



HomeSteps File Number: _____

HOMESTEPS ADDENDUM #1 TO CONTRACT OF SALE (California Single-Family Real Estate Disposition)

For purpose of this addendum (Addendum) the Seller is:

- Federal Home Loan Mortgage Corporation (Freddie Mac or HomeSteps)
- Federal Home Loan Mortgage Corporation (Freddie Mac or HomeSteps), as Trustee for

This Addendum is to be made a part of the agreement ("Contract of Sale") dated _____, between Seller and

("Purchaser"), for the property located at:

(the "Property").

IN THE EVENT ANY PROVISION OF THIS ADDENDUM CONFLICTS IN WHOLE OR IN PART WITH THE TERMS OF THE CONTRACT OF SALE, OR ANY OTHER ADDENDA, THE PROVISIONS OF THIS ADDENDUM SHALL CONTROL.

1. CONDITIONS OF SALE. Purchaser acknowledges that Seller obtained the Property by foreclosure, deed in lieu of foreclosure, forfeiture or similar process. The Contract of Sale is subject to each of the following conditions: (i) final acquisition of the Property by Seller; (ii) the ability of Seller to provide insurable title; (iii) the mortgage insurance company's approval of the sale; and (iv) if required by Seller, the re-purchase of the Property by the prior mortgage servicer from Seller. In the event any of these conditions are applicable, at Seller's option and at Seller's sole discretion, Seller may notify Purchaser that the Contract of Sale is canceled, the deposit shall be returned to Purchaser and Seller shall have no further obligation to sell or convey the Property to Purchaser.

IT IS EXPRESSLY AGREED AND ACKNOWLEDGED BY THE PURCHASER THAT ANY EXPRESS REPRESENTATIONS, WARRANTIES, OR STATEMENTS CONTAINED IN THE CONTRACT OF SALE, WHETHER REFERRING TO THE CONDITION OF THE PROPERTY, OR WHETHER REFERRING TO THE EXISTENCE OF FEATURES, FUNCTIONS OR SERVICES RELATING TO OR SERVING THE PROPERTY (INCLUDING, BY WAY OF EXAMPLE ONLY, WHETHER THE PROPERTY HAS PARTICULAR TYPES OF UTILITY SERVICES OR INGRESS/EGRESS RIGHTS), ARE SPECIFICALLY WAIVED, DISCLAIMED, AND RENDERED NULL AND VOID.

(Purchaser's Initials) **IN THE EVENT THAT THE CONTRACT OF SALE CONTAINS ANY EXPRESS PROVISIONS IN WHICH OPTIONAL LANGUAGE EXISTS FOR SELECTION BY THE PARTIES (INCLUDING, BY WAY OF EXAMPLE ONLY, BOXES TO BE CHECKED), THE PURCHASER EXPRESSLY AGREES AND ACKNOWLEDGES THAT THE REPRESENTATIONS, WARRANTIES, OR STATEMENTS CONTAINED IN SUCH LANGUAGE (EVEN IF CHECKED, SIGNED, INITIALED OR OTHERWISE MARKED SIGNIFYING AGREEMENT WITH OR ACCEPTANCE OF THE LANGUAGE) ARE SPECIFICALLY WAIVED, DISCLAIMED, AND RENDERED NULL AND VOID.**

Seller's Initials _____

Buyer's Initials _____

IT IS THE EXPRESS INTENTION OF THE SELLER AND THE PURCHASER THAT THE ONLY WARRANTIES, REPRESENTATIONS, OR STATEMENTS (IF ANY) MADE BY THE SELLER AND RELIED UPON BY THE PURCHASER ARE THOSE THAT MAY BE CONTAINED IN THIS ADDENDUM.

2. TITLE. The extent of Seller's obligation with respect to title shall be to provide insurable title to Purchaser. Title to the Property may run from the owner of record, or from Seller by act of power of attorney on behalf of the recorded owner. Conveyance will be by 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 grantor. Such deed may be known as a SPECIAL WARRANTY, LIMITED WARRANTY, QUIT CLAIM OR BARGAIN AND SALE DEED, or other local form of Deed acceptable to the recording agent and Seller. The agent responsible for settling the transaction, disbursing funds and closing escrow ("Closing Agent") is responsible for providing or obtaining the legal description of the property. The legal description shall be the same legal description as contained in the foreclosure deed or the deed-in-lieu of foreclosure, as applicable, or any revision thereto.

3. UNWRITTEN STATEMENTS. Unwritten or oral statements, representations, promises, negotiations, or agreements shall not be considered to be part of the Contract of Sale unless incorporated in writing into the Contract of Sale.

