



REO Addendum to Purchase Contract

STATEBRIDGE LOAN #: _____

This REO Addendum is to be made part of, and incorporated into, the Real Estate Purchase Contract (“Contract”) dated: _____.

For the property known as: _____, Property”)

between _____ (“Buyer”) and Statebridge Company or an entity for which it sells properties acquired through foreclosure or deed in lieu of foreclosure is referred to as (“Seller”), and is hereby made a part of. The Contract, REO Addendum and any riders thereto shall be collectively referred to as the “Agreement.”

1. Terms and Conditions: in the event that any of the following terms and conditions conflict with those in the Real Estate Purchase Contract, the Terms and Conditions listed herein take precedence and shall prevail, except as otherwise provided by law.
2. Total Purchase price of the property shall be \$ _____
3. The Buyer and the Seller agree to prorate the following expenses as of the Settlement Date: real estate taxes and assessments, common area charges, condominium or planned unit development or similar community assessments, cooperative fees, maintenance fees and rents, if any. In determining prorations, the Settlement Date shall be allocated to the Buyer. Payment of special assessment district bonds and assessments, and payment of homeowner’s association or special assessments shall be paid current and prorated between the Buyer and the Seller as of the Settlement Date with payments not yet due and owing to be assumed by the Buyer without credit toward Purchase Price. The property taxes shall be prorated based on an estimate or actual taxes from the previous year on the property. All prorations shall be based upon a 30 day month and all such prorations shall be final. The Seller shall not be responsible for any amounts due, paid or to be paid after closing, including but not limited to any taxes, penalties or interest assessed or due as a result of retroactive, postponed or additional taxes resulting from any change in use of, or construction on, or improvement to the Property, or an adjustment in the appraised value of the Property. In the event the Seller has paid any taxes, special assessments or other fees and there is a refund of any such taxes, assessments or fees after closing, the Buyer as current owner of the Property receives the payment, the Buyer will immediately submit the refund to the Seller. Buyer shall release Seller from any and all claims arising from the adjustments or prorations or errors in calculating the adjustment or proration’s that may be discovered after closing.
4. Buyer hereby affirms that the sale or refinancing of any real property owned by the buyer is not a contingency of this Agreement.
5. The deed to be delivered by Seller at closing shall be by limited or special warranty deed or local equivalent 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. If a bona fide determination is made that title is not marketable, Seller may at it option, either cure such marketability, cancel the contract, or tender such title as is. The Seller is not obligated to remove any exception or to bring any action or proceeding or bear any expense in order to convey title to the Property or to make the title marketable and/or insurable; however, any attempt by the Seller to remove such title exceptions shall not impose an obligation upon the Seller to remove those exceptions. In the event that Seller elects to tender such title as is, Buyer

may at its option, either accept or reject same. If the Buyer elects to take title as-is, the Buyer shall so notify the Seller. The Buyer's silence as to any title objections shall be deemed acceptance. In the event of as-is rejection by the Buyer or notice of cancellation by Seller to Buyer, this Contract shall be null and void, and all earnest money shall be returned to Buyer. In either event, no right to damages or specific performance shall thereby arise against Seller.

