

AUCTION ITEM NO. \_\_\_\_\_

## PROPERTY SUBJECT TO REDEMPTION ADDENDUM

**Seller:** \_\_\_\_\_

**Buyer:** \_\_\_\_\_

**Property Address:** \_\_\_\_\_

This Property Subject to Redemption Addendum (this "Redemption Addendum"), dated effective as of \_\_\_\_\_, amends and supplements that certain purchase and sale agreement (together with any addenda thereto, the "Agreement") between Seller and Buyer for the purchase and sale of the real property identified above. If there is a conflict between the terms of the Agreement, including the terms of the Addendum to Purchase Agreement, and the terms of this Redemption Addendum, the terms of this Redemption Addendum shall control. Any capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

1. **REDEMPTION RIGHT.** Buyer understands and acknowledges that the Property is subject to redemption rights of the former mortgagor and other parties for the period of time set forth by applicable law ("Redemption Period"). Buyer is advised to consult with an attorney regarding the Redemption Period and to fully understand the redemption rights and the impact thereof. Seller does not make any representation regarding the likelihood that the Property will be redeemed, and Buyer will have no claim against Seller or its agents or representatives in connection with the exercise of mortgagor or others of any rights afforded them during or after the Redemption Period. If the Property is redeemed by the former mortgagor, Buyer will receive only the amount mortgagor is required to pay the bank to redeem the Property. The redeemed amount may be less than the amount Buyer paid for the Property.
2. **DEED.** Regardless of local practice, the deed to be delivered by Seller at Closing shall be a quitclaim deed or assignment conveying Seller's interest in the Property pursuant to a sheriff's deed, certificate of sale, certificate of purchase, or similar document issued in connection with the foreclosure of the Property. Any reference to the term "Deed" or "Special Warranty Deed" shall be construed to refer to such form of deed or assignment.
3. **POSSESSION.** Buyer acknowledges that Buyer may not be able to enter, use, or occupy the Property prior to expiration of the Redemption Period except in accordance with applicable law. Buyer acknowledges that Seller shall not be responsible for delivering possession of the Property to the Buyer at Closing and shall not be obligated to provide any keys, codes, or other means of Property access, and that the Buyer shall be solely responsible for obtaining possession, including eviction or other legal proceedings, if necessary. Buyer agrees not to enter onto, inspect, evict occupants from, demand rent for, or otherwise attempt to occupy or permit others to occupy, the Property prior to the expiration of the Redemption Period except as permissible by applicable law.
4. **CONDITION OF PROPERTY.**
  - (A) The Buyer understands and acknowledges 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 the Agreement as negotiated and agreed to by the Buyer and the Seller, the Buyer acknowledges and agrees to accept the Property "As Is, Where Is, With All Faults and Limitations" including, without limitation, any defects or environmental conditions affecting the Property, whether known or unknown, and whether such defects or conditions were discoverable through inspection or not. The Buyer agrees that the Buyer is purchasing the Property solely in reliance on its own investigation of the Property and not on any information, representation, or warranty provided or to be provided by the Seller.
  - (B) Inspections and Repairs. During the Redemption Period, Buyer may not have access to the Property and hereby waives inspection of the Property. Buyer hereby agrees not to attempt to enter the Property during the Redemption Period, except as permitted under applicable laws. Buyer's entry on the Property shall constitute a breach by Buyer of the Agreement and may subject Buyer to trespassing or other liability. Seller makes no representations regarding the Buyer's right to inspect or repair the Property during the Redemption Period.