4. TIME IS OF THE ESSENCE: CLOSING. IT IS AGREED THAT TIME IS OF THE ESSENCE WITH RESPECT TO ALL DATES SPECIFIED IN THE CONTRACT OF SALE, THIS ADDENDUM AND ANY ADDENDA OR AMENDMENTS THERETO. Settlement/closing shall be held in the offices of a Closing Agent selected by Purchaser, in accordance with the provisions of paragraph 17 herein, unless otherwise required by applicable law. Closing shall occur on or before _____, or within seven (7) calendar days of Purchaser's loan approval, whichever is earlier, unless the closing date is extended in writing signed by the Seller and Purchaser. Purchaser shall deliver the earnest money deposit in certified funds to the real estate broker listing the property for sale pursuant to a separate agreement with Seller ("Broker"). The earnest money deposit shall be held by Closing Agent in escrow in a non-interest bearing account. At closing, Purchaser must pay any amounts due by cashier's checks drawn on a United States regulated financial institution authorized to engage in banking activities within the United States made payable to the Closing Agent or by wire transfer from a United States regulated financial institution authorized to engage in banking activities within the United States consistent with Paragraph 14. The sale may not be closed in escrow without the prior written consent of Seller. In the event closing does not occur by the closing date specified in this Section 4, or any written extension, this Agreement is automatically terminated. Upon such termination Seller, without further communication with Purchaser and in Seller's sole discretion, will have the right to instruct the Closing Agent to cancel the settlement and the Seller shall be entitled to the remedy described in paragraph 19 of this Addendum. In the event Seller agrees to Purchaser's request for a written extension of this Agreement, Purchaser agrees to pay to Seller a **per diem** of \$100 per calendar day through and including the new closing date specified in the written extension. Purchaser agrees that it will not provide any instructions to the Closing Agent that are inconsistent with this Addendum and, in that event Purchaser does so, such instructions are null and void *ab initio*.

5. PRORATIONS. Seller and Purchaser agree to prorate the following expenses as of closing: utility charges, water and sewer charges, fuel/heating oil (if applicable), real estate taxes and assessments, common area charges, co-operative fees, maintenance fees, and rents, if any. Rental payments will be prorated outside and after closing, and will not be reflected on the settlement statement. Prorated rental payments are to be returned to the tenant from whom they were received, once requested, and not returned to Purchaser. Payment of homeowner's association or 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 purchase price. HOWEVER, Seller shall not be responsible for homeowner's association assessments that accrued prior to the date Seller acquired the Property. In determining prorations, the day of closing shall be charged to Purchaser. All prorations at closing, including prorations for taxes, are final. If the property is a single family property with no more than one dwelling unit, then rents (if any) shall not be prorated.

Seller's Initials _____

Buyer's Initials _____

6. OCCUPANCY STATUS. In the event the Property is occupied by tenant(s), Seller makes no representations regarding (i) compliance of the Property with any rent control or registration laws, (ii) the existence of any written leases, (iii) the remaining term of any tenancy, (iv) the amount of monthly rent, and (v) whether the tenant(s) are current in payment of rent. In addition, Seller does not hold any security deposits for any tenant(s) and shall not transfer any security deposits to Purchaser, and after closing Purchaser shall be solely responsible for the return of any security deposits (and interest thereon, if applicable) upon the demand of any tenant(s). Seller does not warrant that the Property will be vacant by the date of closing and shall not be responsible for any eviction expenses incurred by Purchaser before or after closing. Seller does not warrant that the current tenant, if any, will continue to occupy the Property after closing or enter into a new lease agreement with Purchaser. Purchaser agrees to be solely responsible for all matters relating to occupancy of the Property after closing.

7. DELIVERY OF POSSESSION. Seller shall deliver possession of Property to Purchaser at closing and funding of sale, or upon successful completion of closing and settlement in accordance with local practice and custom. Purchaser may not occupy the Property prior to closing and funding. In the event Purchaser alters the Property or occupies the Property or permits it to be occupied by any other person prior to closing, then Purchaser shall be in default of the Contract of Sale and Seller may terminate the Contract of Sale and Purchaser shall be liable to Seller for damages caused by such alteration or occupation of the Property prior to closing. Purchaser's deposit and rights to any improvements to the Property shall be forfeited to Seller and Purchaser hereby waives any and all claims for damages or compensation for improvements made by Purchaser to the Property including but not limited to any claims based on unjust enrichment. The remedies available to Seller described in this paragraph shall not be limited by the remedies described in paragraph 19 of this Addendum.

8. CONDITION OF PROPERTY.

- a. PURCHASER UNDERSTANDS THAT SELLER OBTAINED THE PROPERTY BY FORECLOSURE, DEED IN LIEU OF FORECLOSURE, FORFEITURE OR SIMILAR PROCESS AND CONSEQUENTLY, SELLER HAS LITTLE OR NO DIRECT KNOWLEDGE REGARDING THE CONDITION OF THE PROPERTY. Purchaser accepts the Property in "AS IS" condition at the date of the Contract of Sale, including, without limitation, any defects or environmental conditions affecting the Property, known or unknown. To the extent Seller makes any repairs or upgrades to the condition of the Property, Purchaser accepts such items in "AS IS" condition at the date of closing.
- b. PURCHASER ACKNOWLEDGES THAT NEITHER SELLER NOR ITS AGENTS HAVE MADE ANY WARRANTIES, IMPLIED OR EXPRESSED, RELATING TO THE CONDITION OF THE PROPERTY. Seller and its agents shall not be responsible for the repair, replacement or modification of any deficiencies, malfunctions or mechanical defects in the material, workmanship and mechanical components of the appurtenant structures and improvements prior or subsequent to closing. Seller makes no representation or warranty as to whether the Property is connected to or served by a public sewer, a water supply or legal ingress/egress access. In the event that the Contract of Sale contains a statement or representation to the effect that the Property is connected to or served by a public sewer, water supply or legal ingress/egress access, notwithstanding such statement or representation the Purchaser acknowledges and agrees that such statement or representation is specifically waived, disclaimed, and rendered null and void. Items of personal property are not included in this sale. Seller makes no representation or warranty as to the condition of personal property, title to personal property or whether any personal property is encumbered by liens. Purchaser agrees that Seller shall have no liability for any claim or losses Purchaser or Purchaser's successors and/or assigns may incur as a result of any condition or other defect which may now or hereafter exist with respect to the Property.
- c. Purchaser understands and acknowledges that neither Seller nor its agents and contractors are expert in the detection or remediation of mold, mildew, fungus, high-sulfur content building materials, such as drywall, illegal or industrial chemicals and substances and associated environmental conditions or related adverse health effects. Purchaser is encouraged, in conjunction with Purchaser's rights to inspect the Property in Section 9 of this Addendum, to inspect the Property for mold, mildew, fungus, high-sulfur content building materials, illegal or industrial chemicals and substances and associated environmental conditions, including water leaks from plumbing and sewage pipes and fixtures, and moisture penetration in floors, walls, ceilings; corrosion or deterioration of air handling equipment, electrical wiring, and other

Seller's Initials _____

Buyer's Initials _____

metal components; and structural components of the Property. Purchaser understands and acknowledges that, in its efforts to put the Property in marketable condition, Seller may have hired or may hire contractors to make repairs and improve the appearance of the Property by, among other things, painting walls, replacing floor coverings, and cleaning interior and exterior surfaces. Purchaser agrees that neither Seller nor its agents shall be liable for any claims or losses that Purchaser, Purchaser's family members, Purchaser's successors and/or assigns, or persons occupying the Property as guests, tenants or licensees of Purchaser may incur as a result of the discovery, after the delivery of possession of the Property to Purchaser, of mold, mildew, fungus, high-sulfur content building materials or associated environmental conditions regardless of whether those conditions existed prior to the delivery of possession or developed thereafter.

- d. Purchaser understands and agrees that the Property may contain local or state building code violations as well as violations of condominium association, homeowners association or other community association rules, restrictions, covenants and bylaws that may or may not have resulted in fines or assessments. Seller disclaims knowledge or liability for any such violations, fines or assessments and Purchaser agrees to accept the Property with all such violations, fines or assessments except to the extent that such violations, fines or assessments would conflict with Seller's obligations regarding title under paragraph 2.
- e. Purchaser understands that the property might be in a flood zone. Purchaser is solely responsible for evaluating flood risk. The FEMA website can help you evaluate your flood risk for the property: <https://www.fema.gov/flood-maps/products-tools/know-your-risk/homeowners-renters>.

9. INSPECTIONS AND DUE DILIGENCE RIGHT; CONTRACT CANCELLATION RIGHTS. Seller authorizes Purchaser, at Purchaser's expense, _____ (Purchaser's Initials) to make a complete inspection of the Property and conduct all desired, non-destructive tests, surveys, appraisals, investigations, examinations and inspections of the Property and title to the Property as Purchaser deems appropriate within ten (10) calendar days from the final execution date (Seller's acceptance date) of the Contract of Sale. Purchaser may obtain an appraisal or survey of the Property, order a search of title documents, homeowner's or condominium association records and other governmental and non-governmental records related to the Property, and conduct due diligence as to the insurability of the Property and types and amounts of insurance required or desired for the Property (e.g., flood, hazard, title, etc.). Purchaser should obtain all inspections and conduct all due diligence necessary to fully inform Purchaser if the Property is in a physical and legal condition materially different than when Purchaser made the offer to purchase the Property by executing the Contract of Sale.

_____ (Purchaser's Initials) Purchaser acknowledges that it is Purchaser's sole responsibility to obtain inspection reports by qualified professionals with respect to the physical and legal status of the Property, to determine the presence of any environmental conditions affecting the Property and/or any toxic or hazardous substances on the Property which would make it uninhabitable or dangerous to the health of the occupants, or other factors regarding the Property about which Purchaser may be concerned. Purchaser shall provide Seller with reasonable notice of any inspections. In the event the inspection reveals material deficiencies that were not known to Purchaser at the time the Purchaser signed the Contract of Sale, Purchaser may cancel the Contract of Sale and the deposit paid by Purchaser shall be returned to Purchaser. To cancel in such event, Purchaser must, **within twelve (12) calendar days from the final execution date of the Contract of Sale**, provide Seller with written notice of cancellation. PURCHASER'S FAILURE TO FURNISH WRITTEN NOTICE OF CANCELLATION WITHIN THE TWELVE (12) DAY TIME PERIOD SHALL CONCLUSIVELY BE DEEMED PURCHASER'S ELECTION TO ACCEPT THE CONDITION OF THE PROPERTY AND TO PROCEED WITH THE TRANSACTION.

10. COMPLIANCE CERTIFICATES. Any obligation of Seller to obtain a compliance certificate relating to the Property (such as a certification relating to smoke detectors) shall not apply in the event the Property is not in habitable condition, unless otherwise required by law.

Seller's Initials _____

Buyer's Initials _____

11. TERMITES/WOOD DESTROYING INSECTS. Notwithstanding any provision to the contrary in the Contract of Sale, Seller shall not be required to repair or treat any damage caused by termites or other wood destroying insects unless Seller specifically agrees to do so as indicated below.

- a. Seller **shall not** repair or treat any such damage caused by termites or wood destroying insects.
- b. Seller agrees to limited repairs and/or treatment of damage caused by termites or other wood destroying insects.

THE PARTIES AGREE THAT THE COST TO SELLER FOR SUCH REPAIRS AND/OR TREATMENTS SHALL NOT EXCEED \$0.00. If the cost for any such repairs exceeds such amount, then (i) Purchaser shall be responsible for the cost and expense of any amounts exceeding such termite repair limit, or (ii) Seller shall have the right to cancel the Contract of Sale and the deposit paid by Purchaser shall be returned to Purchaser.

12. REPAIRS. Seller's responsibility for any repairs required by Purchaser's prospective lender shall not exceed \$0.00. If the cost for any such repairs exceeds such amount, then (i) Purchaser shall be responsible for the cost and expense of any amounts exceeding such repair limit, or (ii) Seller shall have the right to cancel the Contract of Sale and return the deposit paid by Purchaser. PURCHASER SHALL NOT HAVE THE RIGHT TO MAKE ANY REPAIRS TO THE PROPERTY PRIOR TO CLOSING.

13. INDEMNIFICATION. Purchaser agrees to indemnify Seller and fully protect, defend and hold Seller, its tenants, agents, employees and contractors, harmless from and against any and all claims, costs, liens, loss, damages, attorney's fees and expenses of every kind and nature that may be sustained by or made against Seller or any damage to the Property of any adjoining property, or any injury to Purchaser or any other persons that may result from or arise out of inspections made by Purchaser or its agents, employees and contractors prior to closing.

14. FINANCING AND PAYMENT AT CLOSING. The type of financing shall be as follows (check paragraph a or b below as applicable):

a. Purchaser shall apply for financing from a third party financial institution in the form of a first mortgage secured by the Property in the amount of \$_____. Purchaser agrees to accept a prevailing rate of interest at the time of closing. *Also check one of the following as applicable:*

Conventional, FHA, VA,

Other _____

b. Purchaser shall not use any third party financing to purchase the Property. Purchaser agrees that it will wire the closing funds from a United States regulated financial institution authorized to engage in banking activities within the United States or provide a cashier's check drawn on a United States regulated financial institution authorized to engage in banking activities within the United States. Funds from any third parties will not be accepted by the Closing Agent nor will hard currency of any kind. If there is an underestimation of the amount necessary to close, the Purchaser may pay the difference using a personal check for no more than \$500.00.

15. APPLICATION FOR FINANCING. If this sale is being financed, Purchaser shall have five (5) business days from the final execution date of the Contract of Sale to make loan application. The Contract of Sale may be canceled by Seller in the event Purchaser is not "prequalified" by a lender within seven (7) business days from the final execution date of the Contract of Sale.

16. NOT CONTINGENT UPON PURCHASER'S SALE OF REAL ESTATE. Notwithstanding any other provision of the Contract of Sale (including, if applicable, any financing contingency), in no event shall this Agreement be contingent upon the ability of the Purchaser to sell or close other real estate owned by Purchaser.

Seller's Initials _____

Buyer's Initials _____

17. CLOSING COSTS/CONCESSIONS/ESCROW AGENT.

- a. REGARDLESS OF LOCAL CUSTOM, REQUIREMENTS OR PRACTICE, AND NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE CONTRACT OF SALE OR ANY OTHER ADDENDA, SELLER WILL NOT PAY ANY FEES, COSTS OR EXPENSES NOT EXPRESSLY PROVIDED FOR IN THIS ADDENDUM.
- b. Purchaser shall pay all of a purchaser's customary closing costs (which shall include lender charges, survey and any FHA/VA non-allowable), except for Seller's contribution toward such closing costs. The amount to be contributed by Seller toward closing costs shall not exceed \$0.00. Seller's contribution may be applied to any or all of the following actual expenses: FHA or VA non-allowable, non-recurring closing costs, discount points, loan origination fees, other customary and reasonable lender fees and pre-paid expenses, survey, and appraisal. In the event the total of closing costs are less than the amount of Seller's contribution toward closing costs, then Seller's contribution shall be limited to the total of such actual closing costs. In any event, Seller will not be obligated to make a contribution toward any closing costs if Purchaser does not pursue and obtain the financing specified in Section 14 of this Addendum.
- c. The parties agree to the following with respect to the selection of a Closing Agent and title insurance agent:

1. Seller hereby notifies Purchaser that Purchaser has the right to make an independent selection of the Closing Agent and title insurance agent used in connection with the sale of the Property.

2. If Purchaser agrees to use the Closing Agent recommended by Seller, then Seller agrees to pay for an owner's policy of title insurance from a title insurance agent of Seller's choosing. Seller will not be obligated to pay any portion of the cost of an owner's policy of title insurance if (i) the Purchaser does not select the Closing Agent recommended by Seller; (ii) it is prohibited by applicable local, state, or federal law or (iii) the Purchaser's lender, if any, prohibits it. Seller will *not* give the cash equivalent of the owner's policy premium to the Purchaser under any circumstances.

3. Purchaser acknowledges that Purchaser is not required by Seller to purchase either an owner's or lender's policy of title insurance. However, the lender, if any, from which Purchaser obtains a mortgage, may impose a requirement to purchase a lender's policy of title insurance upon Purchaser. Purchaser agrees it will contact its lender, if any, for more information if Purchaser has any questions regarding the obligation to purchase a lender's policy of title insurance.

4. Purchaser acknowledges the notice and information provided in this section 17,c,3 and makes the following selection (Purchaser must choose one):

Selection of a Closing Agent not recommended by Seller. Purchaser selects the following company to act as Closing Agent: _____ located at _____,
email: _____; phone: (____) _____. The Purchaser will be responsible for payment of the owner's policy of title insurance, if any.

Selection of a company recommended by Seller. Purchaser selects the following company, _____ which has been recommended by Seller, to be the Closing Agent in connection with Purchaser's purchase of the Property. The Seller will pay for the owner's policy of title insurance. Purchaser shall be responsible to purchase and pay for a lender's policy of title insurance if Purchaser so chooses or is required to purchase one.

Seller's Initials _____

Buyer's Initials _____

18. TRANSFER TAXES/TAX STAMPS. Seller is exempt from payment of state taxes and tax stamps on deeds, mortgages and notes (12 U.S.C 1452(e)) and if payment of such state taxes or stamps is necessary to record the deed or mortgage, the tax will be paid by Purchaser and will not be considered part of closing costs.