6. The Buyer has the right to make an independent selection of their own attorney, Settlement Company, escrow company, Title Company and/or title insurance company in connection with the closing. The closing shall be held at a place so designated and approved by the Buyer. However, Seller agrees to pay for the cost of the Buyer's owners' policy of title insurance if Buyer elects to utilize Seller's attorney/title company/escrow company for the purpose of issuing title insurance and agrees that Seller shall determine the physical location for the close of escrow/closing.
7. It is agreed that time is of the essence with respect to all dates specified in the Agreement. This means that all deadlines are intended to be strict and absolute. The closing shall take place on or before the date that is typed on the Purchase and Sale Agreement. The Buyer acknowledges that closing on the Property shall be deemed the Buyer's reaffirmation that the Buyer is satisfied with the condition of the Property and waives all claims related to such condition
8. Any extension to the closing date requested by Buyer must be approved in writing by Seller. In the event the Seller agrees to the Buyer's request for a written extension of the closing date, the Seller may require Buyer to release a nonrefundable 3% earnest money deposit directly to Seller for said extension. In addition, Seller may charge a nonrefundable per diem \$100 per day extension fee. If the sale does not close by the date specified in the written extension, the Seller may retain the earnest money deposit and the accrued per diem payments as liquidated damages.
9. Buyer acknowledges that the property may be on a master key system or that third parties may be in possession of a key. Buyer is encouraged to re-key the Property or install new locks. Buyer shall hold Seller and its officers, directors, servicers and agents harmless for any claims or damages of any nature related to unauthorized access to the Property or theft or damage that occurs after title is transferred to Buyer. Buyer shall be responsible for transferring all utilities on the Property immediately upon closing.
10. Buyer shall not assign, nominate or otherwise transfer any rights, title or interest in this Agreement without the prior written consent of the Seller
11. This Agreement is subject to Mortgage Insurance approval, investor approval or Senior Management approval.
12. Seller shall not be liable or bound by any verbal or written statements, representations by real estate brokers. All oral or written prior statements, representations or promises, if any and all prior negotiations and agreements are superseded by this Agreement and merged herein. No provision, term or clause of the Agreement shall be revised, modified, amended or waived except in a writing signed by Buyer and Seller.
13. The Buyer understands that the Seller acquired the property by foreclosure, Deed in Lieu of Foreclosure, Forfeiture, Tax Sale or similar process and consequently the Seller has little or no direct knowledge concerning the condition of the property. As a material part of the consideration to be received by the Seller under this agreement as negotiated and agreed to by the Buyer and Seller, the Buyer acknowledges and agrees to accept the Property in "As IS" condition at the time of closing, including without limitation any defects or environmental conditions affecting the property, whether known or unknown, whether such defects or conditions were discoverable through inspection or not. The Buyer acknowledges that the Seller, its agents and representatives have not made and the Seller specifically negates and disclaims any representations, warranties, promises, covenants, agreements or guarantees, implied or express, oral or written with respect to the following:

- a. The physical condition or any aspect of the property including the structural integrity or the quality or character of materials used in construction of any improvements (E.G Drywall, asbestos, lead paint, urea formaldehyde form insulation, availability and quantity or quality of water, stability of the soil, susceptibility to landslide or flooding, sufficiently of drainage, water leaks, water damage, mold or any other matter affecting the stability, integrity or condition of the property or improvements;
 - b. The conformity of the property, or the improvements to any zoning, land use or building code requirements or compliance with any laws, rules, ordinances, or regulations of any Federal, State or Local governmental authority, or the granting of any required permits or approvals, if any, of any governmental bodies which had jurisdiction over the construction of the original structure, any improvements and or any remodeling of the structure;
 - c. The habitability, merchantability, marketability, profitability or fitness for a particular purpose of the property or improvements including redhibitory vices and defects apparent, non-apparent or latent, which now exist or which may hereafter.
14. Buyer is hereby advised that mold and or other microscopic organism may exist at the property and such microscopic organism and or mold may cause physical injuries, including but not limited to allergic and or respiratory reactions or other problems. The Buyer accepts full responsibility for all hazards that may result from the presence of Mold in or around the Property. Buyer is satisfied with the condition of the Property notwithstanding the past or present existence of Mold in or around the Property and Buyer has not, in any way, relied upon any representations of Seller, Seller's employees, officer, directors, contractors, or agents concerning the past or present existence of Mold in or around the Property.
15. Buyer acknowledges that neither the Seller, not its representatives, agents or assigns has made any warranties or representations implied or expressed, relating to the existence of any tenants or occupants at the Property unless otherwise noted in this addendum. Seller represents that the Property may have tenants occupying same under an active lease but expressly disclaims any warranties regarding the validity, enforceability, performance under or continuation of said lease. The Seller, its representatives, agents or assigns shall not be responsible for evicting or relocating any tenants, occupants or personal property at the Property prior to or subsequent to closing unless otherwise agreed to in writing by the parties hereto.
16. The completion, of, and cost for, all surveys, inspections and reports are the responsibility of the Buyer, including, not limited to land surveys, septic inspections, general inspection reports, soils and engineering reports and any required City, County or State inspection reports.
17. If the Property is a condominium or planned unit development or co-operative, unless otherwise required by law, the Buyer, at the Buyers own expense is responsible for obtaining and reviewing the covenants, conditions and restrictions and bylaws.
18. Buyer will not occupy or cause or permit others to occupy the Property prior to closing
19. The Seller will deliver possession of the property upon final funding of closing subject to the rights of any tenants or parties in possession.
20. In the event of fire, destruction or other casualty loss to the Property after the Seller's acceptance of this Agreement and prior to closing, the Seller may, at its sole discretion, repair or restore the Property or the Seller may terminate the Agreement.
21. The Buyer represents and warrants to the Seller the following:
 - a. The Buyer is purchasing the Property solely in reliance on its own investigation and inspection of the Property and not on any information, representation or warranty provided or to be provided by the Seller, its servicers, representatives, brokers, employees, agents or assigns;
 - b. Neither the Seller, nor its servicers, employees, representatives, brokers, agents or assigns, has made any representations or warranties, implied or expressed, relating to the condition of the Property or the contents thereof, except as expressly set forth in this Addendum;

