

REAL ESTATE PURCHASE CONTRACT COUNTER OFFER & ADDENDUM #

REO:

PROPERTY ADDRESS:

1) PURCHASER:

2) Effect of Addendum: This Counter-Offer & Addendum is part of, and incorporated into the agreement or contract dated _____ (the "Contract"), between Wilshire Credit Corporation, authorized Servicer for the seller of the property ("Seller") and the above named ("Purchaser"). Seller and Purchaser agree as follows. This Addendum amends and supplements the Contract. If there is any conflict between this Addendum and the Contract, the terms of this Addendum take precedence and shall prevail. Applicable contingency items, Seller repairs and/or Seller financing concessions are specified in this Addendum only.

3) Purchase Price: \$ _____.

4) Earnest Money Deposit: \$ _____. The Earnest Money shall be held by: LISTING BROKER(____), ESCROW COMPANY/CLOSING ATTORNEY(____), or SELLER(____). The party holding the Earnest Money is referred to as the Earnest Money Holder. The Contract is null and void with no further obligations of Seller if the above selected party does not receive Earnest Money within 48 hours of contract execution.

5) Closing Date/ Time of Essence: Closing to occur on or before: _____
Purchaser authorizes Seller to order title for the property through Sellers choice of vendors. Unless prohibited by law, Seller shall pay 100% of Purchasers Title Insurance Premium. Purchaser further agrees that Seller shall choose the closing agent to handle the closing of this transaction for Seller, and Purchaser shall cooperate to facilitate and complete the sale of the property. Seller will not provide an ALTA policy or survey.

It is agreed that, time is of the essence with respect to all dates specified in the Contract and any Addenda, riders or amendments thereto. This means that all deadlines are intended to be strict and absolute. **Seller must approve any extension of the date of close of escrow in writing. As a condition to any such extension, Purchaser agrees to release from escrow directly to Seller the Earnest Money Deposit, and Purchaser to pay a \$150.00 per diem penalty for any extension granted by Seller. The Earnest Money Deposit released to Seller shall be non-refundable to Purchaser but shall be used as a credit to the purchase price should closing occurs prior to the expiration of the extended closing date.** Seller shall have the right, in Seller's sole discretion, to extend the closing date or to void the Contract if; Seller determines that it is unable to convey good and insurable title to the Property by a reputable title insurance company at the regular rates.

6) Occupancy Status of Real and Personal Property: Purchaser understands that: Seller has little or no direct knowledge concerning the occupancy status or value of any personal property which may or may not exist in Property. Purchaser acknowledges and accepts the Property in "**AS IS, WHERE IS, AND WITH ALL FAULTS**" at the time of closing, including, without limitation, the existence of any tenants or occupants at the Property, and the existence of any personal property previously viewed, whether known or unknown. Purchaser acknowledges that neither Seller, nor its representatives, agents or assigns have made any warranties or representations, implied or expressed, relating to the existence of any tenants or occupants at the Property or relating to any personal property. Seller, it's 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. Seller abandons items of personal property for Purchaser's benefit only if the items are in or upon the property at the time of closing. No Bill of Sale will be provided. 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 and all such personal property is abandoned AS IS. Seller has not received nor is Seller holding any security deposits from former or current tenants of the property, if any. All rents collected from the tenants, if applicable will be prorated to Purchaser and Seller in escrow.

7) Disclosure Regarding Mold: Purchaser is hereby advised that mold and or other microscopic organism may exist at the property and such microscopic organism and or mold may cause physical injuries, including but not limited to allergic and or respiratory reactions or other problems, particularly in persons with immune system problems, young children and or elderly persons. Purchaser accepts full responsibility for any matters that may result from microscopic organisms and or mold and to hold seller, its officers, employees, agents, heirs, executors, administrators, successors and assigns harmless from any liability, recourse or damages.

