

Offer Preparation Tips for Selling Agents

Overview

The following information is presented to assist you with submitting an offer that will expedite presentation to Fannie Mae.

The Listing Agent will only submit **complete offers** to Fannie Mae.

A complete offer:

- **Is received through HomePath Online Offers.**
Many tutorials and job aids are available at www.homepath.com under the Real Estate Professionals tab.
- **Has evidence of Earnest Money such as a check copy (waived for public entity buyers).**
There is no requirement for certified funds for offer submission and negotiation. Contact the Listing Agent for the name of the settlement vendor selected by the Seller. The check should be payable to that settlement vendor (or listing agency if the settlement vendor does not process earnest money deposits). Should the buyer choose a settlement vendor, the earnest money check will still be payable to the Seller's selected settlement vendor or Listing Agent, as described previously.
- **Contains the following:**
 - Signed local offer or contract form
 - Signed Fannie Mae Real Estate Purchase Addendum
 - Owner Occupant Certification form if applicable



NOTE: A prequalification letter IS NOT required for offer submission but IS required for acceptance. Fannie Mae may request a prequalification letter to continue negotiations. The prequalification letter requirements are detailed in Section 1 of the Real Estate Purchase Addendum. You may provide that section to the Buyer's lender so that that the lender understands and covers those points in the letter they provide.

Preparing the Offer / Contract Form

The body of the local offer or contract form must contain this exact text:

“Pursuant to Section 28 of the Real Estate Purchase Addendum, this document is subject to all terms and conditions set forth in the Real Estate Purchase Addendum.”

This language indicates that the Real Estate Purchase Addendum supercedes any conflicting provisions in the state or local contract. Fillable Real Estate Purchase Addendum, Lead Paint Disclosure, and Owner Occupant Certification forms are available on www.homepath.com.

Continued on next page

Offer Preparation Tips for Selling Agents, Continued

Preparing the Real Estate Purchase Addendum

Buyers

- The buyer names must be entered in the manner in which they will take title. Buyer names cannot be changed, removed, or added later without the approval of Fannie Mae.
- A buyer that is an LLC, Corporation, or Trust will always be an investor buyer, even if the intent is to occupy. An owner occupant can only be a "natural" person.
- If the buyer is a nonprofit, provide a copy of the buyer's organizational documents for review.

Section 1

Leave the Acknowledgement Date blank. This will be filled with the date Fannie Mae confirms acceptance.

1. Offer:

(a) Acknowledgement of Sufficient Offer: The Purchaser has offered to purchase the property for a purchase price in the amount of \$ _____ in accordance with the terms set forth in the Agreement ("Offer"). The Seller has reviewed the Offer and deemed it materially sufficient on _____, 20__ ("Acknowledgement Date").

Section 4

- If the buyer notes the intention to occupy as their primary residence, the Owner Occupant Certification must accompany the contract package.
- If the buyer does not intend to occupy as their primary residence, see Section 14 on the next page.

4. Use of Property: The Purchaser (check one): does, does not, intend to use and occupy the Property as Purchaser's primary residence.

Section 10f

Buyer to initial one of the choices.

(f) Title and Closing Services. Purchaser will obtain title and escrow closing services from (Purchaser to select option below and initial in the space provided):

→ _____ Seller's escrow closing and title provider and title insurance company used by Seller's provider. If Purchaser selects this option, Seller shall pay for the owner's and lender's title insurance. Purchaser and Seller agree that Seller's payment of the title insurance products is limited to the amount that Seller would pay its provider under its agreement with the provider for a basic residential owner's and lender's title insurance policy or their equivalent.

→ _____ Other escrow closing and title provider. If Purchaser selects this option, Purchaser shall bear the expense for all title insurance costs associated with the transaction, regardless of local custom, requirements or practice.

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Offer Preparation Tips for Selling Agents, Continued

Preparing the Real Estate Purchase Addendum (continued)

Section 14

If the Buyer does not intend to occupy as their primary residence, fill in the dollar amount equivalent to 120% of the sales price and period of time of 3 months as shown below:

14. Deed: Regardless of local practice, the deed to be delivered by Seller at closing shall be a 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 the grantor, but not otherwise. Any reference to the term "Deed" or "Special Warranty Deed" herein shall be construed to refer to such form of deed. Under no circumstances shall Seller be required to deliver any form of deed which grants a general warranty of title.

(check if applicable) Seller's deed shall include the following deed restriction:

GRANTEE HEREIN SHALL BE PROHIBITED FROM CONVEYING CAPTIONED PROPERTY FOR A SALES PRICE OF GREATER THAN \$ (amount = 120% of Sales Price) FOR A PERIOD OF 3 MONTH(S) FROM THE DATE OF THE RECORDING OF THIS DEED. GRANTEE SHALL ALSO BE PROHIBITED FROM ENCUMBERING SUBJECT PROPERTY WITH A SECURITY INTEREST IN THE PRINCIPAL AMOUNT OF GREATER THAN \$ (amount = 120% of Sales Price) FOR A PERIOD OF 3 MONTH(S) FROM THE DATE OF THE RECORDING OF THIS DEED. THESE RESTRICTIONS SHALL RUN WITH THE LAND AND ARE NOT PERSONAL TO GRANTEE.

Section 16f

Check the correct response to reflect whether the Buyer has previously purchased a Fannie Mae owned property. If purchasing this property as a primary residence, provide details directly to the Listing Agent about other purchases such as date of sale and address/REO ID.

(f) The Purchaser (check one): has has not previously purchased a Fannie Mae owned property.

Section 38

Use this section to detail other terms for negotiation, such as an agreement to pay closing costs or repairs. Preferred verbiage:

- Seller will contribute up to \$_____ towards buyer closing costs, points, and prepaids. In the event that the buyer's lender restricts the allowable Seller contributions toward Buyer's closing costs, Seller's actual and total contribution shall be limited to the allowable amount.
- *If buyer selected their own settlement vendor in section 10f:* Seller will contribute up to \$_____ towards buyer closing costs, points, and prepaids, **excluding title insurance**. In the event that the buyer's lender restricts the allowable Seller contributions toward Buyer's closing costs, Seller's actual and total contribution shall be limited to the allowable amount.
- Seller will perform repairs prior to closing not to exceed \$_____ in accordance with Section 6 of this addendum.



NOTE: Upon acceptance, a new contract package reflecting the final negotiated terms will be required. Fannie Mae does not accept counter offer forms. No markouts, modifications or alterations of the local Contract/Offer form or Real Estate Purchase Addendum will be accepted. It is not necessary to strike the sections of the local Contract/Offer form because the Real Estate Purchase Addendum supercedes whenever there is a conflict.

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Offer Preparation Tips for Selling Agents, Continued

Other Addenda

- **Owner Occupant Certification (OOC):**
 - If the intent is to occupy as a primary residence, the OOC is required. In a co-buyer situation, only the buyer who intends to occupy is required to sign the OOC. **All** buyers must be on the contract, mortgage, and deed. Fannie Mae does not allow someone to be on a deed unless they are also a party to the contract and the mortgage.
 - The Listing Agent may ask for supporting information relating to the occupancy intent which may include a list of current properties owned and an explanation for this purchase, such as a move up opportunity.
 - The OOC requires occupancy within 60 days of closing, so if a large amount of repairs will be necessary in order to move in, provide the information for the plan to accomplish the repairs to meet the occupancy requirement.
 - **FHA Amendatory Language:** Fannie Mae is exempt from signing the FHA amendatory language. This exemption was granted by HUD and the Handbook reference is 4155.2: 6.A.5.d-e. The buyer's lender may confirm with their contact at HUD that this exemption is valid.
 - **VA Amendatory Language:** Fannie Mae will execute if VA financing was negotiated.
 - **Agency Addenda:** Fannie Mae will execute.
 - **Lead Paint Disclosure:** This is only required on homes constructed prior to 1978 and Fannie Mae has a special version which can be found at www.homepath.com.
 - **Financing and Property Condition addenda:** These terms are covered in the Real Estate Purchase Addendum, so addenda that may be in conflict will not be executed.
 - **Sale of Other Home or Closing of Other Home:** These are not acceptable contingencies and associated documents will not be executed.
 - **Section 1031 Exchange:** Fannie Mae will not accept this contingency nor will Fannie Mae execute any documents relating to a Section 1031 exchange.
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Changes after Contract Execution

Amendments

If the buyer requests a change to a fully executed contract, obtain a Fannie Mae Amendment form from the Listing Agent. Do not submit buyer inspection reports to the Listing Agent. These will not be reviewed. Place any requested items for repair or replacement on the Amendment form. Use this form for other changes such closing date extensions or a change in financing.

Termination

If the sale falls through, obtain a Fannie Mae Termination form from the Listing Agent and provide the reason for termination.

Help Prevent Fraud

If you are aware of or suspect inappropriate activity in connection with a Fannie Mae property, please immediately report it either by e-mail to Mortgagefraud_tips@fanniemae.com or to our Fraud Tips Hotline, 1-800-7FANNIE (1-800-732-6643).

REO # _____

REAL ESTATE PURCHASE ADDENDUM

This Real Estate Purchase Addendum ("Addendum") is to be made part of, and incorporated into, the Real Estate Purchase Contract (the "Contract"), between _____ ("Seller") and _____ ("Purchaser") for the property and improvements located at the following address: _____ ("Property").

As used in this Addendum, the Contract, Addendum and any riders thereto shall be collectively referred to as the "Agreement".

The Seller and the Purchaser agree as follows:

1. Offer:

- (a) Acknowledgement of Sufficient Offer: The Purchaser has offered to purchase the property for a purchase price in the amount of \$ _____ in accordance with the terms set forth in the Agreement ("Offer"). The Seller has reviewed the Offer and deemed it materially sufficient on _____ aaaaaaaaaaaaaa ("Acknowledgement Date").
- (b) Acceptance of Offer: Notwithstanding Seller's acknowledgement that the Offer is sufficient for acceptance, the Purchaser agrees that the Agreement remains subject to acceptance by the Seller and must be signed by all parties in order to be binding. The Agreement shall be effective as of the date of execution by Seller ("Effective Date"). The Purchaser's earnest money deposit of \$ _____ is to be placed in a trust account acceptable to the Seller within two (2) calendar days following the Effective Date. The Agreement, signed by the Purchaser and reflecting the terms as acknowledged by the Seller, must be received by the Seller within five (5) calendar days of the Acknowledgement Date. If the Seller does not receive the signed Agreement by such date, the Purchaser's offer shall be deemed null and void. As used in this paragraph, the term "received by the Seller" means actual receipt of the Agreement by the Seller's listing agent.

The Purchaser shall present proof, satisfactory to the Seller, of the Purchaser's funds or prequalification for a mortgage loan in an amount and under terms sufficient for the Purchaser to perform its obligations under this Agreement. The prequalification shall include but is not limited to, a certification of prequalification or a mortgage loan commitment from a mortgage lender, a satisfactory credit report and/or proof of funds sufficient to meet the Purchaser's obligations under the Agreement. The Purchaser's submission of proof of prequalification is a condition precedent to the Seller's acceptance. The Seller may require the Purchaser to obtain, at no cost to the Purchaser, loan prequalification from a Seller approved third party lender. Notwithstanding any Seller required prequalification, the Purchaser acknowledges that Purchaser is free to obtain financing from any source.

2. Time is of the Essence: Settlement Date:

- (a) 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.
- (b) The closing shall take place on a date ("Settlement Date") on or before _____ aaaaa ("Expiration Date"), unless extended in writing signed by the Seller and the Purchaser or extended by the Seller under the terms of the Agreement. The closing shall be held at a place so designated and approved by the Seller unless otherwise required by applicable law. The Purchaser 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 date the closing takes place shall be referred to as the Settlement Date for purposes of the Agreement. If the closing does not occur by the Expiration Date, or in any extension, the Agreement is automatically terminated and the Seller may retain any earnest money deposit as liquidated damages.

