

SCHEDULE "1"

United States Marshals Service Addendum to Real Estate Purchase

Any purchase offers must be submitted to Seller on a standard state approved contract (or local realtor association approved contract) and shall include this Seller approved contract addendum, a copy of which is provided on the following pages.

Offers must be all cash to the Seller with the following terms:

- Prospective purchaser due diligence period shall not exceed 20 days from the date the contract is countersigned by the Seller,
- Prospective purchaser financing contingency shall not exceed 30 days from the date the contract is countersigned by the Seller, and
- Prospective purchaser must complete the Sale of the Property no later than 10 days following the expiration of due diligence and financing contingency, whichever occurs last.

A Sample of the Addendum is provided on the following pages.

ADDENDUM TO REAL ESTATE PURCHASE CONTRACT

This Addendum to Real Estate Purchase Contract ("Addendum") is made part of that certain Real Estate Purchase Contract ("Contract") dated the ____ day of _____, 20__ between The United States of America ("Seller") and _____ ("Purchaser") for the purchase of property known as _____ ("Property").

Purchase Price _____

Closing Date _____

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

1. Effect of Addendum. IN THE EVENT OF ANY CONFLICT BETWEEN THE ADDENDUM AND THE CONTRACT OR ESCROW INSTRUCTIONS OR NOTICE OF OTHER DOCUMENTS ATTACHED TO THE CONTRACT, THE TERMS OF THE ADDENDUM SHALL PREVAIL EXCEPT AS OTHERWISE PROVIDED BY FEDERAL LAW.

2. Purchase Price. The purchase price ("Purchase Price") for the Property shall be paid to Seller by certified, cashier's check or by wired funds at the closing.

3. Earnest Money. Immediately following Seller's acceptance of the Contract, escrow will be opened with an escrow agent designated by Seller or otherwise acceptable to Seller. The earnest money deposited shall be in the amount of \$ _____. If settlement does not occur, through no fault of Seller, on or before the agreed upon Contract closing date, Seller may, in its sole and absolute discretion, declare in writing the Contract is terminated, and Purchaser hereby agrees that the escrow agent shall release the earnest money deposit to Seller.

4. Closing Date. The closing ("Closing") shall take place on or before the date set forth above unless the closing date is extended by Seller under the terms of the Contract. The Closing shall be held a place designated and approved by Seller as allowed by law and the convenient to all parties. Seller may, in its discretion, grant extensions to these time limits, which shall not be unreasonably withheld. The Seller may unilaterally extend the Closing for 30 days. Any further extensions must be agreed to in writing by both the Seller and the Purchaser. The Purchaser hereby specifically and expressly recognizes and accepts that properties obtained through forfeiture occasionally have delays in the closing date.

5. Mortgage Contingency. (Purchaser must initial either "a." or "b."). Purchaser's obligation to purchase the Property under the Contract (check one):

____ a. IS NOT contingent on Purchaser obtaining financing for the purchase of the Property.

____ b. IS contingent on Purchaser obtaining _____ financing in the amount of _____ (spell out) at _____ interest rate for the purchase of the Property. The Purchaser shall make written application for said financing within five (5) business days of the execution of the Contract and shall provide to the Seller documentation of such application. Failure to provide to the Seller documentation of such written application, shall constitute consent for the escrow agent to release the earnest money deposit to Seller without further notification to the Purchaser, but shall not release the Purchaser from any obligations under the Contract, except as the Seller may determine within its sole and absolute discretion. If the Seller does not receive written notice from the Purchaser of approval or rejection for the Purchaser's financing on or before _____, 20____, the financing contingency is hereby automatically removed and the earnest money deposit may be retained by Seller if the Purchaser fails to close on the transaction. If, after the Purchaser has made a timely and complete financing application with a lender, said application is rejected in writing by the lender within the terms of the financing contingency, the Sales Contract shall be null and void and neither party shall have any further rights or obligations or liabilities and the earnest money shall be promptly refunded; provided, however, that the Purchaser shall provide a copy of the written rejection to the Seller within one day after receiving the written rejection, has acted in good faith, and has otherwise complied with the terms and conditions of the Sales Contract.

