



Asset #: \_\_\_\_\_

**ADDENDUM TO CONTRACT OF SALE**  
**Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards**  
**Risk Assessment or Inspection Contingency**

This Addendum is to be made a part of the agreement (Contract of Sale) dated \_\_\_\_\_, 20\_\_\_\_, between \_\_\_\_\_ (Seller) and \_\_\_\_\_ (Purchaser), for the property located at \_\_\_\_\_.

IN THE EVENT ANY PROVISION OF THIS ADDENDUM CONFLICTS IN WHOLE OR IN PART WITH THE TERMS OF THE CONTRACT OF SALE, THE PROVISIONS OF THIS ADDENDUM SHALL CONTROL.

**1. 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.

**2. Seller's Disclosure.** The Seller discloses the following (*check applicable boxes*):

- (a) Presence of lead-based paint and/or lead-based paint hazards (*check (i) or (ii) below*):
- (i) Known lead-based paint and/or lead-based paint hazards are present in the housing (explain). \_\_\_\_\_
  - (ii) 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 (i) or (ii) below*):
- (i) 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). \_\_\_\_\_
  - (ii) Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

**3. Purchaser's Acknowledgment.** Purchaser acknowledges the following (*check applicable boxes*):

- (a)  Purchaser has received copies of all information listed above.
- (b)  Purchaser has received the pamphlet *Protect Your Family from Lead in Your Home*.
- (c) Purchaser has (*check (i) or (ii) below*):
  - (i) 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, as stated in Section 5 on the following page;  
or
  - (ii) waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.



HomeSteps File No: \_\_\_\_\_

**HOMESTEPS™ ADDENDUM # 1 TO CONTRACT OF SALE  
(Single-Family Real Estate Disposition)**

This Addendum is to be made a part of the agreement (Contract of Sale) dated \_\_\_\_\_, 20\_\_\_\_, between **Federal Home Loan Mortgage Corporation** (Seller) and \_\_\_\_\_ (Purchaser), for the property located at: \_\_\_\_\_ (the "Property").

IN THE EVENT ANY PROVISION OF THIS ADDENDUM CONFLICTS IN WHOLE OR IN PART WITH THE TERMS OF THE CONTRACT OF SALE, THE PROVISIONS OF THIS ADDENDUM SHALL CONTROL.

1. **CONDITIONS OF SALE.** Purchaser acknowledges that Seller obtained the Property by foreclosure, deed in lieu of foreclosure, forfeiture or similar process. The Contract of Sale is subject to each of the following conditions: (i) final acquisition of the Property by Seller; (ii) the ability of Seller to provide insurable title or title as otherwise required in the Contract of Sale; (iii) the mortgage insurance company's approval of the sale; and (iv) if required by Seller, the repurchase of the Property by the prior mortgage servicer from Seller. In the event any of these conditions are applicable, at Seller's option and at Seller's sole discretion, then Seller may notify Purchaser that the Contract of Sale is canceled and the deposit shall be returned to Purchaser and Seller shall have no further obligation to sell or convey the Property to Purchaser.
  
2. **TITLE.** The extent of Seller's obligation with respect to title shall be to provide insurable title to Purchaser. Title to the Property may run from the owner of record, or from Seller by act of power of attorney on behalf of the recorded owner. Conveyance will be by 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 grantor. Such deed may be known as a SPECIAL WARRANTY, LIMITED WARRANTY, QUIT CLAIM OR BARGAIN AND SALE DEED, or other local form of Deed acceptable to the recording agent and Seller. The closing attorney/agent is responsible for providing the legal description of the property. The legal description shall be the same legal description as contained in the foreclosure deed or the deed-in-lieu of foreclosure, as applicable, or any revision thereto.
  
3. **VERBAL NEGOTIATIONS.** All verbal negotiations are subject to approval by Seller's Management and the written acceptance of the Contract of Sale and this Addendum by Seller. Purchaser acknowledges and agrees that the Contract of Sale, this Addendum and any other addenda required by Seller must be executed by all parties in order to be binding.

