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City of Las Cruces[®]
 PEOPLE HELPING PEOPLE

Council Action and Executive Summary

Item # 8 Ordinance/Resolution# 10-193 Council District: 5

For Meeting of February 2, 2010

(Adoption Date)

TITLE: A RESOLUTION AUTHORIZING AND APPROVING THE TRANSFER TO TIERRA DEL SOL HOUSING CORPORATION THE FORECLOSED PROPERTY AT 4757 DIAMANTE PURCHASED UNDER RESOLUTION 10-009 BY THE CITY'S NEIGHBORHOOD STABILIZATION PROGRAM (NSP).

PURPOSE(S) OF ACTION: To transfer a City-Owner NSP Property to Tierra del Sol.

Name of Drafter: Jerry Machison		Department: Community Development		Phone: 528-3208	
Department	Signature	Phone	Department	Signature	Phone
Community Development	<i>D. Walker for D. Weir</i>	528-3067	Budget	<i>Richard Hubbard</i>	541-2300
			Assistant City Manager	<i>Art Sanyal</i>	541-2271
Legal	<i>R. M. Lemley</i>	541-2128	City Manager	<i>[Signature]</i>	541-2076

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS: In July 2008, President Bush signed the Housing and Economic Recovery Act of 2008 (HERA). HERA was created to provide neighborhood stabilization to communities throughout the United States due to rising foreclosures and abandoned residential properties due to tough economic times. HERA appropriated \$3.92 billion in funding as part of a special allocation of Community Development Block Grant (CDBG) funds for distribution to States and Local governments. The State of New Mexico received a total allocation of \$19.6 million. Las Cruces, received \$1.5 million from the State of New Mexico Department of Finance and Administration, Local Government Division.

In summary, the City's NSP Plan primarily focuses, through partner agencies in two areas. To (1) acquire, rehab, and resale abandoned or foreclosed properties or build new housing on acquired, vacant parcels for homeownership to serve persons between 50% and 120% of Area Median Income (AMI); and (2) acquire, rehab, and donate to qualified non-profit agencies as rental housing for persons below 50% of AMI, primarily for those with special needs. All properties must be foreclosed and available or vacant, abandoned, blighted and unused, with owners willing to sell.

The property at 4757 Diamante represents the first of several foreclosed properties with a completed transaction and it is owned by the City. Resolution 10-009, approved by the City Council on July 6, 2009, delegated authority to the City Manager to purchase only those eligible, foreclosed properties. With approval of this Resolution, the City Council will direct staff to transfer this property to Tierra del Sol consistent with its grant approved by Council Resolution 10-097. Tierra del Sol will then rehabilitate the property consistent with City and NSP procedures and resell the property as affordable housing using normal lending

(Continued on Page 2)

procedures. Sales proceeds will be returned to the City for recycling to purchase additional NSP properties.

SUPPORT INFORMATION:

Fund Name / Account Number	Amount of Expenditure	Budget Amount
HUD Special Projects – Fund 2010/ 20184230-722190-12005	N/A	N/A

1. Resolution
2. Exhibit "A" – Transfer Documents for 4757 Diamante

OPTIONS / ALTERNATIVES:

1. Vote YES and approve the Resolution approving the transfer of this property under the City's Neighborhood Stabilization Program. This will allow city staff to transfer the property to Tierra del Sol for future affordable homeownership opportunities.
2. Vote NO and disapprove the Resolution, thus not approving the transfer of the property to Tierra del Sol. This means that staff will need guidance from the City Council on how to proceed. Staff may or may not be able to complete the City's obligations under the NSP grant from the State of New Mexico.
3. Modify the Resolution and vote YES to approve the modified Resolution. This action will be based on the Council's discretion. The Council will need to provide guidance to staff, consistent with #2 above.
4. Table or Postpone action on the requested Resolution. Direction would be required of the Council to staff. Tabling or postponing the transfer initially will delay rehabilitation and other processes. The Council will need to provide guidance to staff, consistent with #2 above.

RESOLUTION NO. 10-193**A RESOLUTION AUTHORIZING AND APPROVING THE TRANSFER TO TIERRA DEL SOL HOUSING CORPORATION THE FORECLOSED PROPERTY AT 4757 DIAMANTE PURCHASED UNDER RESOLUTