing Agent") to furnish a copy of any HUD-1 Settlement Statement generated in connection with the closing of this transaction, whether unsigned or signed by the parties, showing both the Buyer's and Seller's sides of the transaction to the Closing Outsource Provider of the Seller; (ii) agree that the Closing Agent shall have no liability under the Gramm-Leach-Bliley Act, any other statute or regulation relating to privacy or information disclosure or otherwise as a result of its compliance with the direction to release aforementioned HUD-1 Settlement Statements to the Closing Outsourcer; and (iii) agree that the Closing Outsourcer may furnish such HUD-1 Settlement Statements to any authorized agent of the Seller.
  5. Purchaser(s) acknowledge that (a) Seller may have received other offers to purchase the Property prior to Seller's receipt of this offer, and (b) Seller may receive other offers to purchase the Property after Seller's receipt of this offer. Purchaser(s) acknowledges and agrees that Seller may consider simultaneously all offers to purchase the Property regardless of the date of receipt of any particular offer and that Seller may determine, in its sole and absolute discretion, which offer, if any, to accept or reject. All offers become the property of Seller, and rejected offers will not be returned to Purchaser(s). Purchaser(s) agree that the submission of this offer to Seller and Seller's receipt of same shall not create or cause to arise in favor of Purchaser(s) any claim to, or interest in, the property. The Purchaser(s) agree Seller's acceptance of this offer may be evidenced solely by Seller's endorsement hereon of Seller's acceptance of this offer pursuant to Seller's procedures therefor. No prior oral discussions or representations, if any, by Seller or its agents as to the Property or the acceptability of this offer

shall be effective or binding against Seller unless set forth in this offer. Seller reserves the right to cancel or terminate the contract if Seller does not net at least \$1.00 in proceeds on the HUD1/Settlement Statement.

6. Buyer is aware that Seller acquired the property subject of this transaction through either a foreclosure or a deed-in-lieu of foreclosure, and that Seller is selling and Buyer is purchasing the property in an "AS IS CONDITION WITHOUT ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE". Buyer acknowledges, on behalf of itself, its opportunity to inspect and investigate the property and all improvements thereon, either independently or through agents of Buyer's choosing, and that in purchasing the property Buyer is not relying on any statements or representations made by Seller or Seller's agents as to the condition of the property and/or any improvements thereon, including, BUT NOT LIMITED TO, heating, sewage, roof, foundations, soils and geology, septic, lot size or suitability of the property and/or its improvements for particular purposes, or that any appliances, if any, plumbing and/or utilities are in working order, and/or that the improvements are structurally sound and/or in compliance with any local, city, county, state and/or federal statutes, codes or ordinances. Buyer(s) agrees to pay the fees for inspections of his choice at the time of the physical inspection(s) including termite inspection and report. If it is determined that there is mold in property, buyer shall not hold Seller liable for removal of, or exposure to, the mold. The closing of this transaction shall constitute an acknowledgement by the Buyer that THE PREMISES WERE ACCEPTED WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND OR NATURE AND IN AN "AS-IS" CONDITION BASED SOLELY ON BUYER'S OWN INSPECTION AND THAT SELLER SHALL HAVE NO FURTHER OBLIGATIONS, LIABILITIES OR RESPONSIBILITIES UNDER THE CONTRACT OR ANY ADDENDUM THERETO, ANYTHING TO THE CONTRARY NOTWITHSTANDING.
7. Buyer(s) is purchasing the Property in its current "As Is" condition subject only to such repairs as may be expressly required under the Contract or agreed to in writing by Seller and Buyer(s) prior to closing. Should any lender or any insuring equity or agency require that certain repairs to the Property be made or that certain other conditions be met, the Seller, at its sole option, may comply with such requirement or terminate the Contract. Furthermore, should any FHA Conditional Commitment or VA Certificate of Reasonable Value vary from the agreed upon purchase price of the Property, then Seller, at its sole option, may terminate the Contract. Notwithstanding that repairs may be made to the Property pursuant to the terms of this Contract and prior to closing, Buyer(s) acknowledges that Seller has not made and shall not make any representations or warranties of any character as to the necessity for any such repairs, or the absence of any necessity therefore, or of the adequacy of any such repairs upon completion thereof. Buyer(s) agrees that it shall be solely the responsibility of Buyer(s) to inspect and verify, prior to closing, the completion and adequacy of any and all such repair.
8. If a Survey is requested by Buyer(s) or Lender, Buyer agrees to pay for said survey. A survey is not a condition of this transaction.
9. SELLER DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES AS TO THE PHYSICAL CONDITION OF THE PROPERTY, THE APPLIANCES, UTILITY FIXTURES, EQUIPMENT AND OTHER APPURTENANCES RELATING THERETO, OR ANY OTHER MATTER AFFECTING OR RELATING TO THE HEREIN DESCRIBED PROPERTY (OTHER THAN THE WARRANTY OF TITLE ACCORDING TO THE SPECIAL WARRANTY DEED TO BE DELIVERED AT CLOSING), AND THAT THE BUYER(S) HAS BEEN AFFORDED AN ADEQUATE OPPORTUNITY TO INSPECT AND EVALUATE THE CONDITION OF THE PROPERTY. BUYER(S) HEREBY EXPRESSLY ACKNOWLEDGES THAT NO SUCH REPRESENTATIONS OR WARRANTIES HAVE BEEN MADE, AND BUYER(S) AGREES TO ACCEPT THE HEREIN DESCRIBED PROPERTY "AS-IS" AND "WHERE-IS" AND WITHOUT WARRANTY, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY OF THE HEREIN DESCRIBED PROPERTY OR OF ITS FITNESS FOR ANY PARTICULAR USE OR PURPOSE. NO REPRESENTATIONS, CLAIMS, STATEMENTS, ADVERTISING OR PROMOTIONAL ACTIVITIES MADE OR CONDUCTED BY SELLER OR SELLER'S AGENTS OR REPRESENTATIVES SHALL BE BINDING UPON THE SELLER UNLESS THE SAME ARE EXPRESSLY SET FORTH IN THE CONTRACT, ITS ADDENDA, OR A SUBSEQUENT WRITTEN AGREEMENT EXECUTED BY THE SELLER AND BUYER(S).
10. Buyer(s) may take possession after the final closing papers are signed by the Seller **and the Contract is funded**. Possession to the property may not be taken before the occurrence of both transactions stated previously. Any violation will be considered a breach of contract. If the closing does not take place on the originally scheduled close by date due to a Buyer(s) delay, Buyer(s) shall pay a fee of \$100.00 per diem to Seller until the closing is completed.
11. Assignment: Buyer may not assign the Contract without Seller's prior written consent, such consent to be given or denied in Seller's sole and absolute discretion. Seller reserves the unilateral right, exercisable in Seller's sole discretion at any time prior to the Closing Date without the necessity of obtaining Buyer's consent, to convey the Property to an affiliate of Seller (a "Permitted Assignee") subject to the terms and conditions of the Contract. The Permitted Assignee shall expressly assume in writing all of Seller's duties and obligations under the Contract, and the original party designated as the Seller shall thereafter be released under the Contract, and the original party designated as the Seller shall thereafter be released from all duties and obligations hereunder. Buyer agrees to close the transaction contemplated herein with the Permitted Assignee, subject to the terms and conditions of the Contract.
12. Mortgage Insurance Companies: Notwithstanding anything herein to the contrary, Buyer and Seller agree and acknowledge that the Contract, including Seller's obligation hereunder to transfer this subject property, is subject to and contingent upon the non-exercise of any right of first refusal, if applicable, to the subject property, and in the event the first right is exercised by the mortgage insurance company, neither party shall be deemed in default hereunder, and the Contract, and all obligations, responsibilities and liabilities of each party hereunder (including any which relate to real estate brokers, agents, etc.) shall automatically terminate and be of no further force or effect and all monies paid or deposited by Buyer shall be promptly returned to Buyer.