Seller's Initials \_\_\_\_\_  
Buyers' Initials \_\_\_\_\_

4. **TIME IS OF THE ESSENCE: CLOSING.** IT IS AGREED THAT TIME IS OF THE ESSENCE WITH RESPECT TO ALL DATES SPECIFIED IN THE CONTRACT OF SALE, THIS ADDENDUM AND ANY ADDENDA OR AMENDMENTS THERETO. Settlement/closing shall be held in the offices of Seller's attorney or agent, or at a place designated and approved by Seller, unless otherwise required by applicable law. Closing shall occur on or before \_\_\_\_\_, 20\_\_, or within seven (7) calendar days of loan approval, whichever is earlier, unless the closing date is extended in writing signed by the Seller and Purchaser. The deposit shall be held by the attorney or agent approved by Seller in a non-interest bearing trust account. At closing, Purchaser must pay any amounts due by certified, bank, or cashier's checks made payable to the attorney or agent. The sale may not be closed in escrow without the prior written consent of Seller. In the event closing does not occur by the closing date specified in this Section 4, or any written extension, this Agreement is automatically terminated and the Seller shall retain any earnest money deposit as liquidated damages. In the event Seller agrees to Purchaser's request for a written extension of this Agreement, Purchaser agrees to pay to Seller a **per diem** of \$ \_\_\_\_\_ through and including the new closing date specified in the written extension.
5. **PRORATIONS.** Seller and Purchaser agree to prorate the following expenses as of closing; utility charges, water and sewer charges, real estate taxes and assessments, common area charges, co-operative fees, maintenance fees, and rents, if any. Payment of homeowner's association or special assessments shall be paid current and prorated between Purchaser and Seller as of the closing date with payments not yet due and owing to be assumed by Purchaser without credit toward purchase price. HOWEVER, Seller shall not be responsible for homeowner's association assessments that accrued prior to the date Seller acquired the Property. In determining prorations, the day of closing shall be charged to Purchaser. All prorations at closing, including prorations for taxes, are final. If the property is a single family property with no more than one dwelling unit, then rents (if any) shall not be prorated.
6. **OCCUPANCY STATUS.** In the event the Property is occupied by tenant(s), Seller makes no representations regarding (i) compliance of the Property with any rent control or registration laws, (ii) the existence of any written leases, (iii) the remaining term of any tenancy, (iv) the amount of monthly rent, and (v) whether the tenant(s) are current in payment of rent. In addition, Seller does not hold any security deposits for any tenant(s) and shall not transfer any security deposits to Purchaser, and after closing Purchaser shall be solely responsible for the return of any security deposits (and interest thereon, if applicable) upon the demand of any tenant(s). Seller shall not be responsible for any eviction expenses incurred by Purchaser before or after closing.
7. **DELIVERY OF POSSESSION.** Seller shall deliver possession of Property to Purchaser at closing and funding of sale, or upon successful completion of closing and settlement in accordance with local practice and custom. Purchaser may not occupy the Property prior to closing and funding. In the event Purchaser alters the Property or occupies the Property or permits it to be occupied by any other person prior to closing, then Purchaser shall be in default of the Contract of Sale and Seller may terminate this Agreement and Purchaser shall be liable to Seller for damages caused by such alteration or occupation of the Property prior to closing. Purchaser's deposit and rights to any improvements to the Property shall be forfeited to Seller and Purchaser hereby waives any and all claims for damages or compensation for improvements made by Purchaser to the Property including but not limited to any claims based on unjust enrichment.
8. **CONDITION OF PROPERTY. PURCHASER UNDERSTANDS THAT SELLER OBTAINED THE PROPERTY BY FORECLOSURE, DEED IN LIEU OF FORECLOSURE, FORFEITURE OR SIMILAR PROCESS AND CONSEQUENTLY, SELLER HAS LITTLE OR NO DIRECT KNOWLEDGE REGARDING THE CONDITION OF THE PROPERTY.** Purchaser accepts the property in "AS IS" condition at the date of the Contract of Sale, including, without limitation, any hidden defects or environmental conditions affecting the Property, known or unknown. To the extent Seller makes any repairs or upgrades to the condition of the Property, Purchaser accepts such items in "AS IS" condition at the date of closing. **PURCHASER ACKNOWLEDGES THAT NEITHER SELLER NOR ITS AGENTS HAVE MADE ANY WARRANTIES, IMPLIED OR EXPRESSED, RELATING TO THE CONDITION OF THE PROPERTY.** Seller and its agents shall not be responsible for the repair, replacement or modification of any deficiencies, malfunctions or mechanical defects in the material, workmanship and mechanical components of the appurtenant structures and improvements prior or subsequent to closing. Items of personal property are not included in this sale. Seller makes no representation or warranty as to the condition of personal property, title to personal property or whether any personal property is encumbered by liens. Purchaser agrees that Seller shall have no liability for any claim or losses Purchaser or Purchaser's successors and/or assigns may incur as a result of any condition or other defect which may now or hereafter exist with respect to the Property.

