

REO Addendum #1

Buyer(s): _____

Property Address: _____

Please read carefully; this document will be made an addendum and supersede the Purchase Agreement

(Offer): Corporate Owned Real Estate (REO) properties differ greatly from traditional seller owned real estate. All parties have been given adequate time to seek professional and/or legal advice.

- 1) **Financing** - All offers must include a pre-approval letter from a lender, or proof of funds for all-cash offers.
- a) **Loan Commitment Letter** — A full loan commitment letter must be received by the Buyer, and communicated to the Seller, within 17 days of the offer being executed. Buyer’s lender must present loan documents to escrow at least 5 business days prior to close of escrow date, and closing funds must be deposited by the Buyer into escrow at least 3 business days prior to the close of escrow date. If the Buyer does not have loan documents and closing funds in escrow at least 3 business days prior to the close of escrow date, the Seller may unilaterally cancel escrow.
- b) **Buyer Credit Score** — If available, submit a copy with offer – black out Social Security Number or Tax ID.
- c) **Buyer Inspections and Appraisal** — Once completed, the Seller must receive a copy of all inspections and appraisals within 48 hours.
- 2) **Deposit (Earnest Money)** – Buyer must deposit at least 1% of purchase price in escrow (10% if all-cash offer), and a bank statement showing proof of funds must be presented with all offers. Any Buyer deposits in escrow after all Buyer’s contingencies are removed will be released to the Seller, upon Seller’s unilateral request.
- 3) **Title, Escrow, Pest Inspection, NHD, and Home Warranty** are Seller’s Choice, or paid for by Buyer. Home Warranty is paid by Buyer, otherwise it is omitted. Pest Inspection is paid for by the Buyer, or omitted. Any Section 1 or Section 2 Pest Work or Clearance is paid for by Buyer, or omitted. Buyer shall pay for the Buyer’s normal & customary escrow fees.
- a) **Transfer Taxes and Fees** — Seller may be Exempt from Transfer Taxes and Fees, including, but not limited to County Transfer Tax, City Transfer Tax, HOA Transfer Fees, etc. If Seller is exempt, no Taxes or Fees will be paid, but if required, the Buyer will be responsible for paying any Taxes or Fees through escrow. Please review all Seller Addendum(s) which will be generated once the original purchase agreement is agreed upon, see Paragraph 12.
- 4) **Seller Identity** — Leave “Seller” lines blank. If filled in, it may change or be assigned at anytime.
- 5) **Assigning The Contract** — NOT allowed by Buyer under any circumstances.
- 6) **Closing Dates** — Closing may never occur on the last business day of the month. Schedule at least 3 business days prior to the end of month. Buyer must sign all escrow documents, loan documents, and provide closing funds at least 3 business days prior to the close of escrow date. No automatic extensions are granted. If an extension is granted, an extension addendum must be drafted and signed. Penalties against the Buyer of \$250 per day will be assessed for any extensions other than title issues. If the Buyer is unable or unwilling to pay any per diem penalties or extension fees, the Buyer agent’s commission will be debited for any penalties.
- 7) **Offer Contingent on Sale of Buyer’s Property** — No offers will be accepted with this contingency.
- 8) **Inspections / Contingencies** — Buyer shall have seven (7) days from acceptance by Seller to complete all inspections. All Buyer contingencies will be removed after seven (7) days; no written removal is needed. Seller may continue to market the property in ‘Active’ status until all contingencies are removed. If additional inspection time is needed, it must be agreed upon by both parties in writing.
- 9) **As-Is and Disclosure** — All sales are “as-is” and the seller will not make any repairs. The seller will not guarantee any personal property and warrants none. The seller makes no disclosures and has never occupied the property. No history is available on the property or prior owners. The Seller, Listing Broker, and Listing Agent will not sign any disclosures regarding the property. If any Disclosures are available, they may be presented to the Buyer upon Buyer’s written request.
- 10) **Offer Submission and Seller’s Response** — Scan as a SINGLE (1) PDF document. Seller may be selling thousands of properties, and responses can take several days or longer. Sellers will not respond to incomplete offers, so be certain ALL items are signed, initialed and filled in. Escalation clauses are not permitted. All offers are subject to corporate/seller/investor approval. Signature(s) on contracts by Seller constitutes approval and timeframes begin as of this date. All correspondence will be done via email – faxes are NOT accepted. All offers must be uploaded to Taza Homes – information may be obtained in the MLS – or by emailing: mls@sdreos.com

Buyer Initials

Buyer Initials

Selling Agent Initials

Listing Agent Initials

Seller Initials

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11) **Multiple Offers** —If multiple offers are received on a property, the Buyer’s agent may be notified to submit the Buyer’s Highest and Best offer within a specified timeframe. The Buyer must submit a specific price in their Highest and Best offer, and an Addendum should be used with the new price. There may be a multiple offer disclosure that the Buyer will have to sign. Multiple offers on a property do not obligate the Seller to respond to any one or multiple offers.