19. DEFAULT/REMEDIES. In the event that either party fails or refuses to proceed to settlement for any reason (except for reasons permitted or authorized by the Contract of Sale or this or other addenda), Purchaser and Seller acknowledge and agree that the economic consequences of such action by either party, considered at the time of contract formation, are speculative and uncertain. In such event, Purchaser and Seller agree that the recovery of liquidated damages is a suitable and preferable alternative to remedies that might otherwise be available at law or in equity. Therefore, in the event that Seller fails or refuses to proceed to settlement in violation of the Contract of Sale, Purchaser's sole and exclusive remedy shall be the recovery of liquidated damages in the amount of one thousand dollars (\$1,000.00). Seller shall promptly tender said sum upon demand from Purchaser. In the event that Purchaser fails or refuses to proceed to settlement in violation of the Contract of Sale, Seller's sole and exclusive remedy shall be the recovery of liquidated damages in the amount of one thousand dollars (\$1,000.00). Purchaser shall promptly tender said sum upon demand from Seller. Purchaser and Seller each agree to accept the specified liquidated damages as full and complete compensation for any and all claims, whether founded upon contract, tort, statute, or otherwise, that may arise in connection with the failure or refusal of the other party to proceed to settlement in violation of the Contract of Sale, and Purchaser and Seller expressly waive and disclaim any and all further claims and remedies including but not limited to injunctive relief, specific performance, the filing of a notice of lis pendens, and claims for monetary compensation including but not limited to benefit-of-the-bargain damages, lost profits, lost rental income, expenses incurred in preparing for settlement, and all other costs, expenses, compensation and damages of whatever nature whether founded upon law or in equity.

20. ASSIGNMENT. Purchaser may not assign this Contract of Sale without the express written consent of Seller. Any attempted assignment by Purchaser shall be void and shall constitute a material breach of the Contract of Sale.

21. PURCHASER'S REPRESENTATIONS.

Purchaser represents that:

- a. Purchaser intends does not intend to occupy the Property as Purchaser's primary residence.
- b. Purchaser is is not related by blood or marriage to the previous owner of the Property.
- c. Purchaser is is not currently a HomeSteps Supplier, which includes employees, (as defined in "HomeSteps' Supplier Code of Conduct") approved to perform paid services for HomeSteps or a family member of a HomeSteps Supplier .
- d. FREDDIE MAC EMPLOYEES AND THEIR IMMEDIATE HOUSEHOLD MEMBERS ARE PROHIBITED FROM PURCHASING HOMESTEPS PROPERTIES. Purchaser or a member of Purchaser's immediate household is is not an employee of Freddie Mac. (An immediate household member means a member of the employee's family who currently resides in the employee's home, a non-resident spouse, and a non-resident minor child or dependent for whom the employee has responsibility.)
- e. The Purchaser represents and warrants that it is not a direct or indirect holder or group (as defined in Section 13(d) and Section 14(d) of the Securities Exchange Act of 1934) of holders of ten percent (10%) or more of any class of capital stock of Freddie Mac.
- f. If Purchaser is a HomeSteps Supplier, or an employee and/or immediate family member of a HomeSteps Supplier, Purchaser represents that Purchaser has not accessed HomeSteps information including the Property's valuation and/or analysis, provided ancillary services such as "trash-outs" and maintenance (including but not limited to lawn care or repairs to the Property), or participated in the management of the Property at any time during the entire

Seller's Initials _____

Buyer's Initials _____

property management and sale process; and Purchaser represents that Purchaser will not engage in any such activities. Purchaser further represents that Purchaser has disclosed to HomeSteps that it is a Supplier and/or family member of a HomeSteps Supplier, and obtained written consent, which may or may not be provided in HomeSteps' sole discretion, to purchase the Property.

- g. Purchaser further agrees that it will not enter into any contract for deed or lease with option to purchase agreements regarding the resale of the Property, unless Purchaser is a non-profit organization or has obtained Freddie Mac's prior written consent. Purchaser acknowledges that, in addition to any other remedy available to Freddie Mac, any violation of this agreement may result in Freddie Mac refusing to sell additional REO properties to Purchaser and/or its affiliates.

PURCHASER ACKNOWLEDGES THAT SELLER WILL RELY ON THE FOREGOING REPRESENTATIONS, AND ANY MISREPRESENTATION SHALL CONSTITUTE A MATERIAL BREACH OF THE CONTRACT OF SALE.

22. ACCEPTANCE OF DEED/MERGER. The acceptance of a deed by Purchaser shall be deemed to be a full performance and discharge of every agreement and obligation on the part of Seller to be performed pursuant to the provisions of the Contract of Sale. Upon the acceptance of a deed the Contract of Sale shall be deemed to be merged into the deed and the Seller's obligations to Purchaser shall be governed solely by the terms of the deed and shall be a bar against any action by the Purchaser against the Seller for any claim based upon the Contract of Sale.

23. REAL ESTATE COMMISSION. The real estate commission shall be paid to the Broker pursuant to the terms of a separate agreement between Broker and Seller as follows (check either paragraph "a" or "b" below):

- a. The real estate commission due the Broker, subject to any existing referral agreement, shall be _____% of the contract sale price. **OR**
- b. The real estate commission due the Broker, subject to any existing referral agreement, shall be the minimum flat fee of \$_____.

The Closing Agent is authorized and directed to pay Broker's fee, subject to any existing referral agreement, from the sale proceeds at closing. No fee shall be paid to Broker unless closing is completed.

24. HOMEOWNERS ASSOCIATION ASSESSMENTS. Seller shall not be responsible for any homeowners' or condominium association assessments that accrued prior to the date Seller acquired the Property.

25. NOTICES. Any notices required to be given hereunder shall be deemed delivered when actually received when delivered by hand or overnight delivery. Such notices shall be deemed delivered five days after mailing when mailed by first class mail, postage prepaid. Notices sent by fax or electronic mail shall be deemed delivered when received with confirmation of successful transmission to the appropriate designated fax number or e-mail address during regular business hours (Monday through Friday from 9:00 am to 5:00 p.m. recipient's local time). Fax transmissions and e-mail received outside regular business hours shall be deemed delivered the next business day. All notices to Seller will be deemed sent or delivered to the Seller when sent or delivered to Seller's Broker. All notices to Purchaser will be deemed sent or delivered to Purchaser when sent or delivered to Purchaser or Purchaser's agent or attorney. All notices or disclosures that may be delivered by Seller may be delivered by Seller's Broker.

26. KEYS. Purchaser acknowledges that the Property may be on a master key system to enable access by Seller and its suppliers. Purchaser acknowledges that Seller recommends that Purchaser re-key the Property after closing.

27. ATTORNEY REVIEW. Purchaser acknowledges that Purchaser has had an opportunity to consult with legal counsel regarding the Contract of Sale and all addenda, including this Addendum. Accordingly, the Parties agree

Seller's Initials _____

Buyer's Initials _____

that the terms of the Contract of Sale and this Addendum are not to be construed against any party because that party drafted the document or construed in favor of any party because that party failed to understand the legal effect of the provisions of the Contract of Sale or this Addendum.

28. SEVERABILITY. The invalidity or unenforceability of any provision of this Addendum shall not affect the validity or enforceability of any other provision of this Addendum, all of which shall remain in full force and effect.

29. ALTERNATIVE DISPUTE RESOLUTION. In the event that the Contract of Sale to which this Addendum is made a part contains a form of alternative dispute resolution other than through resort to legal action, if that form of alternative dispute resolution seeks to impose a binding method of resolution or settlement then Purchaser and Seller agree that such alternative dispute resolution term shall be of no force or effect, and is hereby revoked.

30. LEGAL FEES. In the event that the Contract of Sale to which this Addendum is made a part contains a provision that in the event of recourse to legal action to enforce the Contract of Sale the prevailing party shall be entitled to recover attorney's fees, then Purchaser and Seller agree that such attorney's fees provision shall be of no force or effect, and is hereby revoked. Purchaser and Seller agree that each party shall be responsible for its own attorney's fees in any action to enforce the provisions of the Contract of Sale.

31. ADDITIONAL CONDITIONS.

32. ESCROW INSTRUCTIONS. This Addendum contains the escrow instructions of Purchaser and Seller to Escrow Holder. Notwithstanding Section 28.A of the Contract of Sale, this Addendum constitutes the general escrow instructions. No further general escrow instructions shall be required.

- a. Purchaser shall deliver to Escrow Holder any instruments and/or funds required from Purchaser to enable Escrow Holder to complete close of escrow. The deposit shall be delivered to Escrow Holder. The increased deposit, if any, shall be delivered to Escrow Holder upon the date specified in the Contract of Sale. The down payment and any other funds necessary to close shall be delivered to Escrow Holder prior to close of escrow. Seller shall deliver to Escrow Holder any instruments and/or funds required from Seller to enable to Escrow Holder to close.
- b. Purchaser and Seller agree to the reasonable and customary charges by Escrow Holder for expenses, such as messenger and delivery charges.
- c. Escrow Holder is authorized to furnish copies of this agreement and any other documents to the parties' broker, agent, attorney or lender.
- d. All funds received by Escrow Holder shall be deposited with other escrow funds in a general escrow trust account or accounts of Escrow Holder, with any state or national bank or federally insured savings and loan, and may be transferred to any other such general escrow trust account or accounts. All disbursements shall be made by check or wire of Escrow Holder. Escrow Holder shall not be responsible for any delay in closing if funds received by escrow are not available for immediate withdrawal. Purchaser and Seller acknowledge that funds deposited into escrow are held in a non-interest-bearing escrow trust account.

Seller's Initials _____

Buyer's Initials _____

- e. Escrow Holder does not guarantee the sufficiency, validity or enforceability of any documents. Escrow Holder has no duty to verify the signatures of any party or third party. Escrow Holder duties shall be limited to the safekeeping of the money and documents received by Escrow Holder, and for the disposition of the same in accordance with this agreement. Escrow Holder shall not be liable for any claims, demands, losses or damages made, claimed or suffered by Purchaser or Seller arising from acts conducted in accordance with this agreement.
- f. If Purchaser or Seller elects to wire funds to escrow, Purchaser or Seller must contact Escrow Holder regarding wiring information and instructions. The parties authorize Escrow Holder to release funds to the designated title insurance company, for payment of demands and costs, or clearance of funds to pay same, prior to the recordation of the documents, if necessary or required to effect the closing.
- g. If there is no written communication by Purchaser or Seller to Escrow Holder within the three-month period after the date set for close of escrow or written extension thereof, Escrow Holder's obligations shall terminate at Escrow Holder's option and all documents, monies or other items held by Escrow Holder shall be returned to the respective parties depositing same, less fees and charges as herein provided.
- h. Upon receipt of any conflicting or unilateral instructions, Escrow Holder will no longer be obligated to take any further action in connection with escrow until further concurring instructions are received from the parties. Escrow Holder is authorized to hold all money and documents in this escrow and take no further action until otherwise directed, either by the parties' mutual written instructions or by final order of a court of competent jurisdiction. Escrow Holder may return lender's papers and/or funds upon lender's demand. (Funds deposited in trust accounts or in escrow are not released automatically in the event of a dispute. Escrow Holder reserves the right to release funds only upon the written agreement of the parties or final, binding judicial decision.)
- i. In the event of the failure of Purchaser or Seller to pay fees or expenses due from Purchaser or Seller to Escrow Holder, Purchaser or Seller, respectively, agree to pay a reasonable fee for Escrow Holder's attorney services which may be required to collect such fees or expenses.
- j. Purchaser and Seller agree that Escrow Holder is not authorized to give legal or tax advice. If Purchaser or Seller desire legal advice, Purchaser or Seller should consult an attorney.
- k. Any funds abandoned or remaining unclaimed, after good faith efforts have been made by the Escrow Holder to return same to the party entitled thereto, shall be irrevocably assessed a reasonable "hold open" custodian fee each month. Purchaser and Seller agree that escrow holder may close the escrow file when all funds on deposit have been disbursed.
- l. In the event of cancellation of this agreement, the fees and charges due Escrow Holder, including expenditures incurred or authorized, shall be paid by the respective responsible party unless otherwise specifically agreed to or determined by a court of competent jurisdiction. Escrow Holder is irrevocably authorized to assess a cancellation fee and to return documents and monies to the respective parties depositing same or for whose benefit an unconditional deposit was made, and to void executed instruments.

Seller's Initials _____

Buyer's Initials _____

- m. The parties agree that Escrow Holder has the absolute right at Escrow Holder's election to file an action in interpleader in a court of competent jurisdiction requiring the Purchaser and Seller to answer and litigate their claims and rights among themselves, and Escrow Holder is authorized to deposit with the clerk of the court all documents and funds held in escrow. In the event such action is filed, the Purchaser and Seller jointly and severally agree to pay Escrow Holder's costs, expenses, reasonable attorney's fees which Escrow Holder is required to expend or incur in such interpleader action, the amount and proportion for payment, to be fixed and judgment to be rendered by the court. Upon the filing of such action, Escrow Holder shall thereupon be fully released and discharged from all obligations to further perform any duties or obligations otherwise imposed by the terms of this agreement. If either Purchaser or Seller cause an action to be brought against Escrow Holder, then such party shall indemnify Escrow Holder for reasonable fees and costs in the event the action is unsuccessful against Escrow Holder.
- n. Holder is authorized to destroy or otherwise dispose of any and all documents, papers, instructions, correspondence and other material pertaining to this agreement, without liability and without further notice to parties after close of escrow or cancellation in accordance with Escrow Holder's usual and customary practice or as required by law.
- o. Purchaser and Seller acknowledge that Escrow Holder has not agreed to arbitration for resolution of any dispute between the Escrow Holder and the parties.

THE UNDERSIGNED APPROVE AND ACCEPT THIS ADDENDUM AND ACKNOWLEDGE THIS ADDENDUM TO BE A PART OF THE CONTRACT OF SALE. IN THE EVENT ANY PROVISION OF THIS ADDENDUM CONFLICTS WITH THE TERMS OF THE CONTRACT OF SALE, THE PROVISIONS OF THIS ADDENDUM SHALL CONTROL.

SELLER:

FEDERAL HOME LOAN MORTGAGE CORPORATION

BY: _____

TITLE: _____

DATE: _____

PURCHASER(S)

BY: _____

DATE: _____

BY: _____

DATE: _____