Seller's Initials \_\_\_\_\_

HomeSteps Addendum #1 to Contract of Sale (Non-CA)

Buyers' Initials \_\_\_\_\_

Version 12/02

Page 2 of 6

9. **INSPECTIONS.** Seller authorizes Purchaser, at Purchaser's expense, to make a complete inspection of the Property within ten (10) calendar days from the final execution date (Seller's acceptance date) of the Contract of Sale. The purpose of the inspection(s) will be to inform Purchaser in a written report or reports if the Property is in a condition materially different than Purchaser expected when making the offer to purchase the Property by executing the Contract of Sale. Purchaser acknowledges that it is Purchaser's sole responsibility to obtain inspection reports by qualified professionals on the appliances, structural components, and alterations or additions to the property and to determine the presence of any environmental conditions affecting the Property and/or any toxic or hazardous substances on the Property which would make it uninhabitable or dangerous to the health of the occupants, or other factors regarding the Property about which Purchaser may be concerned. No inspections may be made by any building or zoning inspector or government employee without the prior written consent of Seller. In the event the inspection reveals material deficiencies, Purchaser may cancel the Contract of Sale. To cancel in such event, Purchaser must, **within twelve (12) calendar days from the final execution date of the Contract of Sale**, provide Seller with written notice of cancellation, together with the inspection report(s) and a written designation of the deficiencies. PURCHASER'S FAILURE TO FURNISH WRITTEN NOTICE OF CANCELLATION, TOGETHER WITH THE INSPECTION REPORT(S) AND THE DESIGNATION OF DEFICIENCIES, WITHIN THE TWELVE (12) DAY TIME PERIOD SHALL CONCLUSIVELY BE DEEMED PURCHASER'S ELECTION TO ACCEPT THE CONDITION OF THE PROPERTY AND TO PROCEED WITH THE TRANSACTION.
10. **COMPLIANCE CERTIFICATES.** Any obligation of Seller to obtain a compliance certificate relating to the Property (such as a certification relating to smoke detectors) shall not apply in the event the Property is not in habitable condition, unless otherwise required by law.
11. **TERMITES/WOOD DESTROYING INSECTS.** Notwithstanding any provision to the contrary in the Contract of Sale, Seller shall not be required to repair or treat any damage caused by termites or other wood destroying insects unless Seller specifically agrees to do so as indicated below.
- a. (  ) Seller **shall not** repair or treat any such damage caused by termites or wood destroying insects.
- b. (  ) Seller agrees to limited repairs and/or treatment of damage caused by termites or other wood destroying insects.
- THE PARTIES AGREE THAT THE COST TO SELLER FOR SUCH REPAIRS AND/OR TREATMENTS SHALL NOT EXCEED \$\_\_\_\_\_. If the cost for any such repairs exceeds such amount, then (i) Purchaser shall be responsible for the cost and expense of any amounts exceeding such termite repair limit, or (ii) Seller shall have the right to cancel the Contract of Sale and the deposit paid by Purchaser shall be returned to Purchaser.
12. **REPAIRS.** Seller's responsibility for any repairs required as a result of an inspection by the lender shall not exceed \$\_\_\_\_\_. If the cost for any such repairs exceeds such amount, then (i) Purchaser shall be responsible for the cost and expense of any amounts exceeding such repair limit, or (ii) Seller shall have the right to cancel the Contract of Sale and return the deposit paid by Purchaser. PURCHASER SHALL NOT HAVE THE RIGHT TO MAKE ANY REPAIRS TO THE PROPERTY PRIOR TO CLOSING.
13. **INDEMNIFICATION.** Purchaser agrees to indemnify Seller and fully protect, defend and hold Seller, its tenants, agents, employees and contractors, 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 Seller or any damage to the Property of any adjoining property, or any injury to Purchaser or any other persons that may result from or arise out of inspections made by Purchaser or its agents, employees and contractors prior to closing.

Seller's Initials \_\_\_\_\_

HomeSteps Addendum #1 to Contract of Sale (Non-CA)