THE CONTRACT IS NOT CONTINGENT UPON THE SALE AND CLOSING OF ANY REAL PROPERTY (EXCLUDING THE PROPERTY WHICH IS THE SUBJECT OF THIS CONTRACT AND ADDENDUM), AND ANY SUCH CONTINGENCIES ARE VOID.

_____ Purchaser's Initials

6. Disclosure. Purchaser acknowledges and agrees that the Property was acquired through forfeiture due to illegal activity and Seller's knowledge of the Property is limited. Accordingly, to the fullest extent allowed by law, Seller shall be exempt from providing or filing any disclosure statement with respect to the Property.

7. Condition of Property. As a material part of the consideration to be received by Seller under the Contract as negotiated and agreed to by Purchaser and Seller, PURCHASER ACKNOWLEDGES AND AGREES TO ACCEPT THE PROPERTY AT CLOSING IN ITS "AS-IS, WHERE-IS" CONDITION, as such condition existed on the date of Purchaser's offer, including, without limitation, zoning, land use or building code requirements or compliance with any law, rules, ordinances or regulations of any Governmental authority; any hidden defects, environmental conditions affecting the property; or the existence of mold, whether known or unknown, whether such defects or conditions were discoverable through inspection or not.

_____ Purchaser's Initials

8. Inspection (Purchaser must initial either "a." or "b.")

___ a. Purchaser waives the opportunity to inspect the property.

___ b. Within seven (7) days of the acceptance by the Seller of the Contract, the Purchaser shall have the right, at Purchaser's expense, to inspect the property (the "Inspection Period"). Purchaser shall keep the property free and clear of all liens, indemnify and hold the United States harmless from all liability claims, demands, damages, or costs, and repair all damages arising from the inspection and/or tests. Purchaser may use only non-destructive testing and may not conduct a "Phase II" environmental site assessment without the written consent of Seller. If such inspections disclose conditions or information unsatisfactory to the Purchaser, which Seller is unwilling or unable to correct, then Purchaser may cancel the Contract by so notifying Seller in writing, delivered to Seller within five (5) days from the end of the Inspection Period. Purchaser's written notice of cancellation shall attach a copy of the written report, which discloses conditions or information unsatisfactory to Purchaser. PURCHASER'S FAILURE TO TIMELY NOTIFY SELLER IN WRITING WITHIN THE TIME SPECIFIED IN THIS PARAGRAPH SHALL CONCLUSIVELY BE CONSIDERED APPROVAL OF THE PROPERTY IN ITS CONDITION AS OF DATE OF CONTRACT.

Notwithstanding any other provisions in this Paragraph 8, Purchaser understands that the Property, including fixtures, and any appliances in the sale, are not new and agrees to accept them in their present condition with no express or implied representations or warranties of condition. Purchaser agrees to use the Property inspection time period, if any, to examine all aspects of the Property.

_____ Purchaser's Initials

9. Occupancy Status of Property. (Seller must initial "a." or "b."). Initial by Purchaser.

___ a. Property is currently vacant. Purchaser will not use or occupy or cause or permit others to use or occupy the Property prior to closing.

___ b. Property is currently occupied and Purchaser has reviewed and accepted the existing lease and/ or occupancy agreement.

i. Seller does not have possession of any security deposits and thus none will be transferred to Purchaser at closing unless otherwise provided below. (Insert "NONE" if applicable.) _____

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_____ ii. If the property is occupied at closing, all rent, due and payable and

collected from occupants for the month in which the closing occurs will be prorated among the Seller and Purchaser as of the closing date.

iii. Purchaser acknowledges and agrees that the Property may be subject to the provisions of local rent control ordinances and regulations governing the relationship between landlord and tenant. At closing Purchaser agrees to assume all duties and responsibilities of a property owner and landlord under all applicable ordinances and regulations and any existing lease or occupancy agreement. Any costs incurred in performing such duties and responsibilities, enforcing the landlord's rights under the lease or occupancy agreement, or evicting the tenant shall be Purchaser's sole responsibility and cost.

_____ Purchaser's Initials

10. **Personal Property.** Purchaser agrees that any items of personal property, now or hereafter located on the Property (collectively, "Personal Property") shall not be included in the sale of the Property or the Purchase Price unless each item of Personal Property is specifically described and referenced in the Contract. Purchaser assumes full responsibility for any Personal Property remaining on the Property at the time of closing. Any personal property sold by Seller shall be accepted by Purchaser on an "as is, where is" basis without representation or warranty of any kind or nature, and specifically excluding any warranties of merchantability or fitness for any particular purpose.