8) Environmental Hazards: If the Property is discovered to be affected by an environmental hazard (as determined by Seller), Seller may unilaterally, in its sole and absolute discretion, decide not to sell the Property to Purchaser or to delay the date of closing. In the event Seller chooses to cancel the Contract, Seller shall not be obligated to sell or convey the Property to Purchaser. Seller nor its representative, agents, attorneys, successors, or assigns shall not be liable to Purchaser for any damages of any kind as a result of Seller's failure to sell and convey the Property. Seller shall return any Earnest Money Deposited pursuant to the Contract to Purchaser and neither party shall have any

further obligation to the other. Purchaser hereby agrees the refund to Purchaser of the Earnest Money deposited is Purchaser's sole and exclusive remedy. Purchaser hereby expressly waives any other remedy of any kind to which Purchaser might otherwise be entitled.

9) Inspections: ()SALE NOT SUBJECT TO INSPECTION. ()SALE SUBJECT TO INSPECTION: Purchaser at Purchaser's sole cost and expense shall have the opportunity to inspect the property including, but not limited to Structural, Electrical, Mechanical or Termite within _____ calendar days of Seller's signing of this Addendum. Disapproval of such inspections shall be made in writing and sent to Seller within the aforementioned inspection period. Silence shall be deemed an acceptance. **If there is no Financing Contingency (see below) and other contingencies listed in the Additional Provisions section, the Earnest Money deposited by Purchaser shall be nonrefundable to Purchaser and released to Seller at the expiration of the Inspection Period if written disapproval of inspection is not received by Seller.** If Seller has winterized the property and Purchaser desires to have property inspected, listing agent will have property de-winterized and re-winterized after inspections. Purchaser agrees to pay this expense. Purchaser shall not cause or permit any mechanic's liens, materialman's liens or other liens to be filed against the Property as a result of Purchaser's inspections. Purchaser shall repair and restore any damage to the Property arising out of inspections, and will indemnify and hold harmless Seller and Seller's affiliates from any and all damages, losses, liabilities, suits, judgments, costs and expenses, or claims arising out of Purchaser's inspections. The foregoing indemnification and repair obligation shall survive the termination of this Agreement

10) Condition of Property: Purchaser accepts the Property in "AS IS, WHERE IS, AND WITH ALL FAULTS" at the time of closing, including, without limitation, any hidden defects or environmental conditions affecting the Property, whether known or unknown. Purchaser acknowledges that neither Seller, nor its servicers, representatives, agents or assigns have made any warranties or representation, implied or expressed, relating to the condition of the Property or the contents thereof. Seller, its servicers, representatives, agents or assigns shall not be responsible for any repair, replacement or modification of any deficiencies, malfunctions or mechanical defects in the material, workmanship and/ or mechanical components of the structure of improvements on the Property prior to or subsequent to closing. The close of escrow shall constitute acknowledgement by Purchaser that the premises are acceptable at that time.

11) Repairs: Seller has agreed to pay a maximum of \$ _____ toward repairs, which may include treatment for active infestation, contractual repairs and lender required repairs. Seller is not responsible to perform any repairs unless otherwise specified. In this case, a vendor approved by Seller will complete all repairs, subject only to Seller's satisfaction, NO WARRANTIES EXPRESSED OR IMPLIED. No work or repairs are to begin until Purchasers' loan has been fully approved, and all contingencies (including the loan contingency) are waived and full Earnest Money released to the Seller. In the event Purchaser or Purchaser's contractor is allowed to make repairs prior to closing, Purchaser shall not cause or permit any mechanic's liens, materialman's liens or other liens to be filed against the Property as a result of Purchaser's repairs. Purchaser shall indemnify and hold harmless Seller and Seller's affiliates from any and all damages, losses, liabilities, suits, judgments, costs and expenses, or claims arising out of Purchaser's repairs prior to closing. The foregoing indemnification and repair obligations shall survive the termination of this Agreement

12) Assignment of Contract: This Contract may not be assigned by Purchaser.