Buyers' Initials \_\_\_\_\_

Version 12/02

Page 3 of 6

- 14. FINANCING.** The type of financing shall be as follows (check either paragraph a, b or c below as applicable):
- a.  Purchaser shall apply for Freddie Mac Special Financing from a participating lender in the form of a first mortgage secured by the Property in the amount of \$\_\_\_\_\_ which amortizes over a period of \_\_\_\_\_ years at the prevailing interest rate at time of loan application. NOTE: Under the terms of the Freddie Mac Special Financing program Seller does not pay any closing costs or fees and lenders' fees and costs charged to purchasers are limited to the application fee, credit report fee, origination fee, processing fee (in New York only), and an additional fee for condominiums located in designated earthquake areas (in California only). The amounts of these fees charged to purchasers are limited by agreement with the participating lenders. In addition, Seller shall not require Purchaser to obtain mortgage insurance so long as the sale closes on or before the date specified in Section 4 of this Addendum.
  - b.  Purchaser shall apply for financing from a third party financial institution in the form of a first mortgage secured by the Property in the amount of \$\_\_\_\_\_. Purchaser agrees to accept a prevailing rate of interest at the time of closing. *Also check one of the following as applicable:*
    - Conventional (Other than Freddie Mac Special Financing),  FHA,  VA,
    - Other:\_\_\_\_\_.
  - c.  Purchaser shall pay ALL CASH at closing, with no financing involved in this transaction.
- 15. APPLICATION FOR FINANCING.** If this sale is being financed, Purchaser shall have five (5) business days from the final execution date of the Contract of Sale to make loan application. The Contract of Sale may be canceled by Seller in the event Purchaser is not "prequalified" by a lender within seven (7) business days from the final execution date of the Contract of Sale.
- 16. NOT CONTINGENT UPON PURCHASER'S SALE OF REAL ESTATE.** Notwithstanding any other provision of the Contract of Sale (including, if applicable, any financing contingency), in no event shall this Agreement be contingent upon the ability of the Purchaser to sell or close other real estate owned by Purchaser.
- 17. CLOSING COSTS/CONCESSIONS.**
- a. REGARDLESS OF LOCAL CUSTOM, REQUIREMENTS OR PRACTICE, AND NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE CONTRACT OF SALE OR ANY OTHER ADDENDA, SELLER WILL NOT PAY ANY FEES, COSTS OR EXPENSES NOT EXPRESSLY PROVIDED FOR IN THIS ADDENDUM.
  - b. Purchaser shall pay all of a purchaser's customary closing costs (which shall include lender charges, survey and any FHA/VA non-allowables), except for Seller's contribution toward such closing costs. The amount to be contributed by Seller toward closing costs shall not exceed \$\_\_\_\_\_. Seller's contribution may be applied to any or all of the following actual expenses; FHA or VA non-allowables, non-recurring closing costs, discount points, loan origination fees, other customary and reasonable lender fees and pre-paid expenses, survey, appraisal and home warranty. In the event the total of closing costs are less than the amount of Seller's contribution toward closing costs, then Seller's contribution shall be limited to the total of such actual closing costs. In any event, Seller will not be obligated to make a contribution toward any closing costs if Purchaser does not pursue and obtain the financing specified in Section 14 of this Addendum.
  - c. Seller agrees to pay for an Owner's Title Policy provided that the Policy is purchased through, and the settlement/closing conducted by Seller's designated attorney or agent pursuant to Section 4 of this Addendum. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE CONTRACT OF SALE OR ANY OTHER ADDENDA, SELLER WILL NOT BE OBLIGATED TO PAY ANY PORTION OF THE COST OF AN OWNER'S TITLE POLICY IF THE POLICY IS NOT PURCHASED PURSUANT TO THIS SECTION 17(c).
- 18. TRANSFER TAXES/TAX STAMPS.** Seller is exempt from payment of state taxes and tax stamps on deeds, mortgages and notes (12 U.S.C 1452(e)) and if payment of such state taxes or stamps is necessary to record the deed or mortgage, the tax will be paid by Purchaser and will not be considered part of closing costs.

Seller's Initials \_\_\_\_\_

HomeSteps Addendum #1 to Contract of Sale (Non-CA)

Buyers' Initials \_\_\_\_\_

Version 12/02

Page 4 of 6

19. **DEFAULT/REMEDIES.** In the event Purchaser defaults in the performance of this Contract of Sale, it is expressly agreed that the entire deposit shall be paid to Seller as liquidated damages for the additional costs of carrying the Property and lost marketing time, except as otherwise required by law. In the event of default by Seller, Purchaser shall be entitled to a return of the deposit, and reimbursement by Seller of out-of-pocket expenses incurred by Purchaser for inspecting the Property or applying for financing which reimbursement amount shall not exceed \$250, as the Purchaser's sole and exclusive remedy. Purchaser shall provide Seller documentation of such out-of-pocket expenses, at Seller's request, prior to receiving reimbursement.

20. **ASSIGNMENT.** Purchaser may not assign this Contract of Sale without the express written consent of Seller. Any attempted assignment by Purchaser shall be void and shall constitute a material breach of this Agreement.

21. **PURCHASER'S REPRESENTATIONS.** Purchaser represents that:

i. Purchaser intends does not intend to occupy the Property as Purchaser's primary residence.

ii. Purchaser is is not related by blood or marriage to the previous owner of the Property.

iii. Purchaser is is not currently an active supplier approved to perform paid services for HomeSteps or a relative of the supplier.

iv. **FREDDIE MAC EMPLOYEES, THEIR IMMEDIATE HOUSEHOLD MEMBERS, AND ACTIVE HOMESTEPS SUPPLIERS ARE PROHIBITED FROM PURCHASING HOMESTEPS PROPERTIES.** Purchaser or a member of Purchaser's immediate household is is not an employee of Freddie Mac. (An immediate household member means a member of the employee's family who currently resides in the employee's home, a non-resident spouse, and a non-resident minor child or dependent for whom the employee has responsibility.)

**PURCHASER ACKNOWLEDGES THAT SELLER WILL RELY ON THE FOREGOING REPRESENTATIONS, AND ANY MISREPRESENTATION SHALL CONSTITUTE A MATERIAL BREACH OF THIS AGREEMENT.**

22. **ACCEPTANCE OF DEED.** The acceptance of a deed by Purchaser shall be deemed to be a full performance and discharge of every agreement and obligation on the part of Seller to be performed pursuant to the provisions of the Contract of Sale.

23. **REAL ESTATE COMMISSION.** The real estate commission shall be paid to the Listing Broker pursuant to the terms of a separate agreement between Broker and Seller as follows (check either "a" or "b" below):

a. (  ) The real estate commission due the Listing Broker, subject to any existing referral agreement, shall be \_\_\_\_\_ % of the contract sale price. **OR**

b. (  ) The real estate commission due the Listing Broker, subject to any existing referral agreement, shall be the minimum flat fee of \$ \_\_\_\_\_

The closing agent is authorized and directed to pay Broker's fee from the sale proceeds at closing. No fee shall be paid to Broker unless closing is completed.

24. **HOMEOWNERS ASSOCIATION ASSESSMENTS.** Seller shall not be responsible for any homeowner's association assessments that accrued prior to the date Seller acquired the property.

Seller's Initials \_\_\_\_\_

Buyers' Initials \_\_\_\_\_

HomeSteps Addendum #1 to Contract of Sale (Non-CA)

Version 12/02

Page 5 of 6

**25. NOTICES.** Any notices required to be given hereunder shall be deemed delivered when actually received when delivered by hand or overnight delivery. Such notices shall be deemed delivered five days after mailing when mailed by first class mail, postage prepaid. Notices sent by fax or electronic mail shall be deemed delivered when received with confirmation of successful transmission to the appropriate designated fax number or e-mail address during regular business hours (Monday through Friday from 9:00 am to 5:00 p.m. recipient's local time). Fax transmissions and e-mail received outside regular business hours shall be deemed delivered the next business day. All notices to Seller will be deemed sent or delivered to the Seller when sent or delivered to Seller's listing broker, agent, or attorney. All notices to Purchaser will be deemed sent or delivered to Purchaser when sent or delivered to Purchaser or Purchaser's agent or attorney. All notices or disclosures that may be delivered by Seller may be delivered by Seller's agent or attorney.

**26. KEYS.** Purchaser acknowledges that the Property may be on a master key system to enable access by Seller and its suppliers. Purchaser acknowledges that Seller recommends that Purchaser re-key the Property after closing.

**27. ATTORNEY REVIEW.** Purchaser acknowledges that Purchaser has had an opportunity to consult with legal counsel regarding this Agreement. Accordingly, the Parties agree that the terms of this 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 this Agreement.

**28. SEVERABILITY.** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall remain in full force and effect.

**29. ADDITIONAL CONDITIONS.**

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**THE UNDERSIGNED APPROVE AND ACCEPT THIS ADDENDUM AND ACKNOWLEDGE THIS ADDENDUM TO BE A PART OF THE CONTRACT OF SALE. IN THE EVENT ANY PROVISION OF THIS ADDENDUM CONFLICTS WITH THE TERMS OF THE CONTRACT OF SALE, THE PROVISIONS OF THIS ADDENDUM SHALL CONTROL**

SELLER:

PURCHASER(S):

FEDERAL HOME LOAN MORTGAGE CORPORATION

BY: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

BY: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

Seller's Initials \_\_\_\_\_

HomeSteps Addendum #1 to Contract of Sale (Non-CA)

Buyers' Initials \_\_\_\_\_

Version 12/02

Page 6 of 6