PURCHASER (Initials) _____

SELLER (Initials) _____

3. **Financing:** This Agreement (check one): () **is**, () **is not**, contingent on the Purchaser obtaining financing for the purchase of the Property. If this Agreement is contingent on financing, the type of financing shall be the following (check one):
- Fannie Mae HomePath Mortgage Financing from a participating lender
 - Fannie Mae HomePath Renovation Financing from a participating lender
 - Conventional
 - FHA
 - VA
 - Other (specify: _____)

All Financing. (This paragraph applies to all financing, whether or not it is Fannie Mae HomePath or other financing.) If this Agreement is contingent on financing, the Purchaser shall apply for a loan in the amount of \$_____ with a term of _____ years, at prevailing rates, terms and conditions. The Purchaser shall complete and submit to a mortgage lender, of the Purchaser's choice, an application for a mortgage loan containing the terms set forth in this paragraph within five (5) calendar days of the Acknowledgement Date, and shall use diligent efforts to obtain a mortgage loan commitment by _____ aaaa. If, despite the Purchaser's diligent efforts, the Purchaser cannot obtain a mortgage loan commitment by the specified date, then either the Purchaser or the Seller may terminate the Agreement by giving written notice to the other party. The Purchaser's notice must include a copy of the loan application, proof of the application date, and a copy of the denial letter from the prospective lender. In the event of a proper termination of the Agreement under this paragraph, the earnest money deposit shall be returned to the Purchaser. The Purchaser agrees to cooperate and comply with all requests for documents and information from the Purchaser's chosen lender during the loan application process. Failure of the Purchaser to comply with such requests from the lender that results in the denial of the mortgage loan will be a breach of the Agreement and the Seller shall be entitled to retain any earnest money deposited by the Purchaser.

- (a) Any change as to the terms of the Purchaser's financing, including but not limited to any change in the Purchaser's lender, after negotiations have been completed may, at Seller's discretion, require renegotiation of all terms of the Agreement. Seller shall have the right to terminate the Agreement in the event there is a change in Purchaser's financing or choice of lender.
- (b) The Purchaser shall ensure that the lender selected by the Purchaser to finance the sale shall fund the settlement agent as of the Settlement Date. The Purchaser shall further ensure that the selected lender shall provide all lender prepared closing documentation to the settlement agent no later than 48 hours prior to the Settlement Date. Any delays in closing as a result of the Purchaser's selected lender shall be the responsibility of the Purchaser.

4. **Use of Property:** The Purchaser (check one): () **does**, () **does not**, intend to use and occupy the Property as Purchaser's primary residence.

5. **Inspections:**

- (a) On or before ten (10) calendar days from the Acknowledgement Date, the Purchaser shall inspect the Property or obtain for its own use, benefit and reliance, inspections and/or reports on the condition of the Property, or be deemed to have waived such inspection and any objections to the condition of the Property and to have accepted the Property. The Purchaser shall keep the Property free and clear of liens and indemnify and hold the Seller harmless from all liability claims, demands, damages, and costs related to the Purchaser's inspection and the Purchaser shall repair all damages arising from or caused by the inspections. The Purchaser shall not directly or indirectly cause any inspections to be made by any government building or zoning inspectors or government employees without the prior written consent of the Seller, unless required by law, in which case, the Purchaser shall provide reasonable notice to the Seller prior to any such inspection. If the Seller has winterized this Property and the Purchaser desires to have the Property inspected, the Seller's listing agent will have the Property dewinterized prior to inspection and rewinterized after inspection.

Within five (5) calendar days of receipt of any inspection report prepared by or for the Purchaser, but not later than ten (10) calendar days from the Acknowledgment Date, whichever first occurs, the Purchaser will provide written notice to the Seller of any items disapproved. The Purchaser's silence shall be deemed as acceptance of the condition of the Property. The Purchaser shall provide to the Seller, at no cost, upon request by the Seller, complete copies of all inspection reports upon which the Purchaser's disapproval of the condition of the property is based. In no event shall the Seller be obligated to make any repairs or replacements that may be indicated in the Purchaser's inspection reports. The Seller may, in its sole discretion,

PURCHASER (Initials) _____

SELLER (Initials) _____

make such repairs to the Property under the terms described in Section 6 of this Addendum. If the Seller elects not to repair the Property, the Purchaser may cancel this Agreement and receive all earnest money deposited. If the Seller elects to make any such repairs to the Property, the Seller shall notify the Purchaser after completion of the repairs and the Purchaser shall have five (5) calendar days from the date of notice, to inspect the repairs and notify the Seller of any items disapproved. If after inspection the Purchaser is not satisfied with repairs or treatments, Purchaser may terminate the Agreement at any time prior to closing.

In situations that are applicable, a structural, electrical, mechanical, environmental or termite inspection report may have been prepared for the benefit of the Seller. Upon request, the Purchaser will be allowed to review the report to obtain the same information and knowledge the Seller has about the condition of the Property but the Purchaser acknowledges that the inspection reports were prepared for the sole use and benefit of the Seller. The Purchaser will not rely upon any such inspection reports obtained by the Seller in making a decision to purchase the Property.

- (b) If the Property is a condominium or planned unit development or co-operative, unless otherwise required by law, the Purchaser, at the Purchaser's own expense, is responsible for obtaining and reviewing the covenants, conditions and restrictions and bylaws of the condominium, or planned unit development or cooperative ("Governing Documents") within ten (10) calendar days of the Effective Date. The Seller agrees to use reasonable efforts, as determined in the Seller's sole discretion, to assist the Purchaser in obtaining a copy of the Governing Documents. The Purchaser will be deemed to have accepted the Governing Documents if the Purchaser does not provide the Seller notice in writing, within fifteen (15) calendar days of the Effective Date, of the Purchaser's disapproval of the Governing Documents. In the event Purchaser disapproves of the Governing Documents, Purchaser has the right to terminate the Agreement provided the Purchaser notifies Seller in writing of Purchaser's disapproval within fifteen (15) calendar days of the Effective Date.

6. Repairs: All repairs and treatments **will be** completed by a vendor approved by the Seller, and will be subject to the Seller's satisfaction only. If the Seller has agreed to pay for treatment of wood infesting organisms, the Seller shall treat only active infestation. **Neither the Purchaser, nor its representatives, shall enter upon the Property to make any repairs and/or treatments prior to closing. The Purchaser shall inspect the repairs and/or treatments as set forth in paragraph 5(a) or is deemed to have waived such inspection and any objections to the repairs and/or treatments.** The Purchaser acknowledges that all repairs and treatments are done for the benefit of the Seller and not for the benefit of the Purchaser and that the Purchaser has inspected or has been given the opportunity to inspect repairs and treatments. Any repairs or treatments made or caused to be made by the Seller shall be completed prior to closing. Under no circumstances shall the Seller be required to make any repairs or treatments after the Settlement Date. **The Purchaser acknowledges that closing on this transaction shall be deemed the Purchaser's reaffirmation that the Purchaser is satisfied with the condition of the Property and with all repairs and treatments to the Property and waives all claims related to such condition and to the quality of the repairs or treatments to the Property.** Any repairs or treatments shall be performed for functional purposes only and exact restoration of appearance or cosmetic items following any repairs or treatments shall not be required. The Seller shall not be obligated to obtain or provide to the Purchaser any receipts for repairs, or treatments, written statements indicating dates or types of repairs and/ or treatments or copies of such receipts or statements nor any other documentation regarding any repairs or treatments to the Property. **THE SELLER DOES NOT WARRANT OR GUARANTEE ANY WORK, REPAIRS OR TREATMENTS TO THE PROPERTY.** THE PURCHASER AGREES TO EXECUTE AND DELIVER TO THE SELLER AT CLOSING FANNIE MAE'S WAIVER & RELEASE 2012.

7. **CONDITION OF PROPERTY: THE PURCHASER UNDERSTANDS THAT THE SELLER ACQUIRED THE PROPERTY BY FORECLOSURE, DEED-IN-LIEU OF FORECLOSURE, FORFEITURE, TAX SALE, OR SIMILAR PROCESS. AS A MATERIAL PART OF THE CONSIDERATION TO BE RECEIVED BY THE SELLER UNDER THIS AGREEMENT AS NEGOTIATED AND AGREED TO BY THE PURCHASER AND THE SELLER, THE PURCHASER 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 PURCHASER 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:**

PURCHASER (Initials) _____
SELLER (Initials) _____

- (A) **THE PHYSICAL CONDITION OR ANY OTHER 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 FOAM INSULATION), AVAILABILITY AND QUANTITY OR QUALITY OF WATER, STABILITY OF THE SOIL, SUSCEPTIBILITY TO LANDSLIDE OR FLOODING, SUFFICIENCY 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; AND**
- (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 EXIST AND WHICH, IF KNOWN TO THE PURCHASER, WOULD CAUSE THE PURCHASER TO REFUSE TO PURCHASE THE PROPERTY.**

Mold, mildew, spores and/or other microscopic organisms and/or allergens (collectively referred to in this Agreement as “Mold”) are environmental conditions that are common in residential properties and may affect the Property. Mold, in some forms, has been reported to be toxic and to cause serious physical injuries, including but not limited to, allergic and/or respiratory reactions or other problems, particularly in persons with immune system problems, young children and/or elderly persons. Mold has also been reported to cause extensive damage to personal and real property. Mold may have been removed or covered in the course of any cleaning or repairing of the Property. The Purchaser acknowledges that, if Seller, or any of Seller’s employees, contractors, or agents cleaned or repaired the Property or remediated Mold contamination, that Seller does not in any way warrant the cleaning, repairs or remediation. Purchaser accepts full responsibility for all hazards that may result from the presence of Mold in or around the Property. The Purchaser is satisfied with the condition of the Property notwithstanding the past or present existence of Mold in or around the Property and Purchaser has not, in any way, relied upon any representations of Seller, Seller’s employees, officers, directors, contractors, or agents concerning the past or present existence of Mold in or around the Property.

If at any time the Property conditions result in violations of building code or other laws or regulations, either party shall have the right to terminate the Agreement at any time prior to closing. If there is an enforcement proceeding arising from allegations of such violations before an enforcement board, special master, court or similar enforcement body, and neither the Purchaser nor the Seller terminate this Agreement, the Purchaser agrees (a) to accept the Property subject to the violations, (b) to be responsible for compliance with the applicable code and with orders issued in any code enforcement proceeding and (c) to resolve the deficiencies as soon as possible after the closing. The Purchaser agrees to execute any and all documents necessary or required for closing by any agency with jurisdiction over the Property. The Purchaser further agrees to indemnify the Seller from any and all claims or liability arising from the Purchaser’s breach of this Section 7 of this Addendum.

The closing of this sale shall constitute acknowledgement by the Purchaser that Purchaser had the opportunity to retain an independent, qualified professional to inspect the Property and that the condition of the Property is acceptable to the Purchaser. The Purchaser agrees that the Seller shall have no liability for any claims or losses the Purchaser or the Purchaser's successors or assigns may incur as a result of construction or other defects which may now or hereafter exist with respect to the Property.

- 8. Occupancy Status of Property: The Purchaser acknowledges that neither the Seller, nor 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 Section 38 of 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 Purchaser acknowledges that closing on this transaction shall be deemed the Purchaser’s reaffirmation that neither the Seller, nor 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

PURCHASER (Initials) _____
 SELLER (Initials) _____

noted in Section 38 of this Addendum. 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 noted in Section 38 of this Addendum. All leases shall be deemed assigned to Purchaser upon closing to the extent permitted under applicable laws.

The Purchaser further acknowledges that, to the best of the Purchaser's knowledge, the Seller is not holding any security deposits from former or current tenants and has no information as to such security deposits as may have been paid by the former or current tenants to anyone and agrees that no sums representing such tenant security deposits shall be transferred to the Purchaser as part of this transaction. The Purchaser further agrees to assume all responsibility and liability for the refund of such security deposits to the tenants pursuant to the provisions of applicable laws and regulations. All rents due and payable and collected from tenants for the month in which closing occurs will be prorated according to the provisions of Section 10 of this Addendum.

The Purchaser acknowledges that this Property may be subject to the provisions of local rent control ordinances and regulations. The Purchaser agrees that upon the closing, all eviction proceedings and other duties and responsibilities of a property owner and landlord, including but not limited to those proceedings required for compliance with such local rent control ordinances and regulations, will be the Purchaser's sole responsibility.

9. Personal Property: Items of personal property, including but not limited to window coverings, appliances, manufactured homes, mobile homes, vehicles, spas, antennas, satellite dishes and garage door openers, now or hereafter located on the Property are not included in this sale or the Purchase Price unless the personal property is specifically described and referenced in Section 38 of this Addendum. Any personal property at or on the Property may be subject to claims by third parties and, therefore, may be removed from the Property prior to or after the closing. The Seller makes no representation or warranty as to the condition of any personal property, title thereto, or whether any personal property is encumbered by any liens. The Seller assumes no responsibility for any personal property remaining on the Property at the time of closing.

10. Closing Costs and Adjustments:

- (a) The Purchaser 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, co-operative fees, maintenance fees and rents, if any. In determining prorations, the Settlement Date shall be allocated to the Purchaser. 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 Purchaser and the Seller as of Settlement Date with payments not yet due and owing to be assumed by the Purchaser 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, and the Purchaser as current owner of the Property receives the payment, the Purchaser will immediately submit the refund to the Seller.
- (b) Fannie Mae is a congressionally chartered corporation and is exempt from realty transfer taxes pursuant to 12 U.S.C. 1723a(c)(2) and will not pay realty transfer taxes regardless of local practice. Any realty transfer taxes due on the sale as a result of the conveyance of the Property will be the sole responsibility of the Purchaser.
- (c) The Seller shall pay the real estate commission per the listing agreement between the Seller and the Seller's listing broker.
- (d) Purchaser shall release Seller from any and all claims arising from the adjustments or prorations or errors in calculating the adjustment or prorations that are or may be discovered after closing. **THE PURCHASER AGREES TO EXECUTE AND DELIVER TO THE SELLER AT CLOSING FANNIE MAE'S Tax Proration Agreement 03/2011.**

- (e) Regardless of local custom, requirements or practice, the Purchaser shall pay all costs and fees incurred in the transfer of the Property, including the cost of any lender required fees and recording costs except as expressly assumed by the Seller in this Addendum.
- (f) **Title and Closing Services. Purchaser will obtain title and escrow closing services from (Purchaser to select option below and initial in the space provided):**

_____ Seller's escrow closing and title provider and title insurance company used by Seller's provider. If Purchaser selects this option, Seller shall pay for the owner's and lender's title insurance. Purchaser and Seller agree that Seller's payment of the title insurance products is limited to the amount that Seller would pay its provider under its agreement with the provider for a basic residential owner's and lender's title insurance policy or their equivalent.

_____ Other escrow closing and title provider. If Purchaser selects this option, Purchaser shall bear the expense for all title insurance costs associated with the transaction, regardless of local custom, requirements or practice.

- 11. **Delivery of Funds:** Regardless of local custom, requirements, or practice, upon delivery of the deed by the Seller to the Purchaser, the Purchaser shall deliver, or cause to be delivered, all funds due the Seller from the sale in the form of cash, bank check, certified check or wire transfer. An attorney's trust fund check shall not be sufficient to satisfy this provision unless the bank holding the account on which the trust fund check is drawn certifies the trust fund check.
- 12. **Certificate of Occupancy:** If the Property is located in a jurisdiction that requires a certificate of occupancy, smoke detector certification, septic certification or any similar certification or permit ("Certificate of Occupancy") or any form of improvement or repair to the Property to obtain such Certificate of Occupancy necessary for the Property to be occupied, the Purchaser understands that the Seller requires the Certificate of Occupancy to be obtained by the Purchaser at the Purchaser's sole expense. The Purchaser shall make application for all Certificates of Occupancy within ten (10) calendar days of the Acknowledgement Date. The Purchaser shall not have the right to delay the closing due to the Purchaser's failure or inability to obtain any required Certificate of Occupancy. Failure of the Purchaser to obtain and furnish the Certificate of Occupancy shall be a material breach of the Agreement.
- 13. **Delivery of Possession of Property:** The Seller shall deliver possession of the Property to the Purchaser at closing. The delivery of possession shall be subject to the rights of any tenants or parties in possession per Section 8 of this Addendum. If the Purchaser alters the Property or causes the Property to be altered in any way and/or occupies the Property or allows any other person to occupy the Property prior to closing without the prior written consent of the Seller, such event shall constitute a breach by the Purchaser under the Agreement and the Seller may terminate the Agreement and the Purchaser shall be liable to the Seller for damages caused by any such alteration or occupation of the Property prior to closing and waives any and all claims for damages or compensations for alterations made by the Purchaser to the Property including, but not limited to, any claims for unjust enrichment.
- 14. **Deed:** Regardless of local practice, the deed to be delivered by Seller at closing shall be a 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 the grantor, but not otherwise. Any reference to the term "Deed" or "Special Warranty Deed" herein shall be construed to refer to such form of deed. Under no circumstances shall Seller be required to deliver any form of deed which grants a general warranty of title.

_____ (check if applicable) Seller's deed shall include the following deed restriction:

GRANTEE HEREIN SHALL BE PROHIBITED FROM CONVEYING CAPTIONED PROPERTY FOR A SALES PRICE OF GREATER THAN \$_____ FOR A PERIOD OF ___ MONTH(S) FROM THE DATE OF THE RECORDING OF THIS DEED. GRANTEE SHALL ALSO BE PROHIBITED FROM ENCUMBERING SUBJECT PROPERTY WITH A SECURITY INTEREST IN THE PRINCIPAL AMOUNT OF GREATER THAN \$_____ FOR A PERIOD OF ___ MONTH(S) FROM THE DATE OF THE RECORDING OF THIS DEED. THESE RESTRICTIONS SHALL RUN WITH THE LAND AND ARE NOT PERSONAL TO GRANTEE.

THIS RESTRICTION SHALL TERMINATE IMMEDIATELY UPON CONVEYANCE AT ANY FORECLOSURE SALE RELATED TO A MORTGAGE OR DEED OF TRUST.

PURCHASER (Initials) _____

SELLER (Initials) _____

15. Defects in Title: If the Purchaser raises an objection to the Seller's title to the Property, which, if valid, would make title to the Property uninsurable, the Seller shall have the right unilaterally to terminate the Agreement by giving written notice of the termination to the Purchaser. However, if the Seller is able to correct the problem through reasonable efforts, as the Seller determines, at its sole and absolute discretion, prior to the Expiration Date, including any written extensions, or if title insurance is available from a reputable title insurance company at regular rates containing affirmative coverage for the title objections, then the Agreement shall remain in full force and the Purchaser shall perform pursuant to the terms set in the Agreement. 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 but any attempt by the Seller to remove such title exceptions shall not impose an obligation upon the Seller to remove those exceptions. The Purchaser acknowledges that the Seller's title to the Property may be subject to court approval of foreclosure or to mortgagor's right of redemption. In the event the Seller is not able to (a) make the title insurable or correct any problem or (b) obtain title insurance from a reputable title insurance company, all as provided herein, the Purchaser may terminate this Agreement and any earnest money deposit will be returned to the Purchaser as the Purchaser's sole remedy at law or equity. If the Purchaser elects to take title subject to the title objections, the Purchaser shall so notify the Seller. The Purchaser's silence as to any title objections shall be deemed as acceptance.

16. Representations and Warranties:

The Purchaser represents and warrants to the Seller the following:

- (a) The Purchaser 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 Section 38 of this Addendum;
- (c) The Purchaser 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 Purchaser will not occupy or cause or permit others to occupy the Property prior to closing and, unless and until any necessary Certificate of Occupancy has been obtained from the appropriate governmental entity, will not occupy or cause or permit others to occupy the Property after closing;
- (e) The undersigned, if executing the Agreement on behalf of the Purchaser 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; and
- (f) The Purchaser (check one): _____ **has** _____ **has not** previously purchased a Fannie Mae owned property.

17. WAIVERS:

AS A MATERIAL PART OF THE CONSIDERATION TO BE RECEIVED BY THE SELLER UNDER THIS AGREEMENT AS NEGOTIATED AND AGREED TO BY THE PURCHASER AND THE SELLER, THE PURCHASER 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 A 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 PURCHASER;**

- (D) ANY AND ALL CLAIMS ARISING FROM THE ADJUSTMENTS OR PRORATIONS OR ERRORS IN CALCULATING THE ADJUSTMENTS OR PRORATIONS 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 SECTION 19 OF THIS ADDENDUM, TO WHICH THE PURCHASER 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 PURCHASER MAY INCUR AS A RESULT OF CONSTRUCTION ON, REPAIR TO, OR TREATMENT OF THE PROPERTY, OR OTHER DEFECTS, WHICH MAY NOW OR HEREAFTER EXIST WITH RESPECT TO THE PROPERTY;
- (I) ANY CLAIMS OR LOSSES RELATED TO ENVIRONMENTAL CONDITIONS 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, NONAPPARENT OR LATENT, DISCOVERABLE OR NONDISCOVERABLE;
- (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; AND
- (L) ANY RIGHT TO MEDIATION OR ARBITRATION RELATING TO OR ARISING UNDER OR FROM THIS AGREEMENT, EXCEPT AS PROHIBITED BY LAW.

References to the "Seller" in this Section 17 of this Addendum shall include the Seller and the Seller's servicers, representatives, agents, brokers, employees, and/or assigns.

In the event that the Purchaser breaches any of the terms described or contemplated under this Section 17 of this Addendum, the Purchaser shall pay all reasonable attorney fees and costs incurred by the Seller in defending such action, and the Purchaser shall pay Five Thousand Dollars (\$5,000) as liquidated damages for breach of this Section 17 of the Addendum, which amount shall be in addition to any liquidated damages held or covered by the Seller pursuant to Section 19 of this Addendum.

18. Conditions to the Seller's Performance: The Seller shall have the right, at the Seller's 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 exercises 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;

PURCHASER (Initials) _____
 SELLER (Initials) _____

- (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 Purchaser is the former mortgagor of the Property, or is related to or affiliated in any way with the former mortgagor, and the Purchaser has not disclosed this fact to the Seller prior to the Seller's 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 Seller's sole discretion, determines that the sale of the Property to the Purchaser or any related transactions are in any way associated with illegal activity of any kind;
- (i) the Agreement was accepted and executed by Seller in noncompliance with Fannie Mae procedures or guidelines;
- (j) 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
- (k) material misrepresentation by the Purchaser.

In the event the Seller elects to terminate this Agreement as a result of (a), (b), (c), (d), (e), (f), (i) or (j) above, the Seller shall return the Purchaser's earnest money deposit.

19. Remedies for Default:

- (a) In the event of the Purchaser's 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 Purchaser 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 Purchaser and neither the Seller nor its representatives, agents, attorneys, successors, or assigns shall be liable to the Purchaser for any damages of any kind as a result of the Seller's failure to sell and convey the Property.
- (b) In the event of the Seller's default or material breach under the terms of the Agreement or if the Seller terminates the Agreement as provided under the provisions of Paragraph 18 (a), (b), (c), (d), (e), (f), (i) or (j) of this Addendum, the Purchaser shall be entitled to the return of the earnest money deposit as Purchaser's sole and exclusive remedy at law and/or equity. The Purchaser waives any rights to file and maintain an action against the Seller for specific performance and the Purchaser acknowledges that a return of its earnest money deposit can adequately and fairly compensate the Purchaser. Upon return of the earnest money deposit to the Purchaser, this Agreement shall be terminated, and the Purchaser and the Seller shall have no further liability or obligation, each to the other in connection with this Agreement.
- (c) The Purchaser agrees that the Seller shall not be liable to the Purchaser 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 Purchaser 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 Section 19 of this Addendum and 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 pursuant to Section 24 of this Addendum.

20. **Indemnification:** The Purchaser 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 every 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 Purchaser or its agents, employees, contractors, successors or assigns;
 - (b) claims, liabilities, fines or penalties resulting from the Purchaser's failure to timely obtain any Certificate of Occupancy or to comply with equivalent laws and regulations;
 - (c) claims for amounts due and owed by the Seller for taxes, homeowner association dues or assessment or any other items prorated under Section 10 of this Addendum, including any penalty or interest and other charges, arising from the proration of such amounts for which the Purchaser received a credit at closing under Section 10 of this Addendum; and
 - (d) the Purchaser's or the Purchaser's tenants, agents or representatives use and /or occupancy of the Property prior to closing and/or issuance of required certificates of occupancy.
21. **Risk of Loss:** 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. If the Seller elects to repair or restore the Property, then the Seller may, at its sole discretion, limit the amount to be expended. Whether or not Seller elects to repair or restore the Property, the Purchaser's sole and exclusive remedy shall be either to acquire the Property in its then condition at the Purchase Price with no reduction thereof by reason of such loss or terminate this Agreement and receive a refund of any earnest money deposit.
22. **Eminent Domain:** In the event that the Seller's interest in the Property, or any part thereof, shall have been taken by eminent domain or shall be in the process of being taken on or before the closing, either party may terminate the Agreement and the earnest money deposit shall be returned to the Purchaser and neither party shall have any further rights or liabilities hereunder except as provided in Section 24 of this Addendum.
23. **Keys:** The Purchaser understands that the Seller may not be in possession of keys, including but not limited to, mailbox keys, recreation area keys, gate cards, or automatic garage remote controls, and any cost of obtaining the same will be the responsibility of the Purchaser. The Purchaser also understands that if the Property includes an alarm system, the Seller cannot provide the access code and/or key and that the Purchaser is responsible for any costs associated with the alarm and/or changing the access code or obtaining keys. If the Property is presently on a Master Key System, the Seller will re-key the exterior doors to the Property prior to closing at the Purchaser's expense. The Purchaser authorizes and instructs escrow holder to charge the account of the Purchaser at closing for the rekey.
24. **Survival:** Delivery of the deed to the Property to the Purchaser by the Seller shall be deemed to be full performance and discharge of all of the Seller's obligations under this Agreement. Notwithstanding anything to the contrary in the Agreement, any provision which 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.
25. **Further Assurances:** The Purchaser agrees to execute and deliver to the Seller at closing, or otherwise as requested by the Seller, documents including Fannie Mae's Waiver and Release 2012, Tax Proration Agreement 03/2011 or documents that are substantially the same, and to take such other action as reasonably may be necessary to further the purpose of this Agreement. Copies of referenced documents are available from the Seller's listing agent upon request by the Purchaser.
26. **Severability:** The lack of enforceability of any provision of this Agreement shall not affect the enforceability of any other provision of this Agreement, all of which shall remain in full force and effect.
27. **Assignment of Agreement:** The Purchaser shall not assign this Agreement without the express written consent of the Seller. The Seller may assign this Agreement at its sole discretion without prior notice to, or consent of, the Purchaser.

28. **EFFECT OF ADDENDUM:** THIS ADDENDUM AMENDS AND SUPPLEMENTS THE CONTRACT AND, IF APPLICABLE, ESCROW INSTRUCTIONS. IN THE EVENT THERE IS ANY CONFLICT BETWEEN THIS ADDENDUM AND THE CONTRACT OR ESCROW INSTRUCTIONS OR NOTICE OR OTHER DOCUMENTS ATTACHED AND MADE A PART OF THE AGREEMENT, THE TERMS OF THIS ADDENDUM TAKE PRECEDENCE AND SHALL PREVAIL EXCEPT AS OTHERWISE PROVIDED BY LAW.
29. Entire Agreement: The Agreement constitutes the entire agreement between the Purchaser and the Seller concerning the subject matter hereof and supersedes all previous communications, understandings, representations, warranties, covenants or agreements, either written or oral and there are no oral or other written agreements between the Purchaser and the Seller. All negotiations are merged into the Agreement. The Seller is not obligated by any other written or oral statements made by the Seller, the Seller's representatives, or any real estate licensee.
30. Modification: No provision, term or clause of the Agreement shall be revised, modified, amended or waived except by an instrument in writing signed by the Purchaser and the Seller.
31. Rights of Others: This Agreement does not create any rights, claims or benefits inuring to any person or entity, other than Seller's successors and/or assigns, that is not a party to the Agreement, nor does it create or establish any third party beneficiary to this Agreement.
32. Counterparts: This Agreement may be executed in any number of counterparts and each such counterpart shall be deemed to be an original, but all of which, when taken together, shall constitute one agreement.
33. Headings: The titles to the sections and headings of various paragraphs of this Agreement are placed for convenience of reference only and in case of conflict, the text of this Agreement, rather than such titles or headings shall control.
34. Electronic Signature: An electronic signature shall be given the same effect as a written signature.
35. Force Majeure: Except as provided in Section 21 to this Addendum, no party shall be responsible for delays or failure of performance resulting from acts of God, riots, acts of war and terrorism, epidemics, power failures, earthquakes or other disasters, providing such delay or failure of performance could not have been prevented by reasonable precautions and cannot reasonably be circumvented by such party through use of alternate sources, workaround plans or other means.
36. Attorney Review: The Purchaser acknowledges that Purchaser has had the opportunity to consult with its legal counsel regarding the Agreement and that accordingly the terms of the Agreement are not to be construed against any party because that party drafted the Agreement or construed in favor of any Party because that Party failed to understand the legal effect of the provisions of the Agreement.
37. Notices: Any notices required to be given under the Agreement shall be deemed to have been delivered when actually received in the case of hand or overnight delivery, or five (5) calendar days after mailing by first class mail, postage paid, or by fax with confirmation of transmission to the numbers below. All notices to the Seller will be deemed sent or delivered to the Seller when sent or delivered to Seller's listing broker or agent or Seller's attorney, at the address or fax number shown below. All notices to the Purchaser shall be deemed sent or delivered when sent or delivered to the Purchaser or the Purchaser's attorney or agent at the address or fax number shown below.
38. Additional Terms or Conditions:
-
-
-
-
-
-
-

IN WITNESS WHEREOF, the Purchaser and the Seller have entered into this Addendum as of the date first set forth above.

PURCHASER(S):

Signature: _____

Date: _____

Print Name: _____

Address: _____

Email Address: _____

Telephone: _____

Fax: _____

Signature: _____

Date: _____

Print Name: _____

Address: _____

Telephone: _____

Fax: _____

Email Address: _____

SELLER:

FANNIE MAE

_____, as Attorney in Fact
for Fannie Mae

FANNIE MAE as Attorney in Fact
for _____

By: _____

Date: _____

=====

PURCHASER'S AGENT:

Brokerage Firm: _____

Purchaser's Agent Name: _____

Address: _____

Telephone: _____

Fax: _____

Email Address: _____

SELLER'S AGENT:

Brokerage Firm: _____

Seller's Agent Name: _____

Address: _____

Telephone: _____

Fax: _____

Email Address: _____

PURCHASER (Initials) _____

SELLER (Initials) _____

PURCHASER'S ATTORNEY:

Name: _____

Address: _____

Telephone: _____

Fax: _____

Email Address: _____

SELLER'S ATTORNEY:

Name: _____

Address: _____

Telephone: _____

Fax: _____

Email Address: _____

PURCHASER (Initials) _____
SELLER (Initials) _____



AGREEMENT OF SALE for DELAWARE RESIDENTIAL PROPERTY

This is a legally binding agreement; if not understood, seek competent legal advice prior to signing.

THIS FORM IS DESIGNED AND INTENDED FOR THE SALE AND PURCHASE OF RESIDENTIAL
REAL ESTATE LOCATED IN THE STATE OF DELAWARE

1. PARTIES.

SELLER: _____

Address: _____

BUYER: _____

Address: _____

2. PROPERTY. Buyer hereby agrees to purchase from Seller and Seller agrees to convey to Buyer that Property identified as TAX PARCEL # _____ being situated in _____ County, Delaware and further identified as: _____

3. PAYMENT TERMS.

- A. PURCHASE PRICE \$ _____
To be paid as follows:
- B. DEPOSIT UPON SIGNING THIS AGREEMENT \$ _____;
In the form of Check Cash Other _____
- C. DEPOSIT DUE WITHIN _____ DAYS OF ACCEPTANCE \$ _____;
- D. _____ \$ _____

Remaining balance will be paid at settlement.

All sums deposited by Buyer prior to the time of final settlement shall be placed in a *non-interest bearing* escrow account with Listing Broker ("Escrow Broker") unless otherwise specified in this Agreement. Any funds delivered to the Escrow Broker within 15 calendar days of settlement shall be certified funds. *Funds paid by Buyer at settlement shall be in cash, certified check, cashiers check, treasurer's check, wire transfer or a Delaware attorney's escrow check.* Seller's net proceeds shall be paid by check from the settling attorney's escrow account unless other arrangements are made with the attorney.

4. INCLUSIONS/ EXCLUSIONS. Unless specifically excluded by this Agreement the purchase price shall also include the following, as and if now installed, stored in, or located on the Property: all presently existing plumbing, heating, electrical and central air conditioning systems; and all other permanent or attached fixtures including but not limited to, all existing shutters, awnings, wall to wall carpeting, radiator covers, cabinets, shelves, mirrors fixed in place, attic/exhaust fans, lighting and plumbing fixtures, and landscaping. Certain other now existing items which may be considered personal property, whether installed or stored upon the Property are included, as follows: **(If neither column is checked, item shall be considered excluded. Should the Sellers Disclosure of Real Property Condition Report differ from the below list of included items, the below list shall supersede):**

YES	NO	YES	NO	YES	NO
<input type="checkbox"/>	<input type="checkbox"/> Range with oven	<input type="checkbox"/>	<input type="checkbox"/> Draperies/Curtains	<input type="checkbox"/>	<input type="checkbox"/> Wall Mounted Flat Screen TV # _____
<input type="checkbox"/>	<input type="checkbox"/> Range Hood-exhaust fan	<input type="checkbox"/>	<input type="checkbox"/> Drapery/Curtain rods	<input type="checkbox"/>	<input type="checkbox"/> Wall brackets for TV # _____
<input type="checkbox"/>	<input type="checkbox"/> Cooktop-stand alone	<input type="checkbox"/>	<input type="checkbox"/> Shades/Blinds	<input type="checkbox"/>	<input type="checkbox"/> Surround sound system & controls
<input type="checkbox"/>	<input type="checkbox"/> Wall Oven(s) # _____	<input type="checkbox"/>	<input type="checkbox"/> Cornices/Valances	<input type="checkbox"/>	<input type="checkbox"/> Solar Equipment
<input type="checkbox"/>	<input type="checkbox"/> Kitchen Refrigerator	<input type="checkbox"/>	<input type="checkbox"/> Furnace Humidifier	<input type="checkbox"/>	<input type="checkbox"/> Attached Antenna/Rotor
<input type="checkbox"/>	<input type="checkbox"/> with icemaker	<input type="checkbox"/>	<input type="checkbox"/> Smoke Detectors	<input type="checkbox"/>	<input type="checkbox"/> Garage Opener(s) # _____
<input type="checkbox"/>	<input type="checkbox"/> Refrigerator(s)-additional # _____	<input type="checkbox"/>	<input type="checkbox"/> Carbon Monoxide Detectors	<input type="checkbox"/>	<input type="checkbox"/> with remote(s) # _____
<input type="checkbox"/>	<input type="checkbox"/> Freezer -free standing	<input type="checkbox"/>	<input type="checkbox"/> Wood Stove	<input type="checkbox"/>	<input type="checkbox"/> Pool Equipment
<input type="checkbox"/>	<input type="checkbox"/> Ice Maker-free standing	<input type="checkbox"/>	<input type="checkbox"/> Fireplace Equipment	<input type="checkbox"/>	<input type="checkbox"/> Pool cover
<input type="checkbox"/>	<input type="checkbox"/> Dishwasher	<input type="checkbox"/>	<input type="checkbox"/> Fireplace Screen/Doors	<input type="checkbox"/>	<input type="checkbox"/> Hot Tub, Equipment
<input type="checkbox"/>	<input type="checkbox"/> Disposal	<input type="checkbox"/>	<input type="checkbox"/> Electronic Air Filter	<input type="checkbox"/>	<input type="checkbox"/> with cover
<input type="checkbox"/>	<input type="checkbox"/> Microwave	<input type="checkbox"/>	<input type="checkbox"/> Window A/C Units # _____	<input type="checkbox"/>	<input type="checkbox"/> Sheds/Outbuildings # _____
<input type="checkbox"/>	<input type="checkbox"/> Washer	<input type="checkbox"/>	<input type="checkbox"/> Attic fan	<input type="checkbox"/>	<input type="checkbox"/> Playground Equipment
<input type="checkbox"/>	<input type="checkbox"/> Dryer	<input type="checkbox"/>	<input type="checkbox"/> Whole house fan	<input type="checkbox"/>	<input type="checkbox"/> Irrigation System
<input type="checkbox"/>	<input type="checkbox"/> Trash Compactor	<input type="checkbox"/>	<input type="checkbox"/> Bathroom Vents/Fans		
<input type="checkbox"/>	<input type="checkbox"/> Water Filter	<input type="checkbox"/>	<input type="checkbox"/> Window Fan(s) # _____		
<input type="checkbox"/>	<input type="checkbox"/> Water Heater	<input type="checkbox"/>	<input type="checkbox"/> Ceiling Fan(s) # _____	<input type="checkbox"/>	<input type="checkbox"/> Water Conditioner (owned)
<input type="checkbox"/>	<input type="checkbox"/> Sump Pump	<input type="checkbox"/>	<input type="checkbox"/> Central Vacuum	<input type="checkbox"/>	<input type="checkbox"/> Water Conditioner (leased)
<input type="checkbox"/>	<input type="checkbox"/> Storm Windows/Doors	<input type="checkbox"/>	<input type="checkbox"/> with attachments	<input type="checkbox"/>	<input type="checkbox"/> Fuel Storage Tank(s) (owned)
<input type="checkbox"/>	<input type="checkbox"/> Screens	<input type="checkbox"/>	<input type="checkbox"/> Intercoms	<input type="checkbox"/>	<input type="checkbox"/> Fuel Storage Tank(s) (leased)
		<input type="checkbox"/>	<input type="checkbox"/> Satellite Dish	<input type="checkbox"/>	<input type="checkbox"/> Security/Monitoring Systems (owned)
		<input type="checkbox"/>	<input type="checkbox"/> with controls & Remote(s)	<input type="checkbox"/>	<input type="checkbox"/> Security/Monitoring Systems (leased)

Seller's Initials _____ Buyer's Initials _____

ADDITIONAL INCLUSIONS (Not previously checked)

(Specify): _____

ADDITIONAL EXCLUSIONS (Not previously checked)

(Specify): _____

All property sold by this Agreement is called the "Property". No items shall be replaced or substituted without prior written approval of all parties.

5. RENTAL/LEASE.

(a) The Property is is not subject to any tenant rental/lease agreements. Seller will not alter any existing agreement nor enter into any new rental/lease agreement without Buyer's written consent and will assign all existing leases and transfer security deposits, and any other pre-paid items to Buyer at final settlement. Buyer agrees to cooperate with Seller's Rental Agency by signing the necessary documents **prior to completion of settlement** to facilitate the existing rentals after final settlement.

(b) The Property is is not subject to any third party rental/lease agreements including but not limited to oil or gas tank leases and/or security monitoring system lease agreements. Seller will not alter any existing agreement nor enter into any new rental/lease agreement without Buyer's written consent. Buyer and Seller agree to mutually cooperate with the transfer of any rental/lease agreements prior to final settlement.

6. Yes No FINANCING CONTINGENCY.

(a) Buyer's obligation to purchase the Property shall be contingent on Buyer's ability to obtain mortgage financing pursuant to the terms set forth below. Each of the terms below as applicable shall be deemed essential to this financing contingency and Buyer shall not make application for any mortgage financing the terms of which would differ or deviate from the requirements set forth below that would be adverse to Seller's interest without Seller's express prior written consent. The Interest rate shall be at the prevailing rate. Should, after Buyer makes application consistent with the terms set forth below, and has diligently and in good faith pursued that application, any commitment for mortgage financing that may be issued deviate from one or more of such terms, and Buyer elects not to accept the financing thus offered, or the application is denied, Buyer may, at Buyer's sole election, void this Agreement, in which event all deposits will be returned to buyer. The terms of mortgage financing are the following:

Type of financing: _____ Loan Amount: _____

Term in years: _____ Maximum loan to value ratio: _____

Final date for receipt of mortgage commitment (the "Commitment Date"): _____

(b) Buyer will make written application in a manner consistent with that provided for above within _____ calendar days of the effective date of this Agreement, and shall use their best efforts and diligently pursue such financing and promptly file any supplemental information, papers and/or other material that may be requested or required from time to time by the lender. If Buyer fails to make application as specified above, then Seller may declare Buyer in default of this Agreement by tendering written notice of that election to Buyer at any time prior to Buyer making application consistent with the terms set forth above. Should Seller elect to declare Buyer in default before such application is completed, Seller shall have available all the remedies set forth in this Agreement.

(c) Buyer shall provide Seller, or Seller's Designated Agent, with a copy of any loan commitment or denial within 3 calendar days of receipt. If a commitment consistent with the terms set forth above, or one that differs from those terms which is nonetheless acceptable to Buyer is obtained, and said commitment (1) imposes financial obligations upon the Seller which the Seller has not previously agreed to pay, and does not then agree to pay, and/or (2) is contingent upon the sale of any real or personal property owned by Buyer, then Seller may within 5 calendar days after receipt of a copy of the commitment, cancel this Agreement in writing, and all deposit money shall then be returned to Buyer in accordance with provisions of this Agreement. If such notice is not given, Seller shall be deemed to have accepted said condition(s).

(d) If a written mortgage commitment is not obtained by the Commitment Date, Seller shall from that time forward have the right to void this Agreement by tendering written notice of that election to Buyer or Buyer's Designated Agent provided, however, that if written mortgage commitment is received after the Commitment Date and prior to any such written notice of termination, then this Agreement shall remain in full force and effect, and Seller's right to void this Agreement for failure to meet the Commitment Date shall be deemed waived. If Seller elects to terminate as set forth in this paragraph, and Buyer is not then otherwise in default of the terms of this Agreement, all deposit money shall be returned to Buyer in accordance with the terms of this Agreement. If Buyer at that time claims that the mortgage application resulted in a denial of that application, and has not provided a copy of that denial in a timely fashion as set forth in paragraph (c) above, the failure to provide a copy of that denial as required herein shall be deemed a default by the Buyer.

Seller's Initials _____ Buyer's Initials _____

7. **SETTLEMENT.** Unless otherwise mutually agreed, final settlement shall be held in _____ County, Delaware on _____, or before if mutually agreed upon, at which time possession shall be given and Seller shall deliver all keys in Seller's possession or under Seller's control. It is expressly agreed if a longer time is necessary to secure a survey, or to prepare the necessary legal and financial settlement documents, the date of settlement shall be extended for a reasonable time to effect these conditions.

8. **TIME IS OF THE ESSENCE.** Other than those limited conditions related to settlement as noted in Paragraph 7 above, time is of the essence in this Agreement. Time is of the essence means that the dates and time frames agreed by the parties must be met. Failure to meet stated dates or time frames may result in waiver of contractual rights or default under the terms of this Agreement.

9. **CONVEYANCE.** The Seller acknowledges that the Property is to be conveyed (check one) **IN FEE SIMPLE**; **CO-OP OWNERSHIP**; or **LEASEHOLD SUBJECT TO AN ANNUAL GROUND RENT**, presently in the amount of \$_____

10. **DISBURSEMENT OF DEPOSITS.** The parties to this Agreement agree that deposit monies held on account as specified herein shall only be disbursed under one of the following conditions:
- A. Upon final settlement hereunder; OR
 - B. Upon a release being signed by all parties to the transaction authorizing disposition of these funds; OR
 - C. Upon the filing of an interpleader action in the proper court, thereby causing these funds to be deposited with the court; OR
 - D. At such time as one of the parties to the transaction files suit and the court orders the disbursement of these funds.

Buyer and Seller agree that upon payment of deposit monies into court, neither Buyer nor Seller shall have any further right, claim, demand or action against Escrow Broker regarding the return or disposition of the deposit monies, and Buyer and Seller, jointly and severally, shall indemnify and hold Broker harmless from any and all such rights, claims, demands or actions. In the event of a dispute, and after no less than fifteen (15) days advance notice delivered by certified mail to the Buyer and Seller at their addresses identified in this Agreement of Sale, should Broker elect to file an action of interpleader as herein provided, Buyer and Seller further agree and hereby expressly and irrevocably authorize Broker to deduct from the Deposit all costs incurred by Broker in the filing and maintenance of such action of interpleader including but not limited to filing fees, court costs, service of process fees and attorneys' fees, provided that the amount deducted shall not exceed the lesser of Five Hundred Dollars (\$500) or the amount of the Deposit held by Broker. All such fees and costs authorized herein to be deducted may be deducted by Broker from the Deposit prior to paying the balance of the Deposit to the court. Buyer and Seller further agree and expressly declare that all such fees and costs so deducted shall be the exclusive property of Broker. If the amount deducted by Broker is less than the total of all of the costs incurred by Broker in filing and maintaining the interpleader action, then Buyer and Seller jointly, and severally, agree to reimburse Broker for all such excess costs upon the conclusion of the interpleader action.

11. **TRANSFER TAXES; PRO-RATIONS; HEATING FUEL.** Applicable transfer taxes, transfer fees, and/or motor vehicle document fees shall be paid one-half by Buyer and one-half by Seller, except that any exemptions shall benefit only the exempt party. Taxes, special assessments, ground rent, water, sewer, electric and other lienable charges imposed by the State of Delaware, any political subdivision thereof, any school district, neighborhood association and/or condominium common expenses shall be apportioned pro-rata at the time of final settlement, as shall the rents and pre-paid operating expenses if Property is sold subject to a lease, and all security deposits shall be delivered to Buyer at time of settlement. Buyer shall pay Seller at settlement for any heating fuel purchased by Seller and left on Property. Buyer is advised that some propane tanks located on residential properties are leased and ownership of the tank may not be transferred to Buyer as part of this agreement.

Seller Buyer shall pay for deed preparation. Buyer shall pay all other customary settlement charges and lending costs including survey.

12. **TITLE.** Title is to be good and marketable either fee simple absolute conveyed by Deed of Special Warranty or Lease-hold Estate conveyed by assignment of the existing lease, as applicable, insurable for both owners and lenders coverage at regular rates by a title insurer duly licensed to issue title insurance in the State of Delaware, clear of any liens and encumbrances, except restrictions of record and existing easements generally applicable to properties in the immediate neighborhood or the subdivision in which the Property is located. Title shall also be delivered without encroachments or violations of restrictions, zoning or subdivision regulations unless disclosed by Seller on the Seller's Disclosure of Real Property Condition Report. If title objections are raised, Seller shall have 30 days from the date Seller is notified to cure the same, and the settlement date shall be extended accordingly. If objections are not satisfied by the extended settlement date, this Agreement shall terminate and all deposit monies shall be refunded to Buyer and all reasonable legal, loan, survey, and inspection fees incurred by Buyer will be paid by Seller, unless Buyer elects to waive the unsatisfied objections and complete the purchase. Seller may use the purchase price payable to Seller at settlement to discharge liens and encumbrances of record in fixed and ascertainable amounts.

13. **NOTICE/DELIVERY OF DOCUMENTS.** In this paragraph, the word "Agreement" includes offers, counteroffers, addenda or any other notice or agreement between the parties. All agreements shall be in writing. Verbal, electronic or written communication between the parties' or the parties' Designated Agent(s) that this Agreement has been signed and ratified shall be binding on all parties and such notice shall constitute delivery. Written communication shall be effective when sent. A facsimile, electronic record with electronic signature or photocopy of a signed Agreement shall constitute an original. Buyer or Seller, if there be more than one, expressly agree that notice to one shall be notice to all.

Seller's Initials _____ Buyer's Initials _____

14. NO RECORDING. This Agreement shall not be recorded or filed in any place of public record. If Buyer does record this Agreement, or permit this Agreement to be recorded, Seller may elect to treat such act as a default and have all the remedies provided herein.

15. FAIR HOUSING. All Parties agree to comply with all Fair Housing and Civil Rights laws in the purchase and sale of the Property and further agree specifically not to discriminate against any person because of RACE, COLOR, NATIONAL ORIGIN, RELIGION, CREED, SEX, MARITAL STATUS, FAMILIAL STATUS, AGE, SEXUAL ORIENTATION, GENDER IDENTITY, and/or HANDICAP/DISABILITY.

16. FIRPTA. Section 1445 of the United States Internal Revenue Code of 1986 provides that a Buyer of residential real property located in the United States must withhold federal income taxes from the payment of the purchase price if; (a) the purchase price exceeds three hundred thousand dollars (\$300,000.00); and (b) the Seller is a foreign person. Unless otherwise stated in an addendum attached hereto, if the purchase price is in excess of three hundred thousand dollars (\$300,000.00), Seller represents that Seller is not a nonresident alien, foreign corporation, foreign partnership, foreign trust or foreign estate (as those are defined by the Internal Revenue Code and applicable regulations) and agrees to execute an affidavit to this effect at time of settlement.

17. HOMEOWNERS WARRANTY. Buyer and Seller are advised that Homeowners Warranties are available. A Homeowners Warranty is only part of this Agreement if Buyer or Seller agrees to purchase a warranty. Buyer and Seller are advised to request information about what is included in the warranty and what is excluded (for example, preexisting conditions) and the amount of the deductible.

18. RISK OF LOSS. The risk of loss or damage to the Property by fire, wind storm or other casualty until settlement shall be borne by Seller. If any part of the property is damaged or destroyed by fire or other casualty loss, Seller shall restore the same to its previous condition as soon as reasonably possible, but in any event by settlement date. If Seller is unable to do so, Buyer may terminate this Agreement and the deposit monies shall be refunded to Buyer in accordance with the terms of this Agreement.

19. CONDITION OF PROPERTY; INSPECTIONS. Seller shall deliver the Property in substantially the same physical condition as of the date of this Agreement unless repairs are agreed to as part of the inspection processes explained in paragraphs 20, 21 and 22. However, the electrical, plumbing, wastewater/septic system, well, heating, air conditioning, and any other electro-mechanical systems, appliances and equipment included in this Agreement shall be in operating condition at time of final settlement unless otherwise disclosed in the Seller's Disclosure of Real Property Condition Report Form or elsewhere in this Agreement of Sale. Seller's responsibility for these items shall expire at the time of settlement.

Seller shall not be obligated to repair any defects fully disclosed in the Seller's Disclosure of Real Property Condition Report or defects otherwise accepted by Buyer in this Agreement or as a result of the inspections. However, specific actions required by this Agreement or agreed to by addendum resulting from the inspections, such as "repair defective electric outlet in the kitchen," will remain part of this Agreement.

Any failures of the Property occurring between the time of final acceptance and settlement shall be repaired by Seller, at Seller's expense, prior to settlement. Seller is responsible for insuring that utilities are turned on during inspections, appraisals and pre-settlement inspection. Seller agrees to permit access to Property by any authorized appraiser, inspector or contractor as required by the lender or by other terms of this Agreement. Property shall be "broom clean" and free of debris at time of final settlement or occupancy (whichever occurs first).

Buyer shall have the responsibility of scheduling a pre-settlement inspection of Property within 48 hours prior to settlement to verify that Property is in the condition required by this Agreement including conditions disclosed and accepted by Buyer elsewhere in this Agreement or by addendum.

Except as expressly contained herein, no other warranties or representations have been made by Seller or relied upon by the Buyer, and upon settlement all the Seller's obligations for condition of the Property under this Agreement shall expire. It is understood and agreed by the parties hereto the Broker(s)/Salesperson(s) assumes no responsibility for defects concerning the physical condition of the Property described herein and all improvements thereon. Buyer represents that they have made a satisfactory inspection of the Property and agrees to accept the Property in its present condition except as otherwise provided in this Agreement.

20. Yes No WOOD DESTROYING INSECT INSPECTION REPORT.

Buyer shall procure, at Buyer's expense (unless prohibited by the type of mortgage financing, in which case it shall be procured by the Buyer at Seller's expense), a wood destroying insect inspection report (WDI) from a company holding a Pesticide Business License or an individual licensed by the Department of Agriculture as a Commercial Pesticide Applicator (Restricted Use) Category 7B Wood Destroying Pest Control (WDI Inspector).

The inspection shall include the house, attached or detached garage, and improvements attached to the house or garage, but not other detached items on the Property, such as (but not limited to) sheds, fences, wood piles, mulch beds, etc., unless such items are specifically listed herein.

The Buyer shall deliver to Seller a copy of the WDI report no later than _____ (date).

- (a) If there is no active infestation, prior infestation, prior treatment or damage from infestation, then no further action is needed by either party.

Seller's Initials _____ Buyer's Initials _____

(b) If the report indicates that there is any active infestation, prior infestation, prior treatment or damage from infestation, then Buyer may obtain an inspection to determine if the structural integrity of the property has been impaired and provide an estimate for treatment and repairs. The party who pays for the pest inspection shall pay for the structural inspection ("the first structural report") and estimate. If the first structural report states that the structural integrity has not been impaired, no repairs by the Seller shall be required.

(c) If the cost to treat and repair damage exceeds 10% of the Purchase Price, Buyer may declare this Agreement null and void, in which case the deposit shall be returned to Buyer in accordance with provisions in this Agreement, and each party shall be relieved of further liability to the other.

(d) If (c) does not apply, then Seller shall have the option of treating the infestation and having any structural impairment corrected by licensed contractors, at Seller's expense prior to settlement. Seller shall, within 5 calendar days, notify buyer in writing whether or not Seller will exercise its option to do any required work. If Seller elects to do any required work, Seller shall deliver to Buyer a written report prepared by a WDI Inspector/Licensed contractor itemizing the treatment/repairs to be made. After the treatment/repairs have been completed, Seller shall provide Buyer with a written statement from the licensed contractor certifying that the repairs required by the first structural report have been completed and the integrity of those areas is no longer structurally impaired. This report shall be provided by settlement. Buyer may, at Buyer's expense, hire a representative to be at the Property while the Seller's contractor makes repairs. If Seller elects not to correct or fails to provide written notice within 5 calendar days, Buyer shall have the option of proceeding to settlement without reduction of the purchase price or declaring this agreement null and void in writing and being repaid all deposit money. Written notice of Buyer's election to declare this agreement null and void must be delivered to Seller within 5 calendar days after receiving Seller's written notice or Seller's failure to give written notice.

(e) If Buyer does not declare this agreement null and void, there shall be no liability of Seller for the infestation or damage, no obligation of Seller to correct, no reduction of the purchase price, no credit to Buyer at settlement for the cost of correction or re-inspection and Buyer shall be responsible for any correction or re-inspection required by Buyer's lender. If this paragraph applies, Buyer purchases the Property in "as is" condition and waives all claims under this paragraph against the Seller, the Broker(s) and Salesperson(s), for any damage to the structure by wood destroying insects.

21. Yes No **HOME INSPECTION CONTINGENCY.** (If neither is checked, this contingency is waived).

Written report of major defects, any subsequent inspections, and request for repairs, if any, due to Seller by _____ (date).

Written response from Seller due to Buyer by _____ (date).

Written negotiations (if any) to be completed by _____ (date).

Other systems or items to be inspected by the home inspection company _____

If buyer is not purchasing a newly constructed home, the Property may have minor problems associated with a previously owned property. A major defect is any deficiency that causes an item to perform in an unsafe manner or that prevents the item from performing its intended function. The inspection shall be limited to the house, attached or detached garage(s), improvements attached to the house or garage(s) and the electrical, plumbing, wastewater/septic system, well, heating, air conditioning, and any other electro-mechanical systems, appliances and equipment included in this sale.

If "Yes" is indicated above, this Agreement is contingent upon Buyer obtaining a home inspection of the Property and written report (the Inspection), by a home inspection company and/or by a licensed contractor/professional of Buyer's choice at Buyer's expense. If Buyer does not choose to obtain an Inspection, or if major defects are not reported to the Seller by date specified, then Buyer has waived the Home Inspection contingency.

If the home inspection or any subsequent inspections discovers major defects, Buyer shall provide Seller with a written request for repairs and a copy of the relevant portions of the inspection report. Any subsequent inspections necessitated by the initial inspection shall be at the direction and expense of Buyer, (unless requested by Seller for negotiations which shall then be at the direction and expense of Seller), performed by a licensed contractor/professional, and completed within the time frames provided herein. The Broker(s) shall not be responsible for determining the necessity of additional inspections. Buyer and Seller agree that Broker(s) does not guarantee, and will not be held responsible for, any person or company performing the inspection or correction of any condition pursuant to the terms of this Agreement and shall not be responsible for the selection of any person or company chosen to perform an inspection or correct any condition.

The request for repairs must be made by the deadline specified. Seller shall then, in writing:

- (a) Agree to correct any major defects at Seller's sole cost and, if necessary, by a licensed contractor/professional. All required permits must be secured by Seller. Written proof of completion shall be supplied to buyers at least two days prior to settlement; OR
- (b) Refuse to correct the major defects; OR
- (c) Enter into a mutually agreeable written agreement with Buyer providing for particular repairs to the Property and/or credit to Buyer at Settlement if this is acceptable to the mortgage lender.

If the Seller refuses to correct the major defects, fails to respond in writing to Buyer's request, or an agreement about such repairs is not negotiated, then Buyer may notify Seller in writing, no later than one day after the date written negotiations are to be completed as specified above, of Buyer's intent to purchase the Property in its present condition or this Agreement shall be null and void and all deposit money shall be returned to Buyer in accordance with the terms of this Agreement.

Seller's Initials _____ Buyer's Initials _____

It is understood that general statements as to the condition of the Property contained in this Agreement, such as "electrical system shall be in working order at the time of settlement," will not obligate Seller to repair items noted in the Home Inspection Report unless Seller agrees to make repairs according to the terms of the Home Inspection paragraph.

Seller will have all items and systems covered by this Inspection operative at the time of inspection (including fuels). Seller shall not be obligated to repair any defects fully disclosed in the Seller's Disclosure of Real Property Condition Report or defects otherwise accepted by Buyer in this Agreement. However, specific actions required by this Agreement, such as "repair defective electric outlet in the kitchen," will remain part of this Agreement.

22. OTHER INSPECTIONS. The purpose of these inspections is to independently evaluate the condition of the items and identify major defects, if any. A major defect is any deficiency in an item that causes the item to perform in an unsafe manner or that prevents the item from performing its intended function. Buyer must object to any major defect identified by an inspection report by the date the report is due to Seller as listed below, or Buyer is deemed to have accepted Property with the defect and the contingency is automatically considered to be satisfied. If this Agreement is cancelled as a result of the election of any of the options below, all parties agree to immediately execute the proper documentation to acknowledge termination of this Agreement of Sale. There shall then be no further obligation or liability of either party, broker or salespeople, and all monies on deposit shall be returned to Buyer in accordance with the terms of this Agreement. Buyer and Seller agree that Broker(s)/Agent(s) does not guarantee, and will not be held responsible for, any person or company performing the inspection or correction of any condition pursuant to the terms of this Agreement and will not be responsible for the selection of any person or company chosen to perform an inspection or correct any condition. Each included contingency is subject to the terms and remedies described herein.

22a. ON-SITE WASTEWATER/SEPTIC SYSTEM.

For all properties utilizing an on-site wastewater/septic system that are sold or otherwise transferred to other ownership, the Seller shall have the system pumped out and inspected by a Class F and Class H licensee, respectively, prior to completion of the sale. If an inspection has occurred within the previous 36 months and the Seller can provide proof of the pump out and inspection and the system is not a cesspool or seepage pit, then the inspections will suffice. It will be the Seller's sole cost and responsibility to provide the Buyer with the report (Class F and Class H) indicating that the system is in working order with no major defects by _____ (date). If the Seller of an individual on-site wastewater/septic system provides proof of a licensed operator or has a service contract with a certified service provider then the Seller shall provide evidence of same to Buyer no later than the date specified herein and these requirements shall have been met.

22b. _____ On-Site Wastewater/Septic Contingency (Buyer's Option). (Only a part of this Agreement if marked yes or checked)

Notwithstanding the provisions of 22a herein, the Buyer may elect to have their own on-site wastewater/septic system inspection by a Class H system inspector (see list at www.dnrec.delaware.gov) of Buyer's choice and at Buyer's expense, to verify that the on-site wastewater/septic system is in working order with no major defects. This shall be in addition to 22a herein and shall not relieve the Seller from the provisions of 22a. In such event Buyer must provide Seller with a copy of the written report describing any major defect by _____ (date).

22c. _____ Well Water Contingency. (Only a part of this Agreement if marked yes or checked)

Buyer may have the water inspected by a water testing company of Buyer's choice, at Buyer's expense, to verify that the well is in working order with no major defects, and there is an absence of total coliform bacteria, and meets EPA standards for nitrate, chloride, and lead. Buyer must provide Seller with a copy of the written report describing any major defect. Report of major defects, if any, due to Seller by _____ (date).

22d. _____ Radon Contingency. (Only a part of this Agreement if marked yes or checked)

Buyer may have Property inspected by a registered radon service company of Buyer's choice, at Buyer's expense, to verify that the average radon level is less than 4 picocuries/liter. Buyer must provide Seller with a copy of the written report containing any evidence of higher radon levels than herein stated. Report of major defects, if any, due to Seller by _____ (date).

22e. _____ Swimming Pool Contingency. (Only a part of this Agreement if marked yes or checked)

Buyer may have the swimming pool inspected by a pool maintenance company of Buyer's choice, at Buyer's expense, to verify that the pool & equipment are in working order with no major defects. Buyer must provide Seller with a copy of the written report describing any major defect. Report of major defects, if any, is due to Seller by _____ (date).

SELLER'S DUTIES. In the event Seller provides Buyer or Buyer provides Seller timely written notice of a major defect of any of the above required or selected items, the Seller shall notify Buyer within 5 calendar days of said notice whether Seller (a): intends to correct the major defect(s) at Seller's sole cost prior to settlement, (b): refuses to correct any of the major defects, or (c): offers to negotiate with Buyer about the major defects with such negotiations to be completed within 5 additional calendar days from date of Seller's notification. If the negotiations are not completed in the time specified above or Seller fails to provide written notification, then this shall mean that Seller has refused to correct the major defect.

Seller's Initials _____ Buyer's Initials _____

BUYER'S DUTIES. If Seller has refused to correct the major defect or a negotiated agreement to correct major defects is not agreed to, then Buyer must notify Seller in writing within 5 calendar days of receiving Seller's notice whether Buyer will (a): accept Property with the defect and no reduction of price or (b): declare the Agreement null and void with all deposit money being returned to Buyer. Buyer's failure to provide written notice shall result in this Agreement becoming null and void and all deposit money shall be returned to Buyer in accordance with the terms of this Agreement.

23. ENVIRONMENTAL CONDITIONS. Buyer is hereby advised that environmental conditions may exist about which Seller has no knowledge including but not limited to: buried fuel tanks, asbestos, radon, lead paint, and urea-formaldehyde foam insulation. Buyer may negotiate with Seller for permission to conduct environmental testing as a term or condition of this Agreement. Any agreement relating to environmental testing must be in writing and signed by both Buyer and Seller. Further information can be obtained from the following agencies: United States Environmental Protection Agency, Washington DC; Radon Health Systems Protection, Dover DE; State of Delaware Department of Health and Social Services, Dover DE; United States Consumer Products, Safety Commission, Washington DC.

24. BUYER'S DEFAULT. If Buyer fails to deliver any payment or additional deposit, fails to make mortgage application as specified herein, knowingly furnishes false or incomplete information to Seller, Broker or the lending institution concerning Buyer's legal or financial status, fails to cooperate in the processing of the mortgage loan application, resulting in failure to obtain a mortgage financing commitment, or violates or fails to perform any of the terms or conditions of this Agreement, then Seller shall have the right and option to cancel this Agreement and to retain any deposit money as liquidated damages for such default by Buyer, or exercise any legal or equitable right or remedy to which Seller may be entitled and in connection therewith to apply any deposit money either on account of the Purchase Price or on account of damages, as Seller may elect.

25. SELLER'S DEFAULT. If Seller shall, for some reason not excused herein, fail or refuse to perform Seller's obligation to Buyer, and Buyer shall not also be in default, Buyer shall either have all monies paid herein on account of the Purchase Price, (together with such reasonable costs incurred in preparation for settlement), refunded forthwith, whereupon all rights and obligations herein shall cease and terminate, or Buyer shall have the right to seek any remedy and maintain any action against Seller to which Buyer may be entitled whether at law or in equity.

26. NO REPRESENTATION. Buyer and Seller understand and acknowledge that Broker(s) are not at any time authorized to make any representations about this Agreement or the Property other than those written in this Agreement. Broker(s), Agent(s), Subagent(s) and employees of Broker(s) do not assume any responsibility for the condition of the Property or for the performance of this Agreement by any or all parties hereto. By signing this Agreement, Buyer and Seller acknowledges they have not relied on any representations made by Broker(s) or any Agent(s), Subagent(s) or employees of Broker(s), except those representations written in this Agreement.

27. INDEMNIFICATION/ATTORNEY FEES. In the event any dispute arises under this Agreement between Seller and Buyer resulting in Broker(s) or any Agent(s), or Subagent(s) or employees of Broker(s) being a party to any litigation, Seller or Buyer, whichever is unsuccessful, shall indemnify and hold Broker(s), Agent(s), Subagent(s) or employees of Broker(s) harmless from any liability, loss, damage, cost, expense, and attorney fees, provided such litigation does not result in a judgment against Broker(s), Agent(s), Subagent(s) or employees of Broker(s) for acting improperly under this Agreement.

Should Buyer waive any inspections or provisions in this Agreement of Sale, either as the result of marking the item NO, failing to mark the item YES, or not following through with an inspection, Buyer shall hold Broker(s), Agent(s), Subagent(s) or employees of Broker(s) harmless from any liability, loss, damage, cost, expense, and attorney fees resulting from Buyer's waiver of such provision. In the event a dispute arises under this Agreement between Seller and Buyer resulting in any litigation, and/or arbitration, Buyer or Seller, whichever is unsuccessful, shall also be liable for the other parties' court costs and attorney's fees.

28. AGENCY DISCLOSURE.

As disclosed in the Consumer Information Statement of the Delaware Real Estate Commission, the parties confirm that the following agency relationships exist:

I. _____, Listing Broker

Seller's Agent Dual Agent

II. _____, Designated Listing Agent

Seller's Designated Agent Designated Dual Agent

III. _____, Selling Broker

Buyer's Agent Dual Agent Seller's Subagent

IV. _____, Designated Selling Agent

Buyer's Designated Agent Designated Dual Agent Seller's Subagent

Seller's Initials _____ Buyer's Initials _____

29. SUCCESSION. This Agreement shall benefit and bind the parties hereto, their respective heirs, personal representatives, successors and assigns. Buyer may not assign Buyer's interest in this Agreement without Seller's prior written consent, which consent will not be withheld unless such assignment may adversely affect Seller.

30. BROKERAGE FEE. Buyer and Seller agree that the Broker(s)/Agent(s) was responsible for procuring this Agreement, and agree that a brokerage fee for services rendered as specified in a separate agreement for compensation will be paid. If not previously paid, the settlement attorney is hereby irrevocably authorized and directed to collect the brokerage fee as specified in the separate agreement and pay the same to the Broker at final settlement as a convenience to the parties, and not as a limitation upon Buyer's or Seller's liability to pay the brokerage fee.

31. ADDENDUMS. These Addendums are only applicable if marked **YES** or checked. **NO** or a blank means you are waiving the opportunity to include the contingency or clause. If language in this Agreement and Addendum(s) are in conflict, unless otherwise provided herein, then the addendum(s) will supersede this Agreement.

- _____ Seller's Disclosure of Real Property Condition Report, unless exempt by State Law. (Additional form required.)
- _____ Lead Based Paint Disclosure Form, unless exempt by Federal Law (Additional form required)
- _____ Radon Disclosure Form, unless exempt by State law (Additional form required)
- _____ DUCIOA Resale Certification Form (if applicable) OR _____ Contingency Addendum (check which applies)
- _____ Tax Deferred (1031) Exchange
- _____ Buyer's Financial Information
- _____ Mortgage Letter with Credit Check
- _____ FHAVA Amendatory Language and *For Your Protection: Get a Home Inspection.* (Additional form required)
- _____ Homeowners Warranty paid for by _____ Warranty Company _____
- _____ Additional Addenda not included above _____

32. ADDITIONAL TERMS AND CONDITIONS. _____

33. MISCELLANEOUS. Delaware law governs this Agreement. The paragraph captions are for convenient reference only and are not intended to limit or enlarge the substance of this Agreement. The term Broker(s) when used in this Agreement shall include Broker of Record, Brokerage Organization, Broker Owner, Salesperson(s) and employees involved in this Agreement. The word "Contract" is synonymous with "Agreement" when used herein.

The singular forms "Buyer" and "Seller" are used in this Agreement solely as a convenience and are intended to include all parties who are Buyers or Sellers. Buyer and Seller agree that they have read and fully understand this Agreement, including the Seller's Disclosure of Real Property Condition Report (if applicable), that it contains the entire agreement between them and that they do not rely on any other written or oral representation or statement not expressly written in this Agreement, including any statement of fact or opinion contained in any advertisement, listing agreement, multiple listing description or multiple listing information sheet or made by Seller, any broker, salesperson, or any agent or employee of any of them. If settlement does not take place Buyer and Seller shall each be responsible to pay for services ordered on their behalf, unless otherwise provided for herein. The parties hereto agree to execute and deliver any other instrument(s) or document(s) that may be necessary or convenient to carry into effect the provisions of this Agreement, and the parties agree to otherwise cooperate in good faith as may be necessary to complete the settlement contemplated herein.

34. CHANGES. There have been changes in the form of this Agreement as copyrighted by the Delaware Association of REALTORS® other than filling in the blanks. Yes No. If yes, describe changes.

35. ENTIRE AGREEMENT. This Agreement and any addenda hereto contain the final and entire Agreement between the parties and may not be modified or changed except by written agreement signed by all parties. The parties agree that neither they nor their Broker(s)/Agent(s) shall be bound by any terms, conditions, statements, warranties nor representations, oral or written, not contained herein. **FAILURE TO CHECK OR MARK A BOX "YES" MEANS BUYER HAS WAIVED THE RIGHT TO INCLUDE THE CONTINGENCY OR CLAUSE AS PART OF THIS AGREEMENT.**

Seller's Initials _____ Buyer's Initials _____

36. FINAL ACCEPTANCE. This Agreement is not binding until signed by and delivered to all parties.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date stated below, thereby showing their intent to be bound hereby.

BUYER _____

DATE & TIME _____

BUYER _____

DATE & TIME _____

SELLER _____

DATE & TIME _____

SELLER _____

DATE & TIME _____

SELLER HEREBY REJECTS this offer as of

DATE & TIME _____

SELLER _____

SELLER _____

LISTING BROKER _____ CODE _____

BRANCH OFFICE _____

OFFICE PHONE NUMBER _____

FAX NUMBER/EMAIL ADDRESS _____

SALES ASSOCIATE _____ CODE _____

PHONE NUMBER _____

SELLING BROKER _____ CODE _____

BRANCH OFFICE _____

OFFICE PHONE NUMBER _____

FAX NUMBER/EMAIL ADDRESS _____

SALES ASSOCIATE _____ CODE _____

PHONE NUMBER _____

Deposit received: \$ _____ : Cash Check # _____ Effective/ratification date of Agreement _____

**OWNER OCCUPANT CERTIFICATION
Rider to the Real Estate Purchase Addendum**

REO# _____

Property Address _____

This is to certify that consistent with the representation made by me in the Real Estate Purchase Addendum, Section 4, Use of Property, I will occupy, establish and use the above-referenced property as my primary residence within 60 days after the Closing and will continue to occupy the property as my primary residence for at least one year after the date of occupancy, unless extenuating circumstances arise which are beyond my control. If the property is a multi-unit property, I may rent units other than the unit that I occupy as my primary residence. Furthermore, I fully understand that Fannie Mae is relying upon my representation of being an owner occupant of the property, and that the sale of the property to me by Fannie Mae is conditioned upon this representation.

In the event that I do not occupy the property as my primary residence in accordance with the above certification, I shall pay Ten Thousand Dollars (\$10,000) to Seller as liquidated damages, which amount shall be in addition to Seller's right to retain any earnest money deposit and any other funds then paid by the Purchaser as liquidated damages pursuant to Section 19 of the Real Estate Purchase Addendum and any other remedy available to Seller at law or equity. Additionally, I agree to pay Seller's reasonable attorney fees and costs incurred by Seller in enforcing its rights hereunder.

PURCHASER

Date

PURCHASER

Date

PURCHASER EMAIL ADDRESS*

Agent certifies that he/she has not knowingly submitted to Seller the sales contract and Real Estate Purchase Addendum for the above referenced property on behalf of an investor purchaser. Agent further certifies that he/she is aware of the penalties to the buyer for false certification.

SELLING (BUYER'S) AGENT

Date

SELLING (BUYER'S) AGENT EMAIL ADDRESS*

*Optional field. Providing an email address allows Fannie Mae to notify you of special HomePath offers in the future, which helps buyers and real estate professionals receive the maximum benefit from these opportunities.

NOTIFICATION TO LISTING AGENT

REO# _____

Property Address _____

Listing broker/agent is hereby notified that if, for any reason, you have concern that the Owner Occupant Certification made by the PURCHASER(S) or SELLING AGENT is false, misleading or a misrepresentation of the truth that you should report this concern to your Fannie Mae sales representative or Asset Management Provider.

I have read and understood this notification.

LISTING AGENT

DATE

DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS

REO Case #: _____
Loan #: _____
Property Address: _____

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase, at purchaser's expense.

Seller's Disclosure (initial)

- _____ (a) Presence of lead-based paint and/or lead-based paint hazards (check one below):
 - Known lead-based paint and/or lead-based paint hazards are present in the housing (explain): _____
 - Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
- _____ (b) Records and reports available to the seller (check one below):
 - Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below): _____
 - Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (initial)

- _____ (c) Purchaser has received copies of all information listed above.
- _____ (d) Purchaser has received the pamphlet **Protect Your Family from Lead in Your Home**.
- _____ (e) Purchaser has (check one below):
 - Received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
 - Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

PURCHASER AGREES THEY ARE PURCHASING THE PROPERTY "AS IS," WITHOUT ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE CONDITION OF THE PROPERTY. PURCHASER FURTHER AGREES THAT SELLER AND ITS SERVICERS, REPRESENTATIVES, AGENTS, ATTORNEYS, OFFICERS, DIRECTORS, EMPLOYEES, SUCCESSORS AND ASSIGNS HAS NO RESPONSIBILITY OR LIABILITY FOR, AND PURCHASER HEREBY UNCONDITIONALLY RELEASES SELLER AND IT'S SERVICERS, REPRESENTATIVES, AGENTS, ATTORNEYS, OFFICERS, DIRECTORS, EMPLOYEES, SUCCESSORS AND ASSIGNS FROM, ANY AND ALL LIABILITY, BOTH KNOWN AND UNKNOWN, PRESENT AND FUTURE, THAT IS BASED UPON, OR RELATED TO, THE EXISTENCE OF LEAD OR LEAD-BASED PAINT ON OR ABOUT THE PROPERTY.

Broker's/Agent's Acknowledgment (initial)

- _____ (f) Broker/Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information provided by the signatory is true and accurate.

_____ Seller _____ Date	Fannie Mae By: _____ Seller _____ Date
_____ Broker/Agent _____ Date	_____ Broker/Agent _____ Date
_____ Purchaser _____ Date	_____ Purchaser _____ Date



RADON DISCLOSURE

Required by Chapter 25, Title 6, Section 2572A of the Delaware Code

Property Address: _____

Seller's Disclosure

Delaware law requires that the seller of any interest in residential real property that includes a dwelling must provide the buyer with any information about any known radon. Sellers also must disclose any tests or inspections for radon in the seller's possession.

The seller(s) must answer the following questions and provide the required information:

1. Are you aware of the presence of radon in the property identified above?
Yes No (circle one)
2. Are you aware of any radon tests or inspections that have been performed on the property identified above?
Yes No (circle one)
3. If you responded "yes" to Question 2 above, have you provided the buyer(s) with copies of all radon tests and/or inspection reports in your possession? Yes No (circle one)
4. Identify each report referred to in Question 3, including the date of each report:

By signing this form, the seller(s) acknowledge(s) the following:

I/we have been informed of my/our obligation and am/are aware of my/our responsibility to comply with Delaware law regarding radon disclosure, as provided in Title 6, Chapter 25, Section 2572A of the Delaware Code.

Seller Date

Seller Date

Buyer's Acknowledgement

Delaware law requires that every buyer of any interest in residential real property that includes a dwelling must be notified that the property may present the potential for exposure to radon.

By signing this form, the buyer(s) acknowledge(s) the following:

1. I/we have received the *Radon Rights, Risks and Remedy for Home Buyer* document, which describes the potential hazards of exposure to radon, testing for radon and remediation.
2. I/we have the option to have the property identified above tested for radon.
3. I/we have received copies of all radon tests and/or inspection reports identified in Item 4 of the Seller's Disclosure above.

Buyer Date

Buyer Date



RADON Rights, Risks and Remedy for the Home Buyer

This information has been compiled by the Delaware Department of Health and Social Services' Division of Public Health (DPH) in conjunction with the Delaware Real Estate Commission to comply with Chapter 25, Title 6, Delaware Code §2572A - Radon Testing and Disclosure.

What are my rights regarding radon and purchasing a home? A buyer of a home in Delaware has the right to know if the property has been tested for radon and the results of that testing. This will be provided to you by a home seller on a Radon Testing and Disclosure form. The buyer also has the right to have the property tested for radon prior to settlement. The testing request can be added to an offer to purchase as a radon contingency.

What is radon? Radon is a radioactive gas. It is colorless, odorless, tasteless, and chemically inert. Unless a test is performed, there is no way to determine if and how much radon might be present in a home. It is formed by the natural radioactive decay of uranium in rock, soil, and water. Low levels of uranium occur widely in Earth's crust and can be found in all 50 states. Once produced, radon moves through the ground to the air above.

What health effects are associated with radon exposure? The Surgeon General has warned that radon is the second leading cause of lung cancer in the United States. There is currently no conclusive data on whether children are at greater risk than adults from radon. If you smoke and you are exposed to elevated radon levels, your risk of lung cancer is elevated further.

What is the "acceptable" level of radon in air? Since radon is a known human carcinogen, the U.S. Environmental Protection Agency (EPA) states that any radon exposure carries some risk. EPA recommends homes be fixed if an occupant's long-term exposure will average 4 picocuries per liter (pCi/l) or higher.

Why should I test my home for radon? Any home could have radon. Nearly one out of every 12 homes in Delaware has a radon level of 4 pCi/L or greater. The chances of elevated radon are greater in the northern half of the state and slightly lower in the southern half. The U.S. average radon-in-air level in single family homes is 1.3 pCi/L. Outdoor air that is drawn into a home can contribute to the indoor radon level. The average outdoor air level is about 0.4 pCi/L and higher in some areas. The way to know if your home, or the home you wish to purchase, has radon is to test.

What can be done to reduce radon in a home? There are several methods that a contractor can use to lower radon levels in your home. In most cases, simple systems using an underground pipe and an exhaust fan are used to reduce radon. Such systems called "sub-slab depressurization" do not require major changes to your home. These systems remove radon gas from below the home and vent it above the roof where it is quickly diluted. Similar systems can also be installed in houses with crawl spaces. Radon contractors use other methods that may also work in your home.

For additional information, visit the following websites:

Delaware Division of Public Health	www.dhss.delaware.gov/dhss/dph/hsp/healthyhomesradon.html
Environmental Protection Agency	www.epa.gov/radon/
National Safety Council	www.nsc.org/library/facts/radon/htm
World Health Organization	www.who.int/mediacentre/factsheets/fs291/en/
National Cancer Institute	www.cancer.org/cancertopics/factsheet/Risk/radon

Or you may contact the Delaware Division of Public Health, Health Systems Protection, Radon Program, located at 417 Federal Street, Dover, DE 19901; phone (302) 744-4546.

REO #: _____

AMENDMENT

SELLER: _____

PURCHASER: _____

PROPERTY: _____

DATE: _____

Seller and Purchaser entered into an agreement dated _____, 20____,
(the "Agreement") whereby Seller would sell and Purchaser would purchase the Property.
Seller and Purchaser mutually agree to amend the Agreement as follows:

EXTENSION OF EXPIRATION DATE

Under the terms of Section 2 of the Real Estate Purchase Addendum the closing of this sale was to have occurred on or before the Expiration Date, _____, 20____.
Seller and Purchaser mutually agree to amend the Agreement and extend the Expiration Date to _____, 20____. Time is of the essence with respect to the Settlement date.

SALES PRICE

The sales price as set out in Section 1 of the Real Estate Purchase Addendum is amended from \$ _____ to \$ _____.

OTHER

Except as set forth in this Amendment, all terms and provisions of the Agreement shall continue in full force and effect. The Purchaser and Seller have entered into this Agreement as of the date set forth above.

SELLER:

FANNIE MAE

FANNIE MAE as Agent and Attorney in Fact for _____

PURCHASER:

By: _____