13) Financing: The purchase of this property will be on the basis of: (check one) ()Cash, or ()Real Estate Loan. The Contract (check one): ()is, ()is not contingent on the Purchaser obtaining financing for the purchase of the Property. If the Contract is contingent on financing, the type of financing shall be the following (check one): ()Conventional, ()FHA, ()VA, ()Other (Specify): _____ If the Contract is contingent on financing, Purchaser shall apply within 7 (seven) calendar days for financing and unless otherwise specified in this Addendum, the loan shall be subject to the prevailing rates, terms and conditions and Purchaser shall use diligent efforts to obtain a mortgage loan commitment. Upon request by Seller, Purchaser shall produce evidence of loan application at the expiration of the seventh calendar day. If Purchaser fails to provide such evidence, the Earnest Money Deposit shall be forfeited by Purchaser and shall be turned over to Seller immediately. If, despite Purchasers diligent efforts, Purchaser cannot obtain mortgage financing by the specified date below then either Purchaser or Seller may terminate the Contract by giving written notice to the other party. Purchaser's financing contingency expires on _____. If Purchaser fails to provide written notice to Seller by the end of the financing contingency date of Purchaser's inability to obtain financing, then Purchaser waives the financing contingency. It is the Purchaser's burden to provide evidence that such written notice is given to Seller in a timely manner. **Purchaser is aware that the price and terms of this transaction were negotiated on the basis of the type of financing selected by Purchaser. Any changes as to the type of financing selected by the Purchaser as indicated above, may require re-negotiation of all terms of the Contract. Seller has the right to terminate the contract and keep the Earnest Money deposit should Purchaser elect to pursue another type of financing other than the type selected above.**

14) Possession of Property: Seller shall deliver possession of the Property to Purchaser at closing and funding of sale unless prohibited by state law. In such case, the procedures as dictated by state law shall govern. The delivery of possession shall be subject to the rights of any tenants or parties in possession. Purchaser will be provided with keys in possession of Seller's agent if available.

15) Risk of Loss: If property is damaged by fire or other casualty prior to the close of escrow and the cost of repairing such damage exceeds 5% of the purchase price as reasonably determined by Seller, Seller shall have the option, in its sole discretion, of repairing such damage or declaring the Contract null and void. If Seller elects to declare the Contract null and void, Purchaser's Earnest Money Deposit shall be returned and both parties shall have no further obligation under this Contract.

16) Closing Costs and Adjustments: Purchaser and Seller agree to pro-rate the following expenses as of closing and funding: municipal water and sewer charges, real estate taxes and assessments, common area charges, co-op maintenance fees, and rents, if any. Prorations shall be on the basis of 100% of the last ascertainable bill. Seller has agreed to pay a maximum of \$ _____ towards Purchaser's closing costs including survey, Homeowner Warranties and Seller required FHA/VA fees. Purchaser shall not receive cash at closing as a result of Seller's contribution(s). Seller shall receive a minimum of \$1.00 at final HUD or sale may voided. Purchaser's earnest money returned as their sole and exclusive remedy.

17) Deed & Title: The deed to be delivered at closing shall be, as determined by Seller, a Special Warranty Deed, Quit Claim Deed or a similar form of deed for the specific jurisdiction in which the Property is located and any reference to the term "deed" herein shall be construed to refer to such form of deed. Once closed and recorded, the title company and/or the closing attorney shall furnish a copy of the final recorded deed to seller via fax at 503-525-7297. Title insurance to be delivered by Seller shall be insurable title unless delivered by Quit Claim Deed in which case Seller will not provide title insurance. If Purchaser raises any reasonable objections to the quality of Seller's title, Seller shall have the right to cancel this Contract by giving written notice of the cancellation to Purchaser and returning Purchaser's Earnest Money Deposit. However, if Seller is able to correct the problem prior to the expiration of the Contract, including any written extensions thereof, or if title insurance is available from a reputable title insurance company at regular rates containing affirmative coverage for the title objections, then the Contract shall remain in full force and Purchaser shall perform pursuant to the terms set forth therein.

