

ADDENDUM TO PURCHASE AGREEMENT

ARIZONA STATE SPECIFIC TERMS

THIS IS A POST-FORECLOSURE TRANSACTION.

SELLER ACQUIRED THE PROPERTY AT A SHERIFF'S SALE CONDUCTED PURSUANT TO A JUDGMENT OF FORECLOSURE OF MORTGAGE AS DESCRIBED IN ARIZ. REV. STAT. § 33-6.0 ET. SEQ., OR AT A TRUSTEE SALE CONDUCTED PURSUANT TO A POWER OF SALE PROVISION IN A DEED OF TRUST AS DESCRIBED IN ARIZ. REV. STAT. § 33-6.1 ET. SEQ., OR PURSUANT TO A DEED IN LIEU OF FORECLOSURE.

SELLER IS NOT FAMILIAR WITH THE CONDITION OF THE PROPERTY OTHER THAN AS MAY BE DISCLOSED IN ANY INSPECTION REPORTS OBTAINED BY SELLER OR THAT SELLER MAY HAVE RECEIVED OTHERWISE.

ANY REPORTS FURNISHED BY SELLER OR ITS AGENTS IN CONNECTION WITH THE PROPERTY ARE FOR INFORMATIONAL PURPOSES ONLY AND SELLER MAKES NO REPRESENTATIONS OR WARRANTIES ABOUT THEIR ACCURACY OR COMPLETENESS.

SELLER PROPERTY DISCLOSURE STATEMENT ("SPDS"). Buyer waives receipt of a SPDS form and acknowledges that Seller has never resided in the property and acquired it as set forth above. Buyer represents and warrants to the Seller that Buyer is satisfied in all respects as to the Property, and the condition thereof, of any and all matters that may be disclosed by such physical and visual inspection as Seller afforded to Buyer prior to the purchase thereof.

BUYER'S INITIALS _____ / _____

Buyer acknowledges that the purchase of the Property may have resulted from a transfer made by a beneficiary under a deed of trust who acquired the Property at a trustee sale conducted pursuant to a power of sale under a deed of trust, or deed in lieu thereof, as described in Ariz. Rev. Stat. §§ 33-807 and 33-811. Further, regardless of how Seller obtained title, Seller is not familiar with the condition of the Property, other than as may be disclosed in any inspection reports obtained by or on behalf of Seller, Seller's representatives or agents or that Seller may have received otherwise. Any such reports furnished by Seller or its agents in connection herewith shall be for informational purposes only, are not made part of the Agreement, and Seller makes no representations or warranties about their accuracy or completeness. Buyer acknowledges that in consideration of Seller's execution of the Agreement, Buyer, on behalf of itself and all other parties having any claims, covenants that neither Buyer nor any such other party

will sue, commence, prosecute or in any way participate in any judicial, administrative, or other regulatory proceedings for breach of contract based on any disclosures relating to any alleged breach or violation of any state law, rule or regulation by Seller, or any other party engaged on Seller's behalf, including, without limitation any real estate broker or agent representing Seller.

EXECUTION OF DISCLOSURES BY BUYER. Buyer shall execute, deliver and deposit with the Escrow/Closing Agent at or prior to the date set for Closing, all federal, state and local disclosures concerning the Property that Buyer is required to execute under applicable laws and regulations or required by the Escrow/Closing Agent.

SEPARATE DOCUMENTS PROVIDED TO BUYER

Federal Lead Based Paint Disclosure (if pre-1978) Pamphlet: "Protect Your Family from Lead in Your Home"

If Applicable:

Affidavit of Disclosure

On-Site Wastewater Treatment Facility "Report of Inspection" HOA Planned Community Addendum

AFFIDAVIT OF DISCLOSURE. If Applicable. If the Property is located in an unincorporated area of the county, and five (5) or fewer parcels of property other than subdivided property are being transferred, the Seller shall deliver a completed Affidavit of Disclosure in the form required by law to the Buyer within five (5) days after Agreement acceptance. Buyer shall have five (5) days to rescind the sale transaction from receipt of the Affidavit of Disclosure by Buyer by written notice to Seller within such time period.

AIRPORT VICINITY AND NOISE. If the location of the Property in or near the vicinity of an airport (public or military) is of concern, Buyers should investigate the impact of airport flight paths and the noise levels at different times of the day over the property. For more information on airport locations and noise, visit the website of the Arizona Department of Real Estate Public Information.

BUILDING AND ZONING CODES. Buyer should consult the local jurisdiction for information on building and zoning codes or information about transportation beltways and/or planned or anticipated land use within proximity of the Property. Seller makes no representations or warranties regarding compliance or conformity with any building codes, laws, rules, or regulations.

ENVIRONMENTAL HAZARDS. Seller is not aware of a defect or hazard however this does not mean that it does not exist. It is the buyer's responsibility to be informed and take additional steps to further investigate.

Some potential hazards that may be found in the state include:

- Radon (www.epa.gov/radon)

- Floods (www.epa.gov/ebtpages/emernaturaldisastefloods.html) - Methamphetamine Labs
 - Wood-Burning Devices (www.epa.gov/iaq/pubs/combust.html) - Underground Storage Tanks (www.epa.gov)
 - Well & Septic Systems (www.epa.gov/ebtpages/wategroundwaterwells.html) - Contaminated Soils (www.epa.gov/ebtpages/pollsoilcontaminants.html)
 - Groundwater (www.epa.gov/safewater/protect/citguide.html)
- For more information on environmental hazards, visit www.epa.gov.

FAIR HOUSING ACT DISCLOSURE. Under the Federal Fair Housing Act, it is illegal to discriminate in the rental or sale of housing on the basis of race, color, national origin, religion, sex, handicap, or familial status.

FLOOD HAZARD. Flood hazard designations or the cost of flood hazard insurance shall be determined by Buyer during Buyer's inspections. If the Property is situated in an area identified as having any special flood hazards by any governmental entity, the Lender may require the purchase of flood hazard insurance. Special flood hazards may also affect the ability to encumber or improve the Property.

MOLD. Mold is naturally occurring and may cause health risks or damage to property. If Buyer is concerned or desires additional information regarding mold, Buyer should contact an appropriate professional. Real property (including, but not limited to, the basement) is or may be affected by water or moisture damage, toxic mold, and/or other environmental hazards or conditions. Buyer is being advised that exposure to certain species of mold may pose serious health risks, and those individuals with immune system deficiencies, infants and children, the elderly, individuals with allergies or respiratory problems, and pets are particularly susceptible to experiencing adverse health effects from mold exposure. Buyer acknowledges that Seller has advised Buyer to make his/her own evaluation of the Property and to have the Property thoroughly inspected. Buyer has been further advised by Seller that all areas contaminated with mold, and/or other environmental hazards or conditions, should be properly and thoroughly remediated. Additionally, Buyer has been advised by Seller that habitation of the Property without complete remediation may subject the inhabitants to potentially serious health risks and/or bodily injury. Buyer acknowledges that it is the sole responsibility of Buyer to conduct any remediation on the Property. Buyer represents and warrants to Seller that Buyer has made his own inspection and evaluation of the Property to Buyer's complete satisfaction and Buyer accepts the Property AS IS, WHERE IS, WITH ALL FAULTS AND.

PERMITS AND REPAIRS. 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 or any form of improvement or repair to the Property (collectively, "Permits and Repairs"), Buyer acknowledges and agrees that Buyer shall be responsible for obtaining any and all of the Permits and Repairs at Buyer's sole cost and expense, including but not limited to any certificate of use or other certification required by the ordinance. Buyer shall make application for all Permits and Repairs within ten (10) days

of the Seller's Acceptance Date, such date to be the date of execution of the Agreement and any Exhibits or Addenda hereto. Seller makes no representations or warranties regarding compliance or conformity with any building codes, laws, rules or regulations.

PROPERTY TAX DISCLOSURE SUMMARY. Buyer should not rely on the Seller's current property taxes as the amount of property taxes that the Buyer may be obligated to pay in the year subsequent to purchase. A change of ownership, use, or property improvements may trigger reassessments of the Property that could result in higher property taxes. If Buyer has any questions concerning valuation, Buyer is advised to contact the county property appraiser's office for information.

RADON. Radon is a naturally occurring radioactive gas that when accumulated in a building in sufficient quantities may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines may have been found in buildings in the state where the Property is located. Additional information regarding radon and radon testing may be obtained from your county or state health unit. Buyer represents and warrants that he/she/it has not relied on the accuracy or completeness of any representations that have been made by the Seller and/or Seller's broker or auctioneer as to the presence of radon and that the Buyer has not relied on the Seller's or Seller's broker's failure to provide information regarding the presence or effects of any radon found on the Property. Real estate brokers and agents are generally not qualified to advise buyers on radon treatment or its health and safety risks.

SEWER or ON-SITE WASTEWATER TREATMENT SYSTEM. Buyer acknowledges that information has been provided by the Seller and/or Seller's Agent and/or Auctioneer regarding sewer or on-site wastewater treatment system. If a sewer connection is a material matter to the Buyer, it must be investigated during the Buyer's inspections. If the Property is served by an on-site wastewater treatment facility (including a conventional septic tank system), the Seller has provided Buyer with the completed Report of Inspection and any other documents in its possession that relate to the permitting or operation and maintenance of the septic tanks systems or alternative on-site wastewater treatment facility. Buyer understands that within 15 days after the date of the transfer of the Property, Buyer must submit a Notice of Transfer form for the change of ownership and file with the applicable agency indicated in the instructions on such Form (This Form is available to Buyer at www.AZDEQ.GOV).

BUYER'S INITIALS _____ / _____

SEX OFFENDER INFORMATION. Information regarding the predatory offender registry and persons registered may be obtained by contacting local law enforcement offices in the community where the Property is located or from the Department of Public Safety's Sex Offender InfoCenter website: <http://az.gov/webapp/offender/main.do>.

SQUARE FOOTAGE. Buyer acknowledges that the square footage of the Property has not been measured by Seller, Seller's broker or its auctioneer (including the square footage of the lot and home) and the square footage quoted on any marketing tools such

as advertisements, brochures, MLS data, the auction website and any other information provided is based on information supplied to Seller and is deemed approximate and not guaranteed. Buyer further acknowledges that Buyer has not relied upon any such marketing tool and that such tools are not representations and/or warranties of Seller or its agent.

SWIMMING POOL BARRIER REGULATIONS. During the Buyer's inspections, Buyer agrees to investigate state, county, and municipal Swimming Pool barrier regulations and agrees to comply with and pay all costs of compliance with said regulations prior to occupying the Property; unless otherwise agreed in writing. If the Property contains a Swimming Pool, Buyer acknowledges receipt of the Arizona Department of Health Services approved private pool safety notice. (see below and http://www.azdhs.gov/phs/oeh/pool_rules.htm).

BUYER'S INITIALS _____ / _____

WOOD-DESTROYING ORGANISMS OR INSECT INSPECTION. If current or past wood-destroying organisms or insects (such as termites) are a material matter to the Buyer, these issues must be investigated during Buyer's inspections. The Buyer shall order and pay for all wood-destroying organism or insect inspections performed during Buyer's inspections. If the Lender requires an updated Wood-Destroying Organism or Insect Inspection Report prior to Close of Escrow, it will be performed at Buyer's expense.

RECEIPT OF DISCLOSURES. Buyer acknowledges and agrees that Buyer has received and/or had adequate opportunity to read and understand all disclosures and documents regarding the Property made available by Seller, Seller's broker or its auctioneer in print or electronic form (the "Disclosures"), prior to entering into the Agreement including without limitation:

- (1) The pamphlet "Protect Your Family From Lead in Your Home";
- (2) The written disclosures made available at the Property and at the location where the sale of the Property is conducted;
- (3) Any real estate brokerage relationship disclosures, such disclosures made available and provided to Buyer during the registration process, prior to bidding at auction and prior to entering into any Agreement for the purchase and sale of the Property; and
- (4) The disclosures listed herein and attached to the Agreement, which are incorporated into the Agreement by reference herein.

Buyer understands and acknowledges that any information provided by or on behalf of Seller with respect to the Property, including without limitation, all information in any Disclosures or brochure was obtained from a variety of sources and that Seller and

Seller's broker(s) and auctioneer have not made any independent investigation or verification of such information and make no representations as to the accuracy or completeness of such information.

“AS IS, WHERE IS, WITH ALL FAULTS AND LIMITATIONS” SALE. Buyer acknowledges and agrees that neither Seller nor any person acting as Seller's representative or agent has occupied the Property and that Buyer is acquiring the Property “AS IS, WHERE IS, WITH ALL FAULTS AND LIMITATIONS”, in its present state and condition, with all defects and faults, whether known or unknown, presently existing or that may hereafter arise including, without limitation:

- (a) the value, any appraised value, nature, quality or condition of the Property, including, without limitation, the water, soil and geology;
- (b) the income to be derived from the Property;
- (c) the compliance of or by the Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body;
- (d) the habitability, marketability, tenantability or fitness for a particular purpose of the Property.

Buyer shall hold harmless, indemnify and defend Seller and its representatives and agents from any claim arising from or relating to the Property. Buyer hereby fully and irrevocably releases Seller and its representatives and agents from any and all claims of any kind whatsoever, whether known or unknown, arising from or relating to the Property. This release includes claims that Buyer does not know or suspect to exist in Buyer's favor and which would materially affect Buyer's release of Seller if such claims were known by Buyer. The obligations and agreements of Buyer under this section shall survive the close of escrow or the earlier termination of the Agreement.

WAIVER OF SPECIFIC PERFORMANCE REMEDY. As a material part of the consideration to be paid or received by Buyer and Seller under the Agreement, Buyer waives all rights to file and maintain an action against Seller for specific performance and to record a Lis Pendens or notice of pendency of action against the Property if a dispute arises concerning the Agreement. Buyer agrees that the Property is not unique and in the event of Seller's default, Buyer can be adequately and fairly compensated solely by receiving a return of Earnest Money Deposit and cancellation of Buyer's obligation to purchase the Property. Upon return of the Earnest Money Deposit to Buyer, the Agreement shall be terminated, and Buyer and Seller irrevocably instruct the Closing Agent to return all funds and documents to the party that deposited them without further direction.

To the maximum extent permissible under Arizona law, Buyer expressly waives any and all claims, damages, and/or remedies related to the foregoing and attached disclosures,

including but not limited to those arising from any errors, inaccuracies, and/or omissions therein.

Dated: _____

BUYER:

Buyer Signature

Buyer Printed Name

Dated: _____

CO-BUYER:

Co-Buyer Signature

Co-Buyer Printed Name

Office of Environmental Health – State of Arizona
Residential Pool Safety Notice

AN IMPORTANT NOTICE ABOUT POOL SAFETY

The purpose of this notice is to educate residential pool* owners on the legal requirements of pool ownership and proper pool safety. Each year in Arizona, too many young children are victims of drowning or near drowning. The Arizona State Legislature recognized this threat to the health and safety of children and passed A.R.S. § 36-1681 to prevent children from gaining unsupervised access to residential swimming pools. In A.R.S. § 36-1681(E), the Legislature requires that all pool owners receive the legal requirements of pool ownership and a safety notice explaining the Arizona Department of Health Services' recommendations on pool safety.

Permission to quote from or reproduce this notice for non-commercial purposes is granted when due acknowledgement is made. Quotation from or reproduction of this notice for a commercial purpose is governed by A.R.S. § 39-121.03.

POOL ENCLOSURE REQUIREMENTS

A.R.S. § 36-1681 requires that all residential swimming pools be protected by an enclosure (wall, fence, or barrier) that surrounds the pool area. Unless a local code** provides otherwise, the enclosure of a belowground or aboveground pool must:

- Entirely enclose the pool area;

- Be at least 5 feet high;
- Have no openings other than doors or gates, through which an object 4 inches in diameter can pass;
- Have no openings, handholds, or footholds accessible from the exterior side that can be used to climb the barrier; and
- Be at least 20 inches from the water's edge.

If, however, a residence or living area makes up part of the enclosure required by A.R.S. § 36-1681(B), there must be:

- A wall, fence, or barrier located between the swimming pool or other contained body of water and the residence or living area that:
 - o Has a height of at least four feet;
 - o Has no openings through which a spherical object four inches in diameter can pass;
 - o Has a gate that opens outward from the pool and is self-closing and self-latching;
 - o Has no openings, handholds, or footholds accessible from the exterior side of the enclosure that can be used to climb the wall, fence, or barrier; and
 - o Is at a distance of at least twenty inches from the water's edge;
- A motorized safety pool cover that requires a key switch and meets the American Society of Testing and Materials (ASTM) standards in F1346-91 (www.astm.org);
- For each door or window in the residence or living area that has direct access to the pool:
 - o A self-latching device that is located not less than fifty-four inches above the floor; and
 - o Either a screwed in wire mesh screen covering a dwelling or guest room window or a keyed lock that prevents a dwelling or guest room window from opening more than four inches; or
- For an aboveground swimming pool, non-climbable exterior sides which are a minimum height of four feet and access ladders or steps that are removable and able to be secured when the pool is not in use.

GATE REQUIREMENTS

According to A.R.S. § 36-1681(B)(3), any gate in either the five-foot-tall wall, fence, or barrier enclosing a pool or the four-foot-tall wall, fence, or barrier between the residence or other living area and a pool must:

- Open outward from the pool

- Be self-closing and self-latching; and
- Have a latch:
 - o Located at least fifty-four inches above the underlying ground;
 - o Located on the pool side of the gate with the latch's release mechanism located at least five inches below the top of the gate and no opening greater than one-half inch with twenty-four inches of the release mechanism; or
 - o Located at any height if secured by a padlock or similar device which requires a key, electric opening, or integral combination.

ARIZONA DEPARTMENT OF HEALTH SERVICES POOL SAFETY RECOMMENDATIONS

- Never leave a child unattended in the pool or pool area.
- Because flotation devices and swimming lessons are not substitutes for supervision, a child should always be watched when in or around the pool area
- CPR/CCR instructions and the 911 emergency number (or local emergency number) should be posted in the pool area.
- A phone should be located in the pool area or easily accessible in case of an emergency.
- All residential pool owners should attend water rescue and CPR/CCR classes. Lifesaving equipment should be easily accessible and stored in the pool area.
- All gate locks and latches should be checked regularly to insure they are working properly.
- A gate should never be left propped open.
- All items that could be used to climb a pool barrier should be removed from around the barrier.
- In an emergency:
 - o Shout for help;
 - o Pull the child from the water;
 - o Call 911 (or local emergency number) for help; and
 - o After checking the child's airway and breathing, immediately begin CPR/CCR if necessary.

* “Pool” means an in-ground or aboveground swimming pool or other contained body of water 18 or more inches in depth, wider than 8 feet at any point, and intend for swimming, pursuant to A.R.S. § 36-1681(A).

** Phoenix, Peoria, Tucson, and some other cities and unincorporated areas of Maricopa, Pima, Pinal, and other counties have different pool barrier requirements. Check with your local city and county governments to see if they have adopted different pool barrier requirements.