- c. The Buyer has not relied on any representation or warranty from the Seller regarding the nature, quality or workmanship of any repairs made by the Seller;
 - d. The undersigned, if executing the Agreement on behalf of the Buyer that is a corporation, partnership, trust or other entity, represents and warrants that he/she is authorized by that entity to enter into the Agreement and bind the entity to perform all duties and obligations stated in the Agreement.
22. As a material part of the consideration to be received by the Seller under this agreement as negotiated and agreed to by the Buyer and the Seller, the Buyer waives the following;
- a. All rights to file and maintain an action against the Seller for Specific Performance;
 - b. Right to record a Lis Pendens against the property or to record this agreement or memorandum thereof in the real property records;
 - c. Right to invoke any other equitable remedy that may be available that if invoked, would prevent the seller from conveying the property to a third party buyer;
 - d. Any and all claims arising from the adjustments or proration's or errors in calculating the adjustments or proration's that are or may be discovered after closing;
 - e. Any claims for failure of consideration and or mistake of fact as such claims relate to the purchase of the property or entering into or execution of or closing under this agreement;
 - f. Any remedy of any kind, including but not limited to rescission of this agreement, other than as expressly provided in this Addendum, to which the Buyer might otherwise be entitled at law or equity whether based on mutual mistake of fact or law or otherwise;
 - g. Trial by jury, except as prohibited by law, in any litigation arising from or connected with or related to this agreement
 - h. Any claims or losses the Buyer may incur as a result of construction on, or repair to, or the treatment of the property, or any defect, which may now or hereafter exist with respect to the property;
 - i. Any claims or losses related to environmental condition affecting the property including, but not limited to mold drywall lead paint, fuel oil, allergens, or toxic substances of any kind.
 - j. Any right to avoid this sale or reduce the price or hold the Seller responsible for damages on account of the condition of the Property, lack of suitability and fitness, or redhibitory vices and defects, apparent, no apparent or latent, discoverable or non-discoverable; and
 - k. Any claim arising from encroachments, easements, shortages in area or any other matter which would be disclosed or revealed by a survey or inspection of the property or search of public records.
23. The Seller shall have the right, at the Sellers sole discretion, to extend the Expiration Date or to terminate this Agreement if:
- a. Full payment of any mortgage insurance claim related to the loan previously secured by the Property is not confirmed prior to the closing or the mortgage insurance company exercise its right to acquire title to the Property.
 - b. The Seller determines that it is unable to convey title to the Property insurable by a reputable title insurance company at regular rates;
 - c. The Seller at any time has requested that the servicing lender, or any other party, repurchase the loan previously secured by the Property and or such lender or other party has elected to repurchase the property;
 - d. A third party with rights related to the sale of the property does not approve the sale terms;
 - e. Full payment of any property, fire or hazard insurance claim is not confirmed prior to the closing
 - f. Any third party, whether tenant, homeowner's association or otherwise, exercises rights under a right of first refusal to purchase the Property;
 - g. The Buyer is the former mortgagor of the Property, or is related to or affiliated in any way with the former mortgagor, and the Buyer has not disclosed this fact to the Seller prior to the Sellers acceptance of this Agreement. Such failure to disclose shall constitute default under this Agreement, entitling the Seller to exercise any of its rights and remedies, including, without limitation, retaining the earnest money deposit;
 - h. The Seller at the Sellers sole discretion, determines that the sale of the Property to the Buyer or any related transactions are in any way associated with illegal activity of any kind;

- i. Seller determines in its sole discretion that the sale of the Property will subject Seller to liability and or have an impact on pending, threatened or potential litigation; or
- j. Material misrepresentation by the Buyer.

24. Remedies for Default

- a. In the event of the Buyers default, material breach or material misrepresentation of any fact under the terms of this Agreement, the Seller, at its option, may retain the earnest money deposit and any other funds then paid by the Buyer as liquidated damages and or invoke any other remedy available to Seller at law and or equity and the Seller is automatically released from the obligation to sell the Property to the Buyer and neither the Seller no its representative, agents, attorneys, successors or assigns shall be liable to the Buyer for any damages of any kind as a result of the Sellers failure to sell and convey the Property.
- b. In the event of the Sellers default or material breach under the terms of the Agreement or if the Seller terminates the Agreement as provided under the provisions of this Addendum, the Buyer shall be entitled to the return of the earnest money deposit as Buyers sole and exclusive remedy at law and or equity. The Buyers waives any rights to file and maintain an action against the Seller for specific performance and the Buyer acknowledges that a return of its earnest money deposit can adequately and fairly compensate the Buyer. Upon return of the earnest money deposit to the Buyer, this Agreement shall be terminated, and the Buyer and the Seller shall have no further liability or obligation, each to the other in connection with this Agreement.
- c. The Buyer agrees that the Seller shall not be liable to the Buyer for any special, consequential or punitive damages whatsoever, whether in contract, tort (including negligence and strict liability) or any other legal or equitable principle, including but not limited to any cost or expense incurred by the Buyer in selling or surrendering a lease on a prior residence, obtaining other living accommodations, moving, storage or relocation expenses or any other such expense or cost arising from or related to this Agreement or a breach of this Agreement
- d. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any different or subsequent breach.
- e. In the event either party elects to exercise its remedies as described in this Addendum or this Agreement is terminated, the parties shall have no further obligation under this Agreement except as to any provision that survives the termination of this Agreement.

25. Governing Law and Jurisdiction. Where the arbitration provisions of this Agreement are inapplicable, this Agreement will be governed by and construed in accordance with the laws of the State of Colorado, without reference to conflict of laws principles. Except for actions for injunctive relief, any legal action brought under or in conjunction with this Agreement will be brought in a federal or state court of appropriate jurisdiction in the State of Colorado and venue will be proper in that court.