12) **After Seller Responds** — Seller may respond with addendums required to be signed by Buyer. These addendums will be forwarded promptly. Delays by the Buyer longer than 48 hours from receipt of signed documents may result in seller canceling the offer.

13) **Buyer’s Financing and Inspections** — Please order inspections and deliver preliminary copy of contract to lender immediately. Do not wait for Seller to return signed contracts as this may delay closing. Any damages or liability resulting from inspections will be the responsibility of the Buyer.

14) **Commission** – Seller reserves the right to pay a commission on the net selling price. Signed commission instructions supersede any and all prior agreements between brokerages or information in the MLS. Commissions distributed by escrow will not be changed for any reason after escrow closes. (Sales price – any Seller concessions = Net Selling Price).

15) **Signs, Lockboxes & Keys** —Signs and Lockboxes will typically be removed within 7 days after closing. If they are not removed promptly, please notify the Listing Brokerage. Please do NOT remove them; if anything is lost or stolen, the Buyer’s agent will reimburse the Listing Brokerage for the cost of any items. If the Buyer needs to remove the doorknob to rekey, please have the Buyer leave the lockbox and sign beside the front door. Buyer’s agents must not allow Buyers to move into the property until escrow is closed. Buyer should re-key property immediately upon closing due to the possibility of other people having copies of keys.

16) **Utilities** — Any utilities must be transferred into Buyer’s name within 24 hours after closing. Any bills beyond this timeframe will be responsibility and forwarded to Buyer or Buyer’s agent for payment. The Buyer agrees to pay any utilities beyond the closing date, either directly to the utility company or by notifying the utility company to transfer the balance for any bills after closing to the new owner’s account.

17) Confirmation -

a. San Diego Realty, Inc. (dba San Diego REO Specialists), it’s agents and affiliates make no warranties or guarantees as to any of the information, written or verbal, that was presented before, during, or after the transaction – the Buyer and Buyer’s agent shall be responsible for verifying all information that may affect the property value. The Seller, Listing Broker, Listing Agent, and Seller’s affiliates will be held harmless in any future claims.

b. This property is being sold ‘as-is’ by the owner of record. Any inspections for the property are to be obtained by Buyer at the Buyer’s expense. Seller will not make repairs. Any requests needed to obtain financing will be paid for by the Buyer.

c. Buyer shall be responsible for obtaining all keys for property, other than front door, including, but not limited to, common area keys, passes, FOB’s, garage door openers, etc.

d. The Buyer shall not occupy the property, or move personal property into the property, for any reason prior to notification from the Title Company that escrow has closed and that the Grant Deed has been recorded. Any early occupancy by the Buyer will be cause for immediate termination of escrow, at the seller’s unilateral discretion, and loss of the Buyer’s deposit, along with civil charges, if necessary.

e. If any sentence or paragraph of this addendum is deemed unenforceable by judicial decision, then only that specific sentence or paragraph will be stricken from the addendum, and all other terms will remain enforceable.

The undersigned have read and agree to this two page REO Addendum #1:

Buyer: _____

Date: _____

Buyer: _____

Date: _____

Selling Agent: _____

Date: _____

Listing Agent: _____

Date: _____

Seller: _____

Date: _____

REO Addendum #2

Property Address: _____

Buyer(s): _____

Seller is selling this property in 'AS-IS' condition and NO REPAIRS or CREDITS will be made after acceptance of the purchase contract by the seller. Buyer is to Complete ALL Inspections of the property, and submit any requests or seller paid concessions as an Addendum to the Purchase Contract.

All inspections, estimates, and requests should be included in the Offer Submission Package that is sent with the Purchase Contract. Seller will review all complete Offer Submission Packages, and will evaluate all criteria that the Buyer requests, including, but not limited to: Purchase Price, Seller Paid Closing Costs, Requests For Repairs or Improvements, Down Payment Amount, Deposit Amount, and Days To Close Escrow.

Please be advised that No Changes in the condition of the property or amount of credits given to the Buyer will be changed in any way after the Purchase Contract has been accepted by the Seller. Any requests for repairs or additional credits will be rejected. Buyer is to structure their Purchase Contract accordingly.

Buyer

Date

Buyer

Date

Buyer's Agent

Date