



REO PROPERTY ADDENDUM/PROCEDURES  
(Required when submitting offers)

Property address: \_\_\_\_\_ Buyer(s) Name(s): \_\_\_\_\_

Please read the following carefully and use as a checklist. All offers must include this addendum, which requires both the buyer(s) and buyer's agent to sign and initial where indicated. Please note that portions of the seller's addendum take precedence over the purchase agreement.

1. PRE-APPROVAL LETTERS: A pre-approval letter dated within 30 days from the preferred lender and/or lender being used by the buyer must accompany all offers. The pre-approval letter must be signed by the loan officer and include the lender's office address, telephone number, fax number and email address. Preapproval letter must match buyer's name exactly and be at least or greater than the purchase price. If using mortgage broker, we need preapproval from the company where loan is being funded from. It is the buyer and/or buyer's agent responsibility to verify with the lender whether the property qualifies for government financing.
2. OFFER SUBMISSION AND SELLER'S RESPONSE: After verifying that all documents are signed, initialed and filled in appropriately, scan all documents into one PDF file and email to offers@ashlonrealty.com. Please do not send your supporting documentation separately. All offers are subject to corporate/lender approval. Signatures on contracts by the seller constitute approval and timeframes begin as of that date.
3. MULTIPLE OFFERS: If there are multiple offers on a property, the buyer's agent will be notified to submit the buyer's highest and best offer within a specified timeframe. This means highest and best offer for net to the seller, terms, close of escrow, down payment, etc. Seller will most likely only negotiate with the best offer. Do not expect a counter, if you are not the best offer.
4. EARNEST MONEY DEPOSIT: Buyer(s) must deposit at least 1% of purchase price in escrow and a bank statement showing proof of deposit funds. Any buyer deposits in escrow after all contingencies are removed will be released to the seller, upon seller's unilateral request.
5. TITLE, ESCROW, TERMITE, NHD AND HOME WARRANTY: Please put seller's choice on all services.
6. SELLER IDENTITY: Leave "Seller" lines blank on Buyer's Inspection Advisory and WPA.
7. PROOF OF FUNDS: A bank statement dated within the last 30 days must show that the buyer has enough liquid funds for the deposit and down payment. The statement must show exact names from the offer.
8. ITEMS NOT ALLOWED BY THE BANK: Adding "and/or assigns" to the offer, offers contingent on the sale of the buyer's property, and changing any wording on the addendum are not allowed by the banks.
9. CLOSING DATES: Allow at least two (2) business days prior to end of month for closing. Closing on the last day of the month will be rejected. Seller may elect to cancel contract and retain buyer's earnest money deposit if closing does not occur by contract date. No automatic extensions will be granted. If an extension is needed, an extension addendum must be drawn up by the buyer's agent and sent to the listing agent prior to the closing date. Seller may or may not grant the extension. Penalties/fines may be assessed for ANY extensions other than those caused by title problems. Delays due to buyer's attorney, lender, etc. will be assessed against the buyer.
10. INSPECTIONS: Absent any specific timeline in the seller's contract or addendum for inspections, Buyer shall have seven (7) days from acceptance by Seller to complete all inspections and remove contingencies on CAR form CR. Please advise listing agent of date of inspection to ensure all utilities are turned on. Any damages or liability resulting from inspections will be the responsibility of buyer(s), buyer's agent, and buyer's representatives.
11. AS-IS CONDITION: All sales are as-is and seller will not make any repairs. Please leave 8.B.3 blank in the purchase agreement because the bank will not guarantee or warrant any personal property. They are exempt from disclosure and have never

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Buyer's initials                      Buyer's initials                      Buyer's Agent Initials

occupied the property. No history is available on the property or its prior owners. No other information is available except as provided in the MLS. Please do not perform any repairs on the property without seller's consent. Any repairs made without seller's consent could be cause for immediate termination of escrow. Please verify that your lender will accept the property "AS IS" without requiring any funding conditions or other further repairs beyond any requested in the offer.

12. CREDITS & COMMISSION: All credits described in the MLS must also be written into the offer or they may not be credited. Seller reserves the right to pay a commission on the net selling price. Commission will be paid minus concessions and repairs.

13. FINANCING: After acceptance, buyer's agent to provide copy of the contract to lender immediately. Please do not have the buyer's loan rate locked until you have a fully executed contract. Buyer's agent should advise listing agent when switching lenders as well as any change in financing. Buyer(s) and buyer's agent cannot switch financing terms without seller's approval. Changing the financing after acceptance, changes the terms of the contract and cannot be done without the seller's consent. Buyer authorizes listing agent to receive and convey information from the Buyer's lender on the loan commitment letter. A loan commitment letter must be received within the timeframe specified in the offer to purchase. Lender must present loan documents to escrow at least 5 days prior to close of escrow date in order to close on time. Failure to do so, will result in buyer's earnest money deposit becoming non-refundable should the closing not occur due to failure to secure financing within the contract timelines.

14. SIGNS, LOCKBOXES & KEYS: We will remove signs and lockboxes within 7 days of closing. If they are not removed after 7 days, please notify our office. Please do not remove them yourself. If we do not receive them after closing, we will expect the buyer's agent to reimburse us for the costs of these items. If the buyer needs to remove the doorknob to rekey, please have them leave lockbox besides the front door. For security reasons, buyer should re-key property after closing. Buyer shall be responsible for obtaining all keys for property other than the front door including but not limited to common area keys and garage door openers, etc.

15. UTILITIES: All utilities must be transferred into buyer's name within 24 hours of closing.

16. BUYER'S AGENT CONFIRMATION:

a. Ashlon Realty, nor its agent, has made any representation as to the condition or functioning of any of the property systems including but not limited to HVAC, plumbing, electric, gas, septic, or well.

b. All information contained in the MLS is based on public record or prior listing history for the subject property. Neither the Seller nor Ashlon Realty has confirmed any property information including but not limited to square footage, heating/air systems or type, well and/or septic locations, lot size or acreage.

c. It is buyer and buyer's agent responsibility to confirm any information provided in MLS prior to submitting an offer for this property. Both buyer and buyer's agent have been informed of the property's status as a foreclosed home and that seller nor listing agent is responsible for verification of property condition or any other information.

d. This property is being sold as-is by the owner of record. Any inspections for the property are to be obtained by buyer at buyer's expense. Seller will not make any repairs.

e. The buyer shall not occupy the property or move personal property into the property, for any reason prior to notification that escrow has closed. Any early occupancy by the buyer(s) could be cause for immediate termination of escrow, at the seller's unilateral discretion, and loss of buyer's deposit along with civil charges, if necessary.

f. Agents writing offers for themselves as the buyer may not be entitled to commission per bank policy.

**The undersigned have read and agree to this two-page REO Property Addendum/Procedures.**

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Buyer Date

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Buyer Date

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Buyer's Agent Date