18) Default under Contract: Remedies: In the event Purchaser defaults under the terms of the Contract or this Addendum, Purchaser hereby releases the entire Earnest Money Deposit directly to Seller as liquidated damages. In the event Seller defaults under the terms of the Contract or this Addendum, Purchaser shall be entitled to the return of the Earnest Money Deposit as its sole and exclusive remedy. As a material part of the consideration to be received by Seller under this agreement, Purchaser waives all right to file and maintain an action against Seller for specific performance and to record a lis pendens against the property. Seller will neither participate in arbitration or mediation, nor will Seller pay the cost of an independent arbitrator or mediator. The terms of this provision shall survive closing.

19) Severability: The invalidity, illegality or enforceability of any provision of this Addendum shall not affect the validity or enforceability of any other provision of this Addendum, all of which shall remain in full force and effect.

20) Certification of Non-Affiliation and Arms Length Transaction: Purchaser represents and warrants to Seller that Purchaser or any person acting on behalf of Purchaser has no relation or affiliation with ANNIE NGARI, ("Prior Owner"). Purchaser further represents that Purchaser has not made any agreements, written or oral, expressed or implied, with the Prior Owner or any person or entity affiliated or connected with the Prior Owner for the payment or retention of any additional amounts to or from Prior Owner; and the purchase and sale of the property is an arms length transaction. Purchaser acknowledges that Seller is relying on this representation and warranty from Purchaser in approving and executing this Purchase and Sale Agreement.

21) Commission: Seller will pay a maximum commission of \$ _____ or _____% of the net purchase price. (Gross purchase price less all credits / repairs to Purchaser) to be split between; Listing Broker(_____ % or \$ _____), Co Broker(_____ % or \$ _____), Auction Company(_____ % or \$ _____), if applicable and payable upon final closing and recording of deed. If Purchaser is a real estate licensee (Broker), he/she WILL(____) WILL NOT(____) be entitled to a commission.

22) Release of Earnest Money: Purchaser hereby instructs the Earnest Money Holder to release the entire amount of the Earnest money deposit to Seller upon the occurrence of ANY ONE of the below events:

1. Upon expiration of the Inspection Contingency (____), Financing Contingency (____), or the contingencies specified under Additional Provisions above (____). If more than one of the aforementioned contingencies are checked, then the Earnest Money shall be released to Seller immediately upon the expiration of the contingency that has the latest expiration date. If none of the aforementioned contingencies are checked, then the entire amount of the Earnest Money shall be released to Seller immediately.
2. Should Purchaser elect to pursue another type of financing other than the type selected above.
3. Upon expiration of the Closing Date.
4. Upon Seller's approval of an extension of any of the contingencies or the Closing Date.

Purchaser hereby agrees that Purchaser's signature is NOT required for the Earnest Money Holder to release the Earnest Money Deposit to Seller and hereby releases the Earnest Money Holder from any and all liabilities connected with releasing the Earnest Money Deposit to the Seller upon the occurrence of ANY ONE of the above mentioned events. Earnest Money to be delivered by wire transfer, priority or overnight mail to: Wilshire Credit Corporation, Attention: REO Closing Department, 14523 SW Millikan Way, Suite 200, Beaverton, OR 97005.

Agreed: Purchaser Signature: _____

23) Additional Provisions: _____

24) **Acceptance:** This counter offer is made subject to Seller's Senior Management approval and shall not become a binding Contract until signed by Seller. Seller reserves the right to continue to offer the herein described property for sale and accept any other offer acceptable to Seller prior to full Senior Management approval.

25) IN WITNESS WHEREOF, the Purchaser and Seller agree to this Addendum to Contract as of the date first set forth below.

PURCHASER (S):

Signature: _____

Signature: _____

Print Name: _____

Print Name: _____

Date: _____

Date: _____

Purchaser's Attorney/Representation:

SELLER/SIGNATORY:

Merrill Lynch Mortgage Lending, Inc. by Wilshire Credit Corporation its Attorney in Fact South Point Inc.
(Consult Title Services)

By: _____

Date: _____ Time: _____

Sellers Attorney/Title Company:

