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**ADDENDUM TO PURCHASE AGREEMENT**

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This Addendum to Purchase Agreement ("**Addendum**") is attached to and made part of that certain Agreement ("**Purchase Agreement**") dated: \_\_\_\_\_ by and between: \_\_\_\_\_ ("**Seller**") and \_\_\_\_\_ ("**Buyer**") for the sale and purchase of certain real property with improvements thereon, if any, located at: \_\_\_\_\_ ("**Property**")

In the event of any conflict between the provisions of this Addendum and the Purchase Agreement or any addendum or rider thereto, the provisions of this Addendum will control and the conflicting term in the Purchase Agreement or any addendum or rider thereto is considered deleted and expressly waived by both Buyer and Seller.

Buyer and Seller acknowledge and agree as follows:

**1. Mortgage Insurance Claim Pending**

If the Sale of the Property is subject to the approval of the mortgage insurance carrier with whom Seller has a pending claim, then the mortgage insurance carrier has the option to approve this sale and settle the claim or take title to the Property. If the mortgage insurance carrier exercises their option to take title to the Property, this Purchase Agreement will become null and void. Seller will seek approval of this sale within five (5) business days of Seller's execution of this Purchase Agreement.

**2. Deed Pending**

Closing of the sales transaction by the date indicated in this Purchase Agreement is subject to Seller's receipt of the recorded deed transferring the Property into Seller's name. Buyer is made aware and understands that if the deed to the subject Property has not been received by Seller as of Buyer's execution of this Purchase Agreement, then closing of the sales transaction may be delayed and Buyer agrees to extend the closing date until Seller receives the recorded deed. Buyer has the right to terminate this Purchase Agreement if said closing is delayed more than 30 days. The closing date will automatically be extended by Seller absent notice from Buyer that Buyer is terminating this Purchase Agreement.

**3. Physical Condition.**

a. Property is being sold in its present "as is, where is" condition, including all defects, known or unknown. Neither Seller nor Seller's employees, officers, directors, agents, successors, assigns, salespeople and agents make any representations, warranties or guarantees to Buyer of any kind whatsoever as to the condition of Property, including, but not limited to habitability, legality of use, or zoning nor as to the fitness of any improvements on Property for any particular purpose, the operating utility of any heating, ventilating, cooling, roofing, utility service, access, water sufficiency, potability, waterproofing or any appliance or other personal property. Seller acquired Property through bulk purchase, foreclosure proceedings or by deed- in-lieu of foreclosure and has not occupied Property. Property may not be in compliance with applicable building, zoning, health or other laws or codes. Property may not be in habitable condition. Any improvements on Property, including the house, systems, fixtures, appliances, and personal property, if any, being sold with Property are not new and may have defects and may need repair work. Seller will not be responsible for the repair, replacement or modification of any deficiencies, malfunctions or defect in the material, workmanship or mechanical components of the structures, improvements or land constituting Property prior or subsequent to delivery of the deed for Property, including, but not limited to, the heating, air conditioning and ventilation system, plumbing, storm sewer and sewage disposal systems, well or other water supply systems, drainage or moisture conditions, foundation, electrical, hot water heater, pools, spas, solar systems, appliances, roofs or damage by pests or other organisms. Buyer will not be entitled to any credits for physical deficiencies in Property. Property will be delivered at the time of delivery of the deed in the same condition as they now are, reasonable wear and tear excepted.

b. If any repairs are made part of the Purchase Agreement, they will not be initiated until Buyer has received written loan approval and Seller has authorized work to commence in writing.

c. Closing of the sales transaction constitutes acceptance by Buyer of the Property's condition and upon said closing Seller will have no further liability for the condition of the Property.

**4. Reports.**

Any reports, studies or evaluations of the structural, mechanical, physical or environmental condition of Property provided to Buyer by Seller are provided solely as an accommodation to Buyer or for disclosure purposes. Seller makes no representation or warranty as to the accuracy or completeness of the reports, studies or evaluations or as to the compliance of the reports, studies or evaluations with recognized professional standards.

**5. Inspections.**

If the Purchase Agreement is subject to any type of property or home inspections, Seller will make Property available for all reasonable inspections upon reasonable prior notice. Buyer will keep Property free and clear of liens and will indemnify and hold Seller harmless from all liability, claims, demands, damages, and costs. Buyer will repair all damages arising from any home inspections conducted at Buyer's direction. No inspections may be made by any governmental building or zoning inspector without the prior written consent of Seller, unless required by local law. Buyer will provide to Seller, at no cost, upon request of Seller, complete copies of all inspection reports obtained by Buyer. If Property has been winterized, Seller will have Property de-winterized for the Buyer's property or home inspections. Seller is responsible to have Property re-winterized once the inspections are completed at Seller's sole cost and expense. Buyer is responsible to have Property de-winterized after closing of the sales transaction at Buyer's sole cost and expense.

**6. Governmental Approvals.**

Buyer is responsible to apply for and obtain, at Buyer's sole cost and expense, any Certificate of Occupancy, Certificate of Smoke Detector compliance, and all other certificates and/or approvals required by municipal, state or federal law. All repairs required in order to comply with applicable laws are Buyer's responsibility and will be accomplished at Buyer's sole cost and expense.

**7. Closing; Closing Costs; Possession.**

a. Regardless of state law or local custom, Buyer will pay all title abstracting, title examining, settlement, closing, escrow, document preparation and/or similar fees and charges with the exception of the deed which will be prepared at Seller's cost.

Buyer(s) Initial \_\_\_\_\_

Seller Initial \_\_\_\_\_

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b. Buyer will pay all closing costs and loan fees and costs on behalf of Buyer. Seller will not pay nor have any obligation to pay any closing costs on behalf of Buyer or any costs associated with Buyer's loan, or required by Buyer's lender to be paid by Seller, including any credit for VA, FHA or other loan financing costs or, unless expressly written otherwise in the Purchase Agreement.

c. Buyer will pay for the cost of any property survey, home warranty plan, inspections or repairs unless expressly written otherwise in the Purchase Agreement.

d. Seller will not pay/obtain compliance certificates or any state/local/county municipality certificates.

e. Seller will pay a Broker Commission in accordance with the Listing Agreement/Addendum.

f. Buyer will pay any portion of the realty transfer tax assessed in connection with the sale which is customarily a buyer's responsibility.

g. Seller will not grant possession of Property or allow occupancy by Buyer prior to closing of the sales transaction.

h. If Property is on a master key system Buyer is responsible to have the locks changed after closing of the sales transaction at Buyer's sole cost and expense. Seller does not guarantee that Buyer will receive keys to all exterior door locks and/or garage door openers.

i. The deed conveying Property from Seller to Buyer will be a limited or special warranty deed with covenants against Grantor's acts.

**8. Title.**

a. Unless otherwise indicated below, Seller will furnish Buyer, at its expense, a fee (owner's) title policy issued by Seller's choice of title company, with standard, base coverage in the amount of the purchase price. Buyer may, at its sole expense and election, obtain any endorsements and extended coverages it desires but Seller is under no obligation to take any action or incur any costs related to such additional endorsements and coverages.

b. Seller will give and Buyer will accept such marketable title as Seller's title insurance company will 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 Purchase Agreement.

c. Seller will pay the premium for a fee (owner's) title policy only if Buyer elects to close with Seller's choice of title agent. If Buyer elects to close with Buyer's choice of title agent, then the premium for the fee (owner's) title policy will be borne solely by the Buyer. If Buyer obtains a mortgage loan in connection with this purchase, Buyer will pay the mortgagee title policy premium.

*(Buyer initial option chosen below)*

\_\_\_\_\_ Buyer elects to close with Seller's choice of title agent.

\_\_\_\_\_ Buyer elects to close with Buyer's choice of title agent.

**9. Default by Seller.**

If Seller defaults under any provision of the Purchase Agreement or if Buyer raises any objection to the home inspections or title which Seller is unable or unwilling to resolve and which Buyer does not waive, either party may terminate the Purchase Agreement whereupon all deposit money paid will be returned to Buyer without interest and Buyer and Seller will be released from any further liability under the Purchase Agreement or otherwise. Buyer hereby waives all other remedies at law or equity, other than the remedy set forth herein.

**10. Buyer's Failure to Close.**

If the date for closing the sales transaction is stated in the Purchase Agreement as "time of the essence" and Buyer fails to close the transaction by the closing date specified, the Purchase Agreement will be, without notice, null and void and of no effect and neither Buyer nor Seller will have any further obligation under the Purchase Agreement or otherwise and the hand money paid on account by Buyer will be retained by Seller as or toward damages. If the date for closing the sales transaction is not "time of the essence" and Buyer fails to close the transaction by the closing date specified, Seller will have the right to declare time to be of the essence by giving default notice to Buyer. The default notice will state that Seller is declaring time to be of the essence with respect to closing the sales transaction and will provide a deadline for closing of the sales transaction. The deadline fixed will not be earlier than five (5) days or later than thirty (30) days following the date of the default notice. Burden of closing the sales transaction will thereafter be Buyer's responsibility even if it is not so stated in the Purchase Agreement. Thereafter, if Buyer does not close the sales transaction by the deadline given, the Purchase Agreement will be, without further notice, null and void and of no effect and neither Buyer nor Seller will have any further obligation under the Purchase Agreement or otherwise and the hand money paid on account by Buyer will be retained by Seller as or toward damages.

**11. Release; Indemnification.**

Buyer releases Seller, Seller's employees, officers, directors, agents, successors and assigns from any and all claims, causes of action, liabilities or obligations, of any sort or kind which Buyer ever had, now has or Buyer's heirs, executors, administrators, successors or assigns can, will or may have, arising out of or relating to the Purchase Agreement, this Addendum, Property or the transactions contemplated hereby against Seller. Buyer agrees to indemnify and hold Seller, Seller's employees, officers, directors, agents, successors and assigns harmless from any loss, damage, judgment, liability or expense (including counsel fees) suffered by or rendered against them on account of any claims arising out of or relating to Property or the Purchase Agreement. **Buyer states that it has carefully read the foregoing release and indemnity, knows the contents thereof and grants the same as its own free act and deed.**

**12. Assignment.**

The Purchase Agreement cannot be extended or assigned without prior written approval of the Seller.