13. Buyer warrants that He/She is not currently employed by Seller or any of its affiliated companies, nor is the Buyer an immediate family member of one of Seller's employees.
14. The Contract, including this Addendum, is contingent upon final approval by the Seller or Seller's Agent.
15. The Seller reserves the right to terminate the Contract for any reason in its sole discretion. Should the Seller terminate this contract, the Seller's sole liability to the Buyer will be to return Buyer's deposit, at which time the Contract and all addendums thereto shall cease and terminate and Seller and Buyer shall have no further obligations, liabilities, or responsibilities to one another.
16. It is acknowledged and agreed that in the event the Seller terminates the Contract in accordance with this Agreement for any reason, the sole obligation and liability of the Seller, shall be to refund to the Buyer, without interest, all sums heretofore paid on account of the purchase price. Upon the making of such refund, this Agreement shall be deemed cancelled and shall wholly cease and terminate, and neither party shall have any further claim against the other by reason of this Agreement. In the event that the sale is not consummated and/or a closing does not occur for any reason, neither the Seller, nor the Brokers shall be held liable for any damages or expenses including, but not limited to, costs or expenses of the Buyer.
17. The Seller requires evidence that the Buyer is a bona-fide Buyer with submission of this Contract to Seller. The evidence, at a minimum, will show proof of funds on hand for closing and, in the event of financing, a lender's pre-qualification letter approving credit worthiness of the Buyer.
18. All of the parties hereto hereby certify that they have read this Addendum carefully. They understand fully all the terms and conditions hereof. They enter into this Agreement in a spirit of mutual good will and cooperation without the use of force. In affixing their signatures hereto, they mutually agree it shall be binding upon them.

**This is a legally binding contract. Each party agrees that they have had the opportunity to seek professional advice regarding any matter of concern prior to signing this Addendum, and the Contract, and that each party has the opportunity to and may seek such advice prior to closing.**

**SELLER:       HOMEQ SERVICING  
                  AS AGENT FOR THE SELLER**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

BUYER(S):

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_