

ADDENDUM "A"
FIRST ADDENDUM TO CONTRACT

ASSET NUMBER: 5000227164

Seller: AHMSI

Buyer: Randy Lucas

Buyer: _____

Property Address: 309 MAIN ST
(together with any improvements thereon, the "**Property**")

City, State: BENSON, NC

Addendum Date: 02/01/2010

Contract Title and Date: 01/31/2010 (the "**Contract**")

Offer Expiration Date: 5.00 p.m. (EST) on 02/04/2010 (the "**Offer Expiration Date**")

BUYER(S) AND SELLER AGREE AS FOLLOWS:

(A) OFFER AND ACCEPTENCE:

Buyer acknowledges and agrees that: (i) Seller has reserved the right to receive multiple offers and make multiple counter-offers with respect to the Property which are the subject of the Contract;(ii) Seller reserves the right to continue to offer the Property for sale until both the Contract and this Addendum (as defined in Paragraph C below) have been fully executed and delivered by Buyer and Seller; and (iii) This counter-offer shall expire at 5:00 p.m. (EST) on the Offer Expiration Date. Seller's acceptance of another offer and/or counter-offer prior to the full execution and delivery of the Contract and this Addendum by both Buyer and Seller shall constitute Seller's revocation of this counter-offer and automatically render this Addendum null and void. Buyer's communication of its acceptance of this counter-offer (as evidenced by delivery of a signed copy of this Addendum) must be received by Seller or Seller's agent in writing prior to 5:00 p.m. (EST) on the Offer Expiration Date. In no event shall Seller have any obligation to Buyer whatsoever unless and until Seller fully-executes and delivers both the Contract and this Addendum to Buyer.

(B) SUMMARY OF MATERIAL DATES AND AMOUNTS IN THE AGREEMENT;
CERTAIN DEFINITIONS:

- i. The term "**Sale Price**" shall mean \$110,000.00
- ii. The term "**Earnest Money Deposit**" shall mean \$3,300.00, due at the signing of this Addendum.
- iii. The term "**Additional Deposit**" shall mean \$, due upon the removal of all inspection contingencies. Buyer shall deliver the balance of the Sale Price in the amount of \$106,700.00 into the escrow by wire transfer at least one (1) business day prior to the Closing Date.
- iv. The term "**Deposit**" shall mean the sum of the Earnest Money Deposit, Additional Deposit and any other subsequent deposits held in escrow or otherwise intended to be applied toward the Sales Price. The Deposit shall be non-refundable except in connection with Paragraph F of this Addendum or as expressly provided otherwise in this Addendum.
- v. The term "**Agreement**" shall mean, collectively, the Contract, this Addendum and any addenda, supplements, riders or amendments thereto.
- vi. The term "**Closing Date**" shall mean on or before 02/28/2010.

(C) CONFLICT BETWEEN THE CONTRACT AND THIS ADDENDUM:

In the event any provision of this Addendum "A" First Addendum To Contract (this "**Addendum**") conflicts in whole or in part with any of the terms and conditions of the Contract, the terms of this Addendum shall control

Buyer's Initials: _____

Seller's Initials: _____

the rights and obligations of the parties.

(D) ASSIGNMENT OF THE AGREEMENT:

Buyer shall neither assign its rights nor delegate its obligations under the Agreement without obtaining Seller's prior written consent, which consent may be withheld in Seller's sole discretion. In no event shall any assignment relieve Buyer from its obligations under the Agreement. If Buyer attempts to or actually assigns the Agreement or delegates its obligations under the Agreement without obtaining Seller's prior written consent, then the Agreement may be deemed null and void at Seller's election. If Seller elects to nullify the Agreement as a result of any such assignment, then Seller shall be entitled to retain the Deposit in accordance with Paragraph K of this Addendum. Seller may assign the Agreement at its sole discretion without prior notice to, or consent of, the Buyer.

(E) NO REPRESENTATIONS OR WARRANTIES; PROPERTY SOLD "AS IS":

Buyer acknowledges and understands that the Property is being purchased and sold as-is, where-is and with all faults. Buyer further acknowledges and understands that the Property was acquired by Seller through a foreclosure or other similar action and therefore, Seller is not an owner-occupant and Seller's information concerning the Property and its condition is extremely limited. Accordingly, Buyer acknowledges and understands that Seller makes no representations or warranties, express or implied, regarding any known or unknown, apparent or latent defects in the Property or any appurtenant systems, including, without limitation, plumbing, heating, air conditioning and electrical systems, fixtures, appliances, roof, sewers, septic, soil conditions, foundation, structural integrity, environmental condition (including, without limitation, the presence hazardous or toxic substances), pool or related equipment. Seller makes no representations or warranties, express or implied, as to (i) the condition of the Property or any of the Property's systems or improvements, or (ii) the habitability, marketability, profitability, serviceability or fitness for a particular use of the Property or any component of the Property. Buyer further acknowledges and agrees that the Sale Price and the terms and conditions set forth in the Agreement are the result of arm's-length bargaining between parties familiar with transactions of this kind and said price, terms and conditions reflect the fact that Buyer shall have the benefit of, and is relying upon, no statements, representations or warranties, express or implied, whatsoever relating to any aspect of the Property made by or enforceable directly against Seller, any affiliate of Seller or any broker or agent of Seller, including, without limitation, any statements, representations or warranties relating to the known or unknown condition, dimensions, square footage, descriptions, soil condition, suitability, availability of water and other utilities, compliance or lack of compliance with any state, federal, county or local law, ordinance, order, zoning, rule, permit or regulation or any other attribute or matter of or relating to the Property. Buyer represents, warrants and covenants to Seller that Buyer is relying solely upon its own inspection and investigation of the Property. If Seller obtains or has obtained the services, opinions or work product of surveyors, architects, engineers, title companies, governmental authorities or any other person or entity with respect to the Property, Buyer and Seller agree that Seller shall do so only for the convenience of both parties and the reliance by Buyer upon any such services, opinions or work product shall not create or give rise to any liability of or against Seller.

The closing of this sale shall constitute acknowledgement by the Buyer that the condition of the Property and all components thereof is acceptable to the Buyer at that time. The Buyer agrees that Seller shall have no liability for any claims or losses the Buyer or the Buyer's successors or assigns may incur as a result of defects that may now or hereafter exist with respect to the Property or any component thereof.

The parties agree that Seller is exempt from filing a disclosure statement as the Property was acquired through foreclosure, deed-in-lieu of foreclosure, forfeiture, tax sale, eminent domain or similar process. For Alaska transactions, the Seller and the Buyer have previously executed a waiver of the disclosure provisions of Alaska statutes.

(F) FINANCING CONTINGENCY:

(___)/(___) (1) Sale Contingent on Mortgage Financing:

Buyer's Initials: _____

Seller's Initials: _____

- i. Deadline for Commitment: The Agreement is subject to the condition that on or before 5:00 p.m. (EST) on (the "**Financing Deadline**"), Buyer shall secure a written commitment for a loan to be secured by a mortgage or deed of trust on the Property in the amount of \$106,700.00 (a "**Commitment**"), or such lesser sum as Buyer accepts, and provide a copy of such Commitment to Seller. After the expiration of the Financing Deadline and Buyer's delivery of the Commitment to Seller, Buyer shall not revise the loan terms set forth in the Commitment without Seller's prior written consent. If Buyer revises the terms of its loan after the Financing Deadline without Seller's prior written consent, Buyer shall be in default under the Agreement and Seller shall be entitled to terminate the Agreement and retain the Deposit pursuant to Section K of this Addendum. If Buyer delivers written notice to Seller that such financing has been declined (a "**Notification of Decline**") prior to the Financing Deadline, then the Agreement shall become null and void and the Deposit shall be returned to Buyer. If Buyer fails to deliver to Seller either a Commitment or a Notification of Decline prior to the Financing Deadline, then Buyer shall be deemed to have waived the foregoing financing contingency and the Agreement shall remain in full force and effect without any such financing contingency.
- ii. Buyer's Expense: Buyer shall, at Buyer's sole expense, execute all documents necessary to procure a mortgage loan from any source selected by Buyer. Any delays caused by any lender of such mortgage loan ("**Buyer's Lender**"), regardless of whether Buyer's conduct caused such delay, shall constitute a default under the Agreement by Buyer and Seller shall be entitled to retain the Deposit as liquidated damages pursuant to Paragraph K below.
- iii. Buyer's Authorization for Buyer's Lender: Buyer hereby authorizes Buyer's Lender (and/or its successors and assigns) to discuss with Seller and any agent or affiliate of Seller, the details of Buyer's loan application including, without limitation, Buyer's credit history (including a credit report), income, debts and the progress of the entire loan application.
- iv. Buyer's Authorization for Seller: Buyer hereby authorizes Seller, any agent or affiliate of Seller or any investigative agency hired by Seller, to investigate Buyer's ability to purchase the Property under the terms and conditions of the Agreement including, without limitation, ordering a credit history from a credit reporting agency and discussing Buyer's loan application with Buyer's Lender and/or its successors or assigns. Buyer shall be entitled, upon request, to a complete and accurate disclosure of the nature and scope of any such investigation.

_____(Buyer's Initials)_____(Buyer's Initials)
**I HAVE READ THIS PARAGRAPH AND I AM INITIALING TO
VERIFY THAT I ACCEPT IT AS PART OF THE AGREEMENT**

()/() (2) All Cash Transaction:

The purchase and sale of the Property is an all-cash sale and purchase and is NOT contingent upon Buyer's obtaining financing for the purchase of the Property regardless of any mortgage loan application made by Buyer to any lending institution. Buyer understands and agrees that neither delivery of a commitment for a mortgage loan from any lending institution nor Buyer's acceptance of such a commitment will in any way be a condition of Buyer's obligations under the Agreement. Buyer represents to Seller that Buyer has sufficient readily available funds to complete the purchase of the Property and will submit proof of such funds upon request of Seller. If Buyer is unable to deliver the full Sale Price to Seller on the Closing Date, then Seller shall be entitled to retain the Deposit as liquidated damages pursuant to Paragraph K below.

(G) CLOSING COSTS:

Buyer agrees to pay all of Buyer's closing costs, including the cost of any fees, interest and charges imposed by Buyer's Lender. Buyer understands that it may also have to pay certain prepayable expenses including, without limitation, property taxes, water and sewer charges, and insurance. Regardless of local custom or practice, the Buyer shall pay any and all real estate transfer taxes due as a result of the conveyance of the Property. The Buyer shall pay all other costs and fees incurred in the transfer of the Property, except as expressly assumed by the Seller in the Agreement.

Buyer also agrees to pay Seller a document preparation/review fee of Ninety-nine Dollars (\$99.00) on the Closing Date. This fee shall be delivered to escrow and disbursed on the Closing Date per wire instructions provided by Seller.

(H) INSPECTIONS:

Buyer, at Buyer's sole cost and expense after Seller's delivery of notice to Buyer of Seller's written acceptance

Buyer's Initials: _____

Seller's Initials: _____

of this Addendum, shall have the opportunity to inspect all aspects of the Property including testing regarding, without limitation, environmental, asbestos, radon gas, lead paint, mold, physical defects including structural defects, roof, basement, mechanical systems such as heating and air conditioning, electrical systems, sewage and septic systems, plumbing, exterior site drainage, termite and other types of pest and insect infestation or damage caused by such infestation, boundary surveys, and unrecorded costs, liens, assessments, or judgments including, without limitation, code violations, taxes, utility liens, or condominium assessments. Any and all costs and expenses associated with any such inspection shall be referred to as **"Inspection Costs"**. In no event, including, but not limited to, if the sale of the Property fails to close due to an issue stemming from any such inspection, shall Seller be required to reimburse Buyer for any Inspection Costs. Seller will not supply surveys, boundary surveys or footprint surveys or any other documents with respect to the Property. If the Property is a condominium or planned unit development or co-operative, unless otherwise required by law, the Buyer, at the Buyer's own expense, is responsible for obtaining and reviewing the covenants, conditions and restrictions and bylaws of the condominium or planned unit development or cooperative.

Mold, mildew spores and/or other microscopic organisms and/or allergens (collectively referred to in this paragraph as "Mold") are environmental conditions that are common in residential properties and may affect the Property. Mold, in some forms, has been reported to be toxic and to cause serious 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. Mold has also been reported to cause extensive damage to personal and real property. Mold may have been removed or covered in the course of any cleaning or repairing of the Property. The Purchaser acknowledges that, if Seller, or any of Seller's employees, contractors, or agents cleaned or repaired the Property or remediated Mold contamination, that Seller does not in any way warrant the cleaning, repairs or remediation. Purchaser accepts full responsibility for all hazards that may result from the presence of Mold in or around the Property. The Purchaser is satisfied with the condition of the Property notwithstanding the past or present existence of Mold in or around the Property and Purchaser has not in any way, relied upon any representations of Seller, Seller's employees, affiliates, servicers, brokers, officers, directors, contractors, or agents concerning the past or present existence of Mold in or around the property.

BUYER IS ENCOURAGED TO OBTAIN THE SERVICES OF A QUALIFIED AND EXPERIENCED PROFESSIONAL TO CONDUCT INSPECTIONS AND TESTS IN, ON AND UNDER THE PROPERTY PRIOR TO THE END OF THE SEVEN (7) CALENDAR DAY INSPECTION PERIOD (AS DESCRIBED BELOW), AS TO THE EXISTENCE OF CERTAIN CONDITIONS, INCLUDING, WITHOUT LIMITATION, ANY OF THOSE LISTED IN THIS PARAGRAPH H, THAT COULD CAUSE SERIOUS HEALTH PROBLEMS AND/OR A SUBSTANTIAL REDUCTION IN PROPERTY VALUE. Buyer hereby agrees and acknowledges that Buyer is solely responsible for any required remediation and/or resulting damages, including, without limitation, any effects on health, due to a condition in, on, under or around the Property.

In the event the Property is affected by an environmental hazard, as determined by the Seller, either party may terminate the Agreement and the Deposit shall be returned to Buyer. In the event the Seller decides to sell the Property to the Buyer and the Buyer agrees to purchase the Property despite any environmental hazard, the Buyer agrees to execute a release and hold harmless agreement at closing, in a form acceptable to Seller. In the event the Buyer elects not to execute the release and hold harmless agreement, at the Seller's discretion, the Agreement is automatically terminated upon notice given to Buyer and Seller shall retain the Deposit. If there is an enforcement proceeding arising from allegations of violation of building codes or similar laws or regulations before an enforcement board, special master, court or similar enforcement body, and neither the Buyer nor the Seller terminate the Agreement, the Buyer agrees (a) to accept the Property subject to the violations, and (b) to be responsible for compliance with the applicable code and with orders issued in any code enforcement proceeding. Buyer agrees to execute any and all documents necessary or required for closing by any agency with jurisdiction over the Property.

Buyer shall keep the Property free and clear of any mechanics' liens or materialmen's liens related to Buyer's examination and investigation and Buyer shall protect, defend, indemnify and hold Seller (and Seller's agents, servicers, employees, contractors, brokers, shareholders, affiliates, officers and directors, collectively, the **"Seller Indemnities"**) harmless from and against any and all losses, costs, expenses (including attorneys' fees and actually incurred court costs), claims, damages, liens and stop notices whatsoever and shall repair any and all damages to any portion of the Property to the extent arising out of or related (directly or indirectly) to Buyer's and/or Buyer's consultants/contractors conducting (but not the results thereof) such inspections, surveys, tests and studies. **Buyer shall provide Seller with written notice at least two (2) days prior to Buyer's entry**

Buyer's Initials: _____

Seller's Initials: _____

onto the Property.

If Buyer fails to timely deliver to Seller written notice of its cancellation of the Agreement for any reason, on or before 5:00 p.m. (EST) on the date **SEVEN (7)** calendar days after the date of this Addendum (the "**Inspection Period Deadline**"), Buyer shall conclusively be deemed to have: (i) completed and approved of all inspections and investigations, reviewed all applicable documents and disclosures; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for any required repairs or corrections other than for items which Seller has otherwise agreed in writing to repair or correct. If Buyer timely objects to the condition of the Property by the Inspection Period Deadline, then Buyer, as Buyer's sole option, may terminate the Agreement and neither party shall have any further obligations under the Agreement. As a condition to Buyer's right to terminate the Agreement prior to the Inspection Period Deadline, Buyer agrees to submit to Seller any and all written reports resulting from any inspections conducted or ordered by Buyer within three (3) calendar days following the close of the Inspection Period Deadline. Upon Seller's receipt of such reports, the Deposit will be refunded to Buyer.

(I) SELLER'S UNLIMITED RIGHT TO CANCEL THE AGREEMENT:

AT ANY TIME SELLER SHALL HAVE THE RIGHT, IN ITS SOLE DISCRETION, TO ELECT TO DEEM THE AGREEMENT NULL AND VOID IF (I) REQUIRED BY APPLICABLE LAW, (II) REQUIRED BY ANY EXISTING CONTRACT OR AGREEMENT BINDING UPON SELLER AND/OR THE PROPERTY, INCLUDING, WITHOUT LIMITATION, ANY AGREEMENTS WITH THE PRIOR OWNER OF THE PROPERTY, ANY MORTGAGE INSURER OR ANY MORTGAGE BROKER. UPON SELLER'S DELIVERY OF WRITTEN NOTICE TO BUYER OF SELLER'S ELECTION TO NULLIFY THE AGREEMENT PURSUANT TO THIS PARAGRAPH, THE PARTIES SHALL BE RESTORED TO THEIR ORIGINAL POSITIONS AS IF THE AGREEMENT NEVER EXISTED. SHOULD SELLER EXERCISE ITS DECISION TO NULLIFY THE AGREEMENT, THE DEPOSIT SHALL BE RETURNED TO BUYER. BUYER AGREES THAT SHOULD SELLER NULLIFY THE AGREEMENT PURSUANT TO THIS PARAGRAPH, BUYER WAIVES ITS RIGHT TO SUE SELLER FOR SPECIFIC PERFORMANCE AND/OR DAMAGES AND FULLY RELEASES SELLER AS FURTHER SET FORTH IN THE RELEASE CONTAINED WITHIN PARAGRAPH V OF THIS ADDENDUM.

_____(Buyer's Initials)_____(Buyer's Initials)
I HAVE READ THIS PARAGRAPH AND I AM INITIALING TO
VERIFY THAT I ACCEPT IT AS PART OF THE AGREEMENT

(J) REPAIRS:

Any repairs to the Property identified by Buyer or which may be required by Buyer's Lender (collectively, "**Repairs**") are the sole responsibility of Buyer. Seller shall have no obligation to make any Repairs to the Property whatsoever. Buyer agrees not to enter the Property prior to the Closing Date for the purpose of making any Repairs or any other alterations without Seller's express prior written consent.

(K) LIQUIDATED DAMAGES; DEPOSIT:

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THE AGREEMENT, IF THE AGREEMENT HAS NOT BEEN TERMINATED BY BUYER OR SELLER FOR AN EXPRESS REASON PROVIDED IN THE AGREEMENT WHICH REQUIRES THE DEPOSIT TO BE RETURNED TO BUYER AND IF THE SALE OF THE PROPERTY TO BUYER HAS NOT BEEN CONSUMMATED FOR ANY REASON OTHER THAN SELLER'S DEFAULT UNDER THE AGREEMENT, OR UPON THE OCCURRENCE OF ANY DEFAULT OF BUYER UNDER THE AGREEMENT, SELLER SHALL BE ENTITLED TO RETAIN THE DEPOSIT AS SELLER'S LIQUIDATED DAMAGES. THE PARTIES AGREE THAT IT WOULD BE IMPRACTICABLE AND EXTREMELY DIFFICULT TO ASCERTAIN THE ACTUAL DAMAGES SUFFERED BY SELLER AS A RESULT OF BUYER'S DEFAULT AND/OR FAILURE TO COMPLETE THE PURCHASE OF THE PROPERTY PURSUANT TO THE AGREEMENT AND THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS ADDENDUM, THE LIQUIDATED DAMAGES PROVIDED FOR IN THIS SECTION REPRESENTS A REASONABLE ESTIMATE OF THE DAMAGES WHICH SELLER WOULD INCUR AS A RESULT OF SUCH DEFAULT AND/OR FAILURE, PROVIDED, HOWEVER, THAT THIS PROVISION SHALL NOT LIMIT SELLER'S RIGHT TO RECEIVE REIMBURSEMENT FOR ATTORNEYS' FEES, NOR WAIVE OR AFFECT SELLER'S RIGHTS AND BUYER'S INDEMNITY OBLIGATIONS UNDER OTHER SECTIONS OF THE AGREEMENT. ACCORDINGLY, IF BUYER INTERFERES WITH OR MAKES ANY ATTEMPT TO INTERFERE WITH SELLER RECEIVING OR RETAINING, AS THE CASE MAY BE, THE

Buyer's Initials: _____

Seller's Initials: _____

LIQUIDATED DAMAGES PROVIDED FOR IN THIS SECTION INCLUDING, WITHOUT LIMITATION, GIVING ANY NOTICE OR INSTRUCTIONS TO ANY ESCROW HOLDER NOT TO DELIVER THE DEPOSIT TO SELLER, SELLER SHALL HAVE THE RIGHT TO RECOVER ITS ATTORNEYS' FEES AND COSTS OF COLLECTION AND/OR ENFORCEMENT IN ADDITION TO THE SELLER'S LIQUIDATED DAMAGES. THE PARTIES ACKNOWLEDGE THAT THE PAYMENT OF SUCH LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER.

_____(Buyer's Initials)_____(Buyer's Initials)
I HAVE READ THIS PARAGRAPH AND I AM INITIALING TO
VERIFY THAT I ACCEPT IT AS PART OF THE AGREEMENT

(L) SELLERS CLOSING COSTS AND BROKERAGE COMMISSION:

Seller agrees to contribute the following amounts, if applicable, as a reduction in the Sale Price:

- i. \$0.00 towards Buyer's non-recurring closing costs, discount points, and, if applicable, Buyer's non-allowable FHA/VA costs;
- ii. \$0.00 as a credit to Buyer at closing for Buyer to purchase a Home Protection Plan; and
- iii. \$0.00 towards a termite report.

Seller will pay a brokerage commission in accordance with the listing agreement between the listing broker and Seller. The selling broker, if any, is set forth below. Seller hereby instructs the closing agent to pay the brokerage commission to the listing broker and any selling broker (if applicable) after the closing via separate checks made out to the following companies in the following amounts:

Listing Broker's Fee: Payable to: Cardinal Point Real Estate in the amount of

Selling Broker's Fee: Payable to: in the amount of

(M) TRANSFER OF TITLE AND SUBSEQUENT NOTICE OF COSTS, LIENS, OR ASSESSMENTS:

Seller shall transfer title to the Property to Buyer by means of a special or limited warranty deed, or an equivalent thereof (the "**Deed**"). The acceptance of the Deed by Buyer will be deemed to constitute full compliance by Seller with all of the terms and conditions of the Agreement. Seller shall NOT be responsible for any unpaid real estate taxes and/or assessments, levies, homeowner association fees and charges, utility charges or any other charges not readily obtainable from a title search prior to closing. IF AT ANY TIME AFTER THE CLOSING DATE, BUYER OR ITS ASSIGNS OBTAINS ACTUAL OR CONSTRUCTIVE NOTICE OF ANY COSTS, LIENS, ASSESSMENTS, OR JUDGMENTS ASSOCIATED WITH THE PROPERTY THAT WERE NOT OF RECORD AT THE TIME OF THE CLOSING INCLUDING, WITHOUT LIMITATION, CODE VIOLATIONS, TAXES, UTILITY LIENS, OR CONDOMINIUM ASSESSMENTS, BUYER SHALL BE RESPONSIBLE FOR PAYMENT OF SAME AND BUYER HEREBY RELEASES SELLER OF ANY AND ALL LIABILITY IN CONNECTION THERETO, REGARDLESS OF WHETHER (I) SELLER OWNED THE PROPERTY AT THE TIME SUCH COSTS WERE ASSESSED OR INCURRED OR (II) SELLER HAD ACTUAL OR CONSTRUCTIVE NOTICE OF THE EXISTENCE OF SUCH COSTS, LIENS, ASSESSMENTS, OR JUDGMENTS. Buyer is responsible for verifying any possible liens, judgments, or assessments that may not be of record and hereby releases Seller from any and all liability related to any such liens, judgments or assessments. Notwithstanding anything to the contrary in the Agreement, the provisions of Paragraphs C, D, E, H, I, K, M, and P through dd of this Addendum, as well as any other provision which contemplates performance or observance subsequent to any termination or expiration of the Agreement, shall survive the closing, funding and the delivery of the Deed and/or termination of the Agreement by any party and continue in full force and effect.

(N) TITLE AGENT:

Seller shall select the title agent to issue the owner's title insurance policy and shall pay the title examination fee and the premium for such policy. Buyer shall pay the customary closing fee to the closing/title agent. Buyer is entitled to legal representation at the closing and may elect to have such representation at Buyer's sole expense. The closing of the transaction contemplated by the Agreement shall be held at a location designated

Buyer's Initials: _____

Seller's Initials: _____

by Seller. It is Seller's intent to deliver an owner's title insurance policy in lieu of an abstract in the customary abstract states. Buyer hereby accepts such owner's title insurance in lieu of an abstract, if applicable.

(O) INSURANCE POLICIES:

Seller's insurance policies covering the Property are not transferable and will not be prorated on the Closing Date.

(P) TITLE DEFECTS:

In the event that a title defect is discovered by Buyer prior to the Closing Date, Buyer shall deliver written notice of such defect to Seller and Seller shall be entitled to a thirty (30) day extension of the Closing Date to resolve any such title defects or other title issues. This additional thirty (30) day period shall be referred to as the **"Extended Closing Period"**. If, within the Extended Closing Period, Seller determines that it is unable or unwilling, in Seller's sole discretion, to resolve such matters, Buyer shall elect to either: (i) take title to the Property in its then state without any reduction in the Sale Price, thereby waiving any and all title objections and any other claims against Seller, or (ii) terminate the Agreement and receive a refund of the Deposit. Buyer acknowledges and agrees that Buyer's remedy in clause (ii) above shall be Buyer's sole and exclusive remedy against Seller for Seller's election not to remove a title defect and/or inability to deliver clear and insurable title to Buyer at the closing.

(Q) LEAD-BASED PAINT INSPECTION:

()/() LEAD-BASED PAINT CONTINGENCY:

Buyer's obligation to close this transaction is contingent upon Buyer conducting a risk assessment or inspection of the Property for the presence of lead-based paint and/or lead-based paint hazards, at Buyer's sole cost and expense, on or before 5:00 p.m. (EST) on the date ten (10) days from the date of the Agreement (the **"LBP Test Period"**). Intact lead-based paint that is in good condition is not necessarily a hazard (please see the EPA pamphlet "Protect Your Family From Lead in Your Home" for more information). This contingency will terminate at the expiration of the LBP Test Period unless Buyer delivers to Seller written notice listing the specific existing deficiencies and corrections needed, together with a copy of the inspection and/or risk assessment report, prior to the expiration of the LBP Test Period. Seller may, at its sole discretion, within ten (10) days after delivery of such notice, elect in writing to correct the condition(s) prior to the Closing Date. If Seller elects to correct the condition(s), Seller shall, upon completion of the correction(s), furnish to Buyer certification from a risk assessor or inspector demonstrating that the condition has been remedied. If Seller does not elect to make the repairs or if Seller counter-offers such notice, Buyer shall have five (5) days to respond to any such counter-offer or elect to waive this contingency and close the purchase of the Property in its "as is" condition without any reduction in the Sale Price, or the Agreement shall become void and the Deposit shall be refunded to Buyer. Buyer may waive this contingency at any time without cause at Buyer's sole election.

()/() WAIVER OF LEAD-BASED PAINT INSPECTION PERIOD; SELLER'S REPRESENTATIONS:

Buyer acknowledges that it has had the opportunity to undertake studies, inspections or investigations of the Property as Buyer deemed necessary to evaluate the presence of lead-based paint and/or lead-based paint hazards on the Property. To the extent that Buyer has waived or otherwise declined the opportunity to undertake such inspections and investigations as a condition to the completion of the transaction under the terms of the Agreement, Buyer has knowingly and voluntarily done so. Buyer understands and acknowledges that the Property may have been built prior to 1978 and lead-based paint and/or lead-based paint hazards may be present on the Property. In accordance with the Section 1018 of Title X, the Residential Lead-Based Paint Hazard Reduction Act of 1992, attached to this Addendum as Exhibit "H" and made a part hereof, Seller attaches the Disclosure of Information on Lead Based Paint and/or Lead-Based Paint Hazards Lead Warning Statement. Seller shall have no responsibility or liability with respect to any such occurrence of lead-based paint. It is understood by the parties that Seller does not make any representation or warranty, express or implied, as to the accuracy or completeness of any information contained in Seller's files or in the documents produced by Seller or its agents, including, without limitation, any environmental audit or report. Buyer acknowledges that Seller and Seller's affiliates shall have no responsibility for the contents and accuracy of such disclosures, and Buyer agrees that the obligations of Seller in connection with the purchase of the Property shall be governed by the Agreement irrespective of the contents of any such disclosures or the timing or delivery thereof.

Buyer's Initials: _____

Seller's Initials: _____

(R) CLOSING DATE / TIME OF THE ESSENCE:

The parties agree that time is of the essence with respect to all dates specified in the Agreement. Accordingly, all deadlines are intended to be strict and absolute. In the event Buyer fails to close the transaction on the Closing Date through no fault of Seller, Seller may, in its discretion, elect to extend the Closing Date for up to ten (10) days. In the event Seller agrees to extend the Closing Date, Buyer shall pay, in addition to the Sale Price, (i) a \$300.00 fee for any such the extension, and (ii) a per diem penalty of \$100.00 (\$150.00 per diem if this is a cash offer) for each day that the Closing Date is extended up to a maximum of ten (10) days.

Buyer assumes all liability in providing all necessary information to Buyer's Lender. Furthermore, Buyer shall instruct Buyer's Lender and Buyer's attorney to work in conjunction with the brokers to ensure a timely closing. The broker, and co-broker (if applicable), shall assume all responsibility for follow-up with Buyer, any lender or mortgage representative involved in financing this transaction, and either party's attorney and/or title company to ensure that there is no delay in closing. Buyer will not be given possession and may not occupy the Property prior to the closing and disbursement of sale proceeds.

(S) NO ALTERATIONS PERMITTED WITHOUT PRIOR CONSENT:

Buyer shall be in default under the Agreement in the event Buyer occupies or alters the Property or permits the Property to be altered without the prior written consent of Seller. Upon any such default, Seller shall have the right to retain the Deposit pursuant to Paragraph K of this Addendum and Buyer shall be required to return the Property to its original condition, at its sole expense, if Seller shall request such action in writing. Further, upon any such default, Buyer waives any and all claims for damages or compensations for improvements made by the Buyer to the Property including, but not limited to, any claims for unjust enrichment.

(T) TERMINATION OF THE AGREEMENT:

In the event the Agreement is terminated pursuant to any provision of the Agreement which requires the Deposit to be refunded to Buyer, or in the event Seller defaults or is otherwise unable to or elects not to perform the Agreement, Seller's sole liability to Buyer, and Buyer's sole and exclusive remedy, will be to return the Deposit to Buyer, at which time the Agreement shall terminate and neither Seller nor Buyer shall have any further obligations, liabilities or responsibilities to one another under the Agreement, except for those provisions which the Agreement expressly provides will survive the expiration of termination of the Agreement. The Buyer waives any claims that the Property is unique and the Buyer acknowledges and agrees that return of its earnest money deposit adequately and fairly compensates the Buyer.

(U) SEVERABILITY:

If any provision of this Addendum shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of the Agreement.

(V) RELEASE:

In consideration of the sale of the Property to Buyer and Seller's agreement to pay the title examination fee and the premium for the title insurance policy, receipt of which is hereby acknowledged, upon the effective date of the Agreement, Buyer hereby releases and agrees to, hold harmless and forever discharge Seller, as owner of the Property, and its affiliates, officers, servicers, contractors, employees, agents, brokers successors and assigns, from any and all claims, liabilities, or causes of action of any kind that Buyer may now have or may have at any time in the future arising out of the Agreement. Neither the Seller nor its affiliates, officers, servicers, contractors, employees, agents, brokers, successors and assigns shall be liable to the Buyer for any damages of any kind (other than a return of the Deposit when expressly required by the Agreement) as a result of the Seller's default under the Agreement or Seller's failure to sell and convey the Property. Buyer further expressly waives, to the fullest extent permitted by law: (a) the remedy of specific performance on account of Seller's default under the Agreement or Seller's failure to sell and convey the Property for any reason, (b) any right otherwise to record or file the Agreement or a memorandum thereof, a lis pendens or a notice of pendency of action or similar notice against all or any portion of the Property, (c) any right to invoke any other equitable remedy that may be available that, if invoked, would prevent Seller from conveying the Property to a third party buyer; (d) any and all claims arising from any agreed to adjustments or

prorations or errors in calculating the adjustments or prorations that are or may be discovered after closing; (e) any trial by jury in any litigation arising from or connected with or related to the Agreement; (f) any claims or losses Buyer may incur as a result of construction on, repair to, or treatment of the Property, or other defects, known or unknown, apparent or latent, which may now or hereafter exist with respect to the Property; (g) any right to avoid this sale or reduce the price or hold Seller and its affiliates, officers, servicers, contractors, employees, agents, brokers, successors and assigns responsible for damages on account of the marketability, habitability, serviceability, profitability, insurability or condition of the Property, lack of suitability or fitness of the property for a particular purpose, or defects, apparent or latent, in the Property; (h) any claim arising from encroachments, easements, shortages in area or any other matter which would be disclosed or revealed by a survey or inspection of the Property or search of public records; and (i) any right to recover special, consequential, or punitive damages whatsoever, whether in contract, tort (including negligence and strict liability), or any other legal or equitable principle, including, but not limited to, any cost or expense incurred by the Buyer in selling or surrendering a lease on a prior residence, obtaining other living accommodations, moving, storage or relocation expenses, or any other such expense or cost arising from, or related to, the Agreement or a breach of the Agreement.

In the event Buyer breaches or disregards, or attempts to disavow, any of the waivers or releases described or contemplated under this Paragraph V, in addition to all other damages or remedies to which Seller and its affiliates, officers, servicers, contractors, employees, agents, brokers successors and assigns may be lawfully entitled, Buyer shall pay all reasonable attorneys fees and costs incurred by the Seller in (i) seeking reaffirmation or enforcement of any such waiver or release, or (ii) defending any action initiated by the Buyer for the purpose of or relating to any such breach, disregard or disavowal.

(W) OCCUPANCY STATUS OF PROPERTY:

The Buyer acknowledges that neither the Seller, nor its representatives, agents or assigns, has made any warranties or representations, express or implied, relating to the existence of any tenants or occupants at the Property. The Seller, its 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.

The Buyer further acknowledges and agrees that (i) the Seller is not holding any security deposits from former or current tenants and has no information as to such security deposits as may have been paid by the former or current tenants to anyone, (ii) no sums representing such tenant security deposits shall be transferred by the Seller to the Buyer as part of this transaction, and (iii) the Buyer hereby assumes all responsibility and liability for the refund of such security deposits to the tenants pursuant to the provisions of applicable laws and regulations.

The Buyer acknowledges that this Property may be subject to the provisions of local rent control ordinances and regulations. The Buyer agrees that upon the closing all eviction proceedings and other duties and responsibilities of a property owner and landlord, including, but not limited to, those proceedings required for compliance with such local rent control ordinances and regulations, will be the Buyer's sole responsibility.

If this property is located in Alabama, Buyer understands that the Property may be subject to redemption by the prior owner upon payment of certain sums and Buyer may be dispossessed of the Property. Buyer is advised to consult with an attorney to fully understand the import and impact of the foregoing. Buyer agrees he shall have no recourse against Seller in the event the right of redemption is exercised.

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 ("Certificate of Occupancy") or any form of improvement or repair to the Property to obtain such Certificate of Occupancy necessary for the Property to be occupied, the Buyer understands that the Seller requires the Certificate of Occupancy to be obtained by the Buyer at the Buyer's sole cost and expense. The Buyer shall not have the right to delay the closing due to the Buyer's failure or inability to obtain any required Certificate of Occupancy. Failure of the Buyer to obtain and furnish the Certificate of Occupancy by the Closing Date shall be a material default of this Agreement by Buyer entitling Seller to retain the Deposit as liquidated damages under Paragraph K. Further, Buyer will not occupy, or cause or permit others to occupy, the Property after closing unless and until any necessary Certificate of Occupancy has been obtained from the appropriate governmental entity.

Buyer's Initials: _____

Seller's Initials: _____

(X) PERSONAL PROPERTY:

Items of personal property, including but not limited to, window coverings, appliances, manufactured homes, mobile homes, vehicles, spas, antennas, satellite dishes and garage door openers, now or hereafter located on the Property, are not included in this sale or the purchase price. Any personal property at or on the Property may be removed from the Property prior to or after the Closing Date. The 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. The Buyer assumes responsibility for any personal property remaining on the Property at the time of closing.

(Y) MODIFICATION/WAIVER:

No provision, term or clause of the Agreement shall be revised, modified, amended or waived, except by an instrument in writing signed by the Buyer and the Seller. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for, any different or subsequent breach.

(Z) COUNTERPARTS:

The Agreement 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. Copies of documents or signature pages bearing original signatures shall constitute and be treated as, an original signed document or counterpart, as applicable.

(aa) ATTORNEY REVIEW:

Buyer acknowledges that Buyer has had the opportunity to consult with its legal counsel regarding the Agreement and that accordingly the terms of the 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 the Agreement.

(bb) NOTICES:

All notices from one party to the other must be in writing and are effective (i) when hand-delivered at, or transmitted by facsimile or electronic transmission properly addressed to the party and/or the party's broker, agent or attorney as indicated in the signature blocks below; or (ii) if mailed, when received or the next day if mailed via overnight delivery or three days after mailing via certified mail, return receipt requested properly addressed to the party and/or the party's broker, agent or attorney as indicated in the signature blocks below.

(cc) INDEMNITY:

Buyer shall protect, defend, indemnify and hold the Seller Indemnities harmless from and against any and all losses, costs, expenses (including attorneys' fees and actually incurred court costs), claims and damages to the extent arising out of or related (directly or indirectly) to: (a) the imposition of any fine or penalty imposed by any governmental entity resulting from the Buyer's failure to timely obtain any Certificate of Occupancy or to comply with equivalent laws and regulations; (b) claims for amounts due and owed by the Seller for real property taxes, homeowner's association dues or assessment, or any other items prorated at closing, if any, under the Agreement, including any penalty or interest and other charges, arising from the proration of such amounts for which the Buyer received a credit at closing under the Agreement; (c) the Buyer or the Buyer's tenants, agents or representatives use and/or occupancy of the Property prior to closing and/or issuance of required Certificates of Occupancy; or (d) the breach by Buyer of any of the terms and conditions of the Agreement.

(dd) ENTIRE AGREEMENT:

The Agreement, including all other disclosure forms or notices required by law, constitutes the entire agreement between the Buyer and the Seller concerning the subject matter hereof and supersedes all previous communications, understandings, representations, warranties, covenants or agreements, either written or oral and there are no oral or other written agreements between the Buyer and the Seller. No oral promises, representations, warranties or agreements, expressed or implied, made by the Seller and/or brokers or any person acting on behalf of the Seller shall be deemed valid or binding upon the Seller, unless expressly

Buyer's Initials: _____

Seller's Initials: _____

included in the Agreement. All negotiations are merged into the Agreement.

IN WITNESS WHEREOF, the Buyer and the Seller have entered into this Addendum as of the date first set forth above. The undersigned represents and warrants that he/she is authorized to enter into the Agreement and bind the party for whom he/she signs to perform all duties and obligations stated in the Agreement.

Seller: AMERICAN HOME MORTGAGE SERVICING, INC. **Date :** _____
AHMSI

Buyer: _____	Name Printed: <u>Randy Lucas</u>	Date: _____
Buyer: _____	Name Printed: _____	Date: _____
Listing Broker: _____	Name Printed: <u>Sherry Shelby</u>	Date: _____
Selling Broker: _____	Name Printed: _____	Date: _____

Notice to Seller:

Fax: _____

Email: _____

Seller's Broker/Agent/Attorney:

Fax: _____

Email: _____

Notice to Buyer:

Fax: _____

Email: _____

Buyer's Broker/Agent/Attorney:

Fax: _____

Email: _____

FINANCIAL TERMS ACKNOWLEDGEMENT

Final Contract Date:	02/01/2010
AHMSI REO No.:	5000227164
Buyer Name:	Randy Lucas
Property Address:	309, MAIN ST, BENSON, NC 27504
Planned Close of Escrow Date:	02/28/2010
Sales Price:	\$110,000.00
Financing Type:	Conventional - 20 days
Earnest Deposit:	\$3,300.00
Down Payment:	\$3,300.00
Loan Amount (net):	\$106,700.00
PerDiem:	\$110.00
<i>To be paid by Buyer to closer in advance of any written extensions by Seller</i>	
Current Property Taxes	
a) Periodicity of Taxes:	Annual

Requested Closing Costs Paid by Seller on Behalf of Buyer

(Limited to loan guidelines)

Origination Fee:	\$0.00
Escrow:	\$0.00
Title Fee:	\$0.00
FHA/VA Allowable Costs:	\$0.00
Non FHA / VA Buyer Closing Costs / Prepaids:	\$0.00
FHA/VA Non Allowable Costs:	\$0.00
Current Property Taxes:	Annual
Property Transfer Taxes:	\$0.00
Home Protection Policy:	\$0.00

TOTAL: \$0.00

Requested Repairs

By Buyer/Lender:	\$0.00
Fumigation/Chemical only:	\$0.00
Termite Repairs:	\$0.00
Pest Report Fee:	\$0.00

TOTAL: \$0.00

BUYER(Initials)_____

SELLER(Initials)_____

Buyer's Initials: _____

Seller's Initials: _____

CLOSER

Company Name: The Caudle Law Firm, P.A
Phone: 704-342-2330

Contact person: Michael W.Smith
Fax: 704-343-2694

TITLE COMPANY

Company Name: FATCO
Phone: 8666831837

Contact person: Power REOTeam
Fax: 7148007830

BROKER INFORMATION

Listing Agent: Sherry Shelby
Company: Cardinal Point Real Estate

Phone: 919-273-1300
Fax: 919-735-7086

Selling Agent: Janet Parker
Company:

Phone: 9193691870
Fax:

Total Commissions: 6.0 % or \$6,600.00
Agent Bonus: \$0.00

BUYER(Initials)_____
SELLER(Initials)_____

Buyer's Initials: _____

Seller's Initials: _____

**AFFILIATED BUSINESS
ARRANGEMENT DISCLOSURE
NOTICE**

To: Randy Lucas

Property: 309 MAIN ST

Loan Officer: _____ Date: _____

Thank you for selecting AHMSI I LLC to assist in the purchase or sale of your home or other property. We look forward to serving you.

This is to give you with notice that AHMSI I LLC has a business relationship with Prospect Mortgage, LLC, as a member of Prospect Mortgage, LLC, with a "50% interest" in the Operating Division known as "Prospect Mortgage, LLC." Because of this relationship, this referral may provide AHMSI I LLC a financial or other benefit. Set forth below is the estimated charge or range of charges for the settlement services listed. You are NOT required to use the listed provider as a condition for settlement of your loan on the subject property.

THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

<u>SETTLEMENT SERVICE</u>	<u>RANGE OF CHARGES*</u>
Loan Origination	0-2.5 Points
Loan Document Preparation	\$0 - \$475
Underwriting	\$0 - \$495
Processing	\$0 - \$615
Funding	\$0 - \$150
Administration Fee	\$0 - \$185
Tax Service Fee	\$0 - \$65

Acknowledgment I understand that the provider of the above settlement services is Prospect Mortgage, LLC. I further understand that AHMSI I LLC may receive a financial or other benefit if I opt to obtain financing for the subject property through Prospect Mortgage, LLC.

Signature: _____ Date: _____

Printed Name: Randy Lucas

*The range of charges are for permanent First Trust Deed/First Mortgage loans for qualified borrowers. Second Trust Deed/Mortgage, sub-prime, construction loans, and other non-traditional loans may exceed the above range and written disclosures of estimated fees will be provided. Equal Housing Lender.0307-06



Buyer's Initials: _____

Seller's Initials: _____