5. **No Title Insurance; No Title Warranty.** Notwithstanding anything to the contrary in the Purchase Agreement or in any other document related to the purchase and sale transaction contemplated hereby, Buyer acknowledges and agrees that (i) none of Seller, auctioneer, any broker or any of their respective representatives, agents or assigns is obtaining or providing, or has promised to obtain or provide, any form of title insurance or a title insurance policy or commitment to Buyer in connection with this transaction, and (ii) the receipt of title insurance, title commitment or proforma, title report, title policy or similar item (collectively, "Title Insurance") is not a condition to Closing of the transaction contemplated hereby. Any provision in the Purchase Agreement or such other document which requires the Seller, auctioneer, broker, or any other person or entity to order, obtain or provide Title Insurance, or any document preliminary to the issuance of Title Insurance, is hereby deemed deleted and of no further force or effect. Buyer may, at its own election and at its own cost, order a title report or commitment and obtain title insurance from any title insurance company Buyer may select, but the receipt or availability of such items shall not be a condition to the Closing of the purchase and sale transaction. In addition, Buyer acknowledges and agrees that none of Seller, auctioneer, any broker or any of their respective representatives, agents or assigns is providing, or has promised to provide, any warranty or representation regarding title to all or any portion of the Property, and that Buyer at Closing will accept title to the Property in its then "AS IS, WHERE IS, WITH ALL FAULTS AND LIMITATIONS" condition, subject to all matters affecting such title, whether or not of record.
6. **OCCUPIED PROPERTY. BUYER UNDERSTANDS AND ACKNOWLEDGES THAT SELLER MAY HAVE ACQUIRED THE PROPERTY (AS DEFINED IN THE PURCHASE AGREEMENT) THROUGH FORECLOSURE, DEED-IN-LIEU OF FORECLOSURE, OR SIMILAR PROCESS, THAT SELLER HAS NEVER OCCUPIED THE PROPERTY, AND THAT SELLER HAS LITTLE OR NO DIRECT KNOWLEDGE ABOUT THE CONDITION OF THE PROPERTY. SELLER MAKES NO REPRESENTATIONS OR WARRANTIES AS TO WHETHER THE PROPERTY IS OCCUPIED AS OF THE CLOSING DATE BUT BELIEVES THE PROPERTY TO BE OCCUPIED. PROPERTY MAY BE SUBJECT TO LEASEHOLD INTERESTS OF VARIOUS TENANTS.** Seller is under no obligation to provide any information regarding leases, amendments or any other documents, including but not limited to information regarding any current eviction proceedings to Buyer. Buyer understands and acknowledges that Seller will not provide any case numbers, current disposition of any eviction proceedings, nor contact information for Seller's attorney. Further, the progress and/or outcome of any current eviction case will have no bearing whatsoever in the transaction contemplated by the Purchase Agreement and its terms, any addenda thereto, including the mutually agreed upon Closing Date. Buyer further acknowledges that Buyer shall be solely responsible for notifying any tenants or occupants of the transfer of ownership of the Property, and shall be liable to any and all tenants for repayment of any outstanding security deposit, less lawful deductions. This provision shall survive the Closing of the transaction contemplated by the Purchase Agreement and this Redemption Addendum and shall not be deemed to have merged into any of the documents executed or delivered at Closing. Because the Property was acquired by Seller through foreclosure, trustee's sale pursuant to a power of sale under a deed of trust, power of sale under a mortgage, sheriff's sale or deed in lieu of foreclosure, Seller has no security deposits or last month's rent to surrender to Buyer.
7. **NO SELLER REPRESENTATIONS OR WARRANTIES.** Seller makes no warranties or representations as to whether or not any leases of the Property are in force; whether or not anyone else has a right of possession; whether or not any rent concessions were given to any tenant; whether or not any other agreements were made with the tenants; whether or not any rent charged violates any applicable rent control ordinance, statute, or law; whether or not any other violations of any applicable ordinance, statute or law exist; and whether or not Seller or any tenant is in default under any lease. Notwithstanding the fact that the Property may be occupied, Buyer acknowledges that the occupancy status shall not provide grounds for Buyer's failure to consummate the transaction or an excuse for performance required by Buyer pursuant to this Redemption Addendum and the Purchase Agreement. Buyer is purchasing the Property "AS IS, WHERE IS, WITH ALL FAULTS AND LIMITATIONS" regardless of occupancy status. Buyer further acknowledges and understands that Buyer is solely responsible for the undertaking, processing or completion of any eviction proceedings, including, but not limited to, unlawful detainer or other legal proceedings, including the cost and expense associated therewith in order to secure the right of possession. Buyer shall not be entitled to any extension of the Closing Date (as defined in the Purchase Agreement) as a result of the occupancy status of the Property nor shall Buyer be entitled to any concessions, discounts, fees or other expenses as a result of the occupancy status of the Property.
8. **INDEMNIFICATION.** The Buyer shall indemnify and fully protect, defend, and hold the Seller, its officers, directors, employees, shareholders, servicers, representatives, auctioneer, agents, attorneys, tenants, brokers, successors, or assigns ("Seller Parties") harmless from and against any and all claims, costs, liens, loss, damages, attorney's fees, and expenses ("Claim") of every kind and nature arising out of or relating to any and all actions concerning taxes, dues, or assessments (including any penalty, interest, or other charges); attempts to access, use, repair, inspect, and/or occupy

the Property prior to the conclusion of the Redemption Period; and for any other Claims arising from or related to the purchase of the Property.

9. **SURVIVAL.** Delivery of the Deed to the Property to the Buyer by the Seller shall be deemed to be full performance and discharge of all of the Seller's obligations under the Agreement. Notwithstanding anything to the contrary in the Agreement, any provision which provides for indemnification or contemplates performance or observance subsequent to any termination or expiration of the Agreement shall survive the Closing and/or termination of the Agreement by any party and continue in full force and effect.

**SELLER:**

**BUYER(S):**

\_\_\_\_\_  
SELLER COMPANY NAME

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
SELLER PRINTED NAME

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

\_\_\_\_\_  
PRINTED NAME

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

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

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

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
PRINTED NAME

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