Buyer(s) Initial \_\_\_\_\_

Seller Initial \_\_\_\_\_

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**13. Mediation/Arbitration.**

Seller does not agree to mediation/arbitration.

**14. Compliance**

a. Buyer represents, warrants and covenants to Seller that (i) no Covered Entity (as hereinafter defined) or any Person (as hereinafter defined) providing funds to Buyer for the purchase of the Property is a Sanctioned Person (as hereinafter defined); (ii) no Covered Entity is directly or indirectly controlled by a Sanctioned Person; (iii) none of the funds used by Buyer to purchase the Property will be derived from any unlawful activity; (iv) each Covered Entity is in compliance with, and shall continue to comply with, all Anti-Terrorism Laws (as hereinafter defined); and (v) Buyer is not acting hereunder and will not act hereunder for or on behalf of a Sanctioned Person.

b. Buyer shall provide to Seller all information reasonably requested by Seller from time to time relating to the sources of funds and/or Persons conducting business with Buyer, including, but not limited to, the full legal name of Buyer and/or the beneficial owners of Buyer, their primary residences or places of business, social security numbers or company tax identification numbers, dates of birth and/or their percentage ownership of Buyer and copies of Buyer's and/or its beneficial owners' organizational and governing documents.

c. In the event that (i) any of the representations or warranties contained in subparagraph (a) above shall be inaccurate or incomplete, (ii) it is determined that any covenant set forth in subparagraphs (a) or (b) above has been breached, (iii) the information Buyer provides under subparagraph (b) above is inaccurate or incomplete and/or (iv) Seller determines, in its good faith judgment, that completion of the purchase and sale of the Property could violate any Anti-Terrorism Law or any other Law, then Seller shall have the right to terminate the Purchase Agreement whereupon all deposit money shall be returned to Buyer without interest and Seller shall be released from any further liability under the Purchase Agreement.

d. As used in this Paragraph, the following terms shall have the meanings set forth below:

"Anti-Terrorism Laws" means any Laws relating to terrorism, trade sanctions programs and embargoes, import/export licensing, money laundering or bribery, and any regulation, order, or directive promulgated, issued or enforced pursuant to such Laws, all as amended, supplemented or replaced from time to time.

"Covered Entity" means (a) Buyer and each direct or indirect subsidiary of Buyer and (b) each Person (as hereinafter defined) that, directly or indirectly, is in control of a Person described in clause (a) above. For purposes of this definition, control of a Person means the direct or indirect (x) ownership of, or power to vote, 25% or more of the issued and outstanding equity interests having ordinary voting power for the election of directors of such Person or other Persons performing similar functions for such Person, or (y) power to direct or cause the direction of the management and policies of such Person whether by ownership of equity interests, contract or otherwise.

"Law" means any law(s) (including common law), constitution, statute, treaty, regulation, rule, ordinance, opinion, issued guidance, release, ruling, order, executive order, injunction, writ, decree, bond, judgment, authorization or approval, lien or award of or any settlement arrangement, by agreement, consent or otherwise, with any governmental authority, foreign or domestic.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, governmental authority or other entity.

"Sanctioned Person" means any individual person, group, regime, entity or thing listed or otherwise recognized as a specially designated, prohibited, sanctioned or debarred person, group, regime, entity or thing, or subject to any limitations or prohibitions (including but not limited to the blocking of property or rejection of transactions), under any Anti-Terrorism Law.

**15. Counterparts; Electronic Signature**

This Addendum and/or the Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument. Execution and delivery of a counterpart of this Addendum and/or the Purchase Agreement (i) by portable document format ("PDF") copy bearing the PDF signature of a duly authorized officer of any party hereto, whether delivered by facsimile, e-mail or physical delivery service ("PDF Signature"), or (ii) by electronic signature of a duly authorized officer of any party hereto, including, without limitation, "click through" acceptance, pursuant to electronic signature procedures Seller or Buyer may establish from time to time ("Electronic Signature"), shall be equally as effective as delivery of a manually executed counterpart of this Addendum and/or the Purchase Agreement (as applicable) and shall constitute a valid and binding execution and delivery of this Addendum and the Purchase Agreement (as applicable) by such party. Each of Seller and Buyer agrees that: (x) each PDF Signature and/or Electronic Signature of such party will be enforceable to the same extent as a manual signature, whether in court or otherwise; and (y) such party will not raise any defenses or regulatory or statutory claims attempting to invalidate the enforceability of its PDF Signature or Electronic Signature.

**IN WITNESS WHEREOF**, Buyer and Seller have executed this Addendum intending to be legally bounded hereby.

Buyer:

\_\_\_\_\_  
Date \_\_\_\_\_  
\_\_\_\_\_  
Date \_\_\_\_\_  
\_\_\_\_\_  
Date \_\_\_\_\_

Seller:

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