26. The Buyer agrees to indemnify and fully protect, defend, and hold the Seller, its officers, directors, employees, shareholders, servicers, representatives, agents, attorneys, tenants, brokers, successors or assigns harmless from and against any and all claims, costs, liens, loss, damages, attorney's fees and expenses of any kind and nature that may be sustained by or made against the Seller, its officers, directors, employees, shareholders, servicers, representatives, agents, attorneys, tenants, brokers, successors or assigns, resulting from or arising out of
- a. Inspections or repairs made by the Buyer or its agents, employees, contractors, successors or assigns;
 - b. Claim, liabilities, fines, or penalties resulting from the Buyers failure to timely obtain any Certificate of Occupancy or to comply with equivalent laws and regulation;
 - c. Claims for amounts due and owed by the Seller for taxes, homeowners association dues or assessments or any other items prorated including any penalty or interest or other charges, arising from the proration of such amounts for which the Buyer received a credit at closing and;
 - d. The Buyer or the Buyers tenants, agents or representative use and or occupancy of the Property prior to the closing and or issuance of required certificates of occupancy.

27. This is a legally binding agreement. The parties should read it carefully. If the effect of any part of the Agreement or this Addendum is not understood, an attorney should be consulted BEFORE signing. Federal law may impose certain duties upon brokers, signatories, escrow agent or settlement agent arising from the transaction generally and when any of the signatories is a foreign party or when certain amounts of U.S. Currency are received

28. The property is being sold in "as is" condition. Inspections are for the Buyers information only, as the Seller will not make any repairs or concessions for any items found in the inspection.

In Witness Whereof, Seller and Buyer have executed this Addendum on the date set below.

Buyer: _____ Date: _____

Printed Name: _____

Buyer: _____ Date: _____

Printed Name: _____

Statebridge Company by: _____ Date: _____

Affiliated Business Arrangement Disclosure Statement

Statebridge does have an affiliated business relationship with Places, LLC. Statebridge Company and Places, LLC have a common ownership. Places, LLC is a franchise of TitleEase LLC. Because of this relationship, the referral of a customer by any of the Affiliated Companies to another may provide the referring company, its affiliate and/or its employees with a financial or other benefit. Set forth below is the estimated charge or range of charges for settlement on your purchase of the subject property.

There are frequently other settlement service providers available with similar services. You are free to shop around to determine that you are receiving the best services and the best rate for these services.

Places, LLC, a TitleEase franchise provides closing services and title insurance through TitleEase LLC and its various Title Underwriters. The following are estimated charges or range of charges for the settlement services listed:

Description of Settlement Service	Estimated Range of Charges
Owner's and Loan (not simultaneous with Owner's) Title Policy Premium	\$50 - \$12,720 ¹
Simultaneous Loan Title Policy Premium	\$25 - \$1,420
Title Services & Closing Fees	\$375 - \$2,000 ²
Endorsements	\$0 - \$274 each 10% - 25% of policy premium for some owner's policy endorsements and extra-hazardous risk endorsements ³
CPL/Closing Service Letter – Borrower/Buyer	\$0 - \$125
CPL/Closing Service Letter – Lender	\$0 - \$108
CPL/Closing Service Letter – Seller	\$0 - \$50
Title Binder Fee	\$0 - \$100
Commitment	\$0 - \$15
Title Search	\$0 - \$425 ⁴
Owners & Encumbrance Report	\$0 - \$300
¹ Policy premium depends on the property, state, liability, and type of policy coverage requested. ² Charge for closing services depends on the nature of the closing services provided, the amount of closing services needed, and the state and county in which the property is located. Charge may be composed of more than one fee, depending on state. Additional fees may apply for additional loans beyond one loan. ³ Endorsement charge depends on the endorsement type and coverage required. ⁴ Charge for title search depends on the property being purchased and the county in which the property is located.	

I/we have read this disclosure form and understanding that referring party is referring me/us to purchase the above-described settlement service(s) and that Affiliated Companies may receive a financial or other benefit as the result of this referral.

Buyer: _____ Date: _____

Printed Name: _____

Buyer: _____ Date: _____

Printed Name: _____

Statebridge Company by: _____ Date: _____