11. **Closing Costs and Adjustments.** Except and to the extent provided below all closing costs are the responsibility of the Purchaser, including costs customarily paid by the Seller unless otherwise agreed upon by the Seller. Excepting however, that Purchaser and Seller shall be responsible for their own settlement fees, attorney fees and title work ordered by each respective party.

Seller agrees to pay a credit not to exceed \$ _____ for Purchaser(s) closing costs exclusive of prepaids and as allowed by lender (the "Seller Closing Cost Credit").

Purchaser and Seller agree to prorate the following expenses as of closing: real estate taxes, municipal water and sewer charges, utility charges, common area charges, condominium or planned unit development or similar community assessments, cooperative fees, maintenance fees, and rents, if any. Payment of special assessment district bonds and assessments, and payments of homeowner's association 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 the Purchase Price.

Seller shall not be responsible for any amounts due, paid or to be paid after closing. In the event Seller has paid any taxes, special assessments or other fees and there is a refund of any such taxes, assessments or fees after the closing, and Purchaser as current owner of the Property receives the payment, Purchaser will immediately submit the refund to Seller.

Purchaser recognizes and expressly accepts that the Seller is exempt from paying any and all form of taxes to local and state authorities, including any costs associated with the recordation

of deeds, deeds of trust or any other document associated with the transfer of property by or to the United States of America. Should the local and/or state jurisdiction within which the Property sits nonetheless require full payment of those costs (other than real estate taxes, which shall be prorated as of closing) then, regardless of local custom or any provision in the Contract to the contrary, Purchaser shall be fully responsible for the payment of those costs to complete the transaction. Notwithstanding this provision, the Purchaser may apply the Seller Closing Cost Credit, if any, toward reimbursement for such costs (other than a tax imposed on the Seller), in whole or in part.

12. **Survey**. Purchaser shall pay the cost of any survey. No survey shall be provided by Seller.

13. **Insurable title**

a. Seller shall give and Purchaser shall accept such title as Seller's title insurance company shall be willing to approve and insure in accordance with its standard form of title policy approved by the governing agency for the state where the Property is located, subject only to the matters provided for in this Contract. Lender's and owner's title insurance will be at Purchaser's expense.

b. In the event Purchaser chooses to obtain their own fee (owner's) policy and/or title exam, they shall order the same within three days of Purchaser executing the Contract, or all objections to title shall be waived.

c. Purchaser must notify Seller in writing of any and all title objections at least ten days before closing, or all objections to title shall be waived. If Seller cannot cure said timely and properly made objections after a good faith effort, or to do so would delay the closing beyond the original or any extended closing date, Purchaser agrees to accept Seller's title policy at Purchaser's expense. Failure to accept the Seller's title policy shall constitute release of all earnest money deposits to the Seller, and the Contract shall be considered null and void. In the event that said timely, written objections cannot be cured within 90 days from delivery of notice of objections and/or the Seller's title insurer cannot insure over said objections by issuing a title insurance policy at normal risk rates, then Seller, in its sole and absolute discretion may declare the Contract null and void and return the Purchaser's earnest money deposit. In such an event, the Purchaser agrees that the Contract is of no further force or effect as to the Property but agrees, nonetheless to immediately and promptly execute a release of Contract as requested by Seller.

14. **Form of Deed**. The deed to be delivered 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 (which deed may be known as a Special Warranty, Limited Warranty, Quit Claim or Bargain and Sale Deed).

15. **Waivers**. As a material part of the consideration to be received by Seller under the Contract as negotiated and agreed to by Purchaser and Seller, Purchaser waives the following:

a. All rights, if any exist, to file and maintain an action against Seller for specific performance and any right to record a lis pendens against the property or to record or file the Contract, this Contract or any memorandum thereof in the official real property records, or any other remedy that would prevent Seller from conveying the property;

b. All rights to dispute any controversy, claim or other matter in question arising out of or relating to the transaction or contract or its breach in state court ; and

c. All rights, if any exist, to binding arbitration or mediation.

16. **Conditions to Seller's Performance.** Seller shall have the right, at Seller's sole discretion, to extend the closing date or to terminate the Contract at the convenience of the Seller. In the event the Seller elects to terminate the Contract under this section, through no fault of Purchaser, Seller shall return the earnest money to Purchaser, and the parties shall have no further obligation under the Contract.

17. **Remedies for Default.** In the event of Purchaser's default, Seller at its option may (a) retain earnest money as liquidated damages and/or (b) elect to pursue any remedy in law or equity. Purchaser acknowledges and agrees that by signing the Addendum, Seller shall have the right to retain or seek the release of the earnest money under this section, without any further action, consent or document from the Purchaser.

18. **Indemnification.** Purchaser agrees to indemnify and fully protect, defend and hold Seller, its employees, contractors, servicers, representatives, agents, attorneys, tenants, and brokers harmless from and against any and all claims, costs, liens, loss, damages, attorneys' fees and expenses of every kind and nature that may be sustained by or made against Seller, its employees, contractors, servicers, representatives, agents, attorneys, tenants, or brokers due to or arising out of a breach of Purchaser's representations under the Contract or any failure of the Purchaser to fulfill any of the Purchaser's covenants or agreements contained in the Contract. Any other provisions of the Contract notwithstanding, Seller shall not indemnify or hold harmless Purchaser, nor shall Seller be liable to pay Purchaser's attorney's fees.

19. **Delivery of Deed.** Delivery of the Deed to the Property to Purchaser by Seller shall be deemed to be full performance and discharge of all of Seller's obligations under the Contract.

20. **Severability.** The invalidity, illegality, or unenforceability of any provision of the Contract shall not affect the validity or enforceability of any other provision of the Contract, all of which shall remain in full force and effect.

21. **Assignment of Agreement.** Neither Seller nor Purchaser shall assign the Contract without the express written consent of the other party.

22. **Entire Agreement.** The Contract, including any disclosure or notices required by law, constitutes the entire agreement between Purchaser and Seller concerning the subject matter

hereof and supersedes all previous communications, whether written or verbal.

23. **Counterparts.** The Contract 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. The Contract may be delivered by facsimile.

24. **Notices.** Any notices required to be given under the Contract shall be deemed to have been delivered when actually received in the case of hand or overnight delivery. All notices to Seller will be deemed sent or delivered to Seller when sent or delivered to Seller's listing broker or agent. All notices to Purchaser shall be deemed sent or delivered when sent or delivered to Purchaser or Purchaser's attorney or agent.

25. **Attorney Review.** Purchaser acknowledges that Purchaser has had the opportunity to consult with its legal counsel regarding the Contract. Accordingly, the terms of the Contract are not to be construed against any party because that party drafted the Contract or construed in favor of any Party because that Party failed to understand the legal effect of the provisions of the Contract.

26. **Governing Law:** The enforcement, interpretation, and construction of the Contract, and all matters relating hereto, shall be governed by federal law, and in the event that federal law is silent or inapplicable, and as federal law permits, the laws of the state in which the property is physically located shall apply, without giving effect to the conflict of laws principles thereof.

27. **Conflict of legal descriptions.** In the event of a conflict between the description of the Property in the Contract and the description of the Property set forth in the court order forfeiting the Property to Seller ("Order of Forfeiture"), the description of the Property in the Order of Forfeiture shall prevail for purposes of this Contract.

28. **Criminal defendant.** Purchaser hereby covenants and represents to Seller that Purchaser is not acting, and will not act, directly or indirectly, in concert with, or on behalf of, the person or entity from whom the Property was forfeited in the purchase and acquisition of the Property which is the subject of the Contract.

29. **Additional Terms or Conditions.** (insert "NONE" if applicable)

PURCHASER'S OFFER

Signature: _____ Date: _____

Print Name (or name if a company): _____

Tax I.D. # if a company: _____

Title (if a company): _____

Signature: _____ Date: _____

Print Name (or name if a company): _____

Tax I.D. # if a company: _____

Title (if a company): _____

Attorney or Agent information (if applicable)

Address: _____

Telephone: _____ Facsimile: _____

SELLER'S ACCEPTANCE

Signature: _____

Name: _____ Date: _____

Title: _____
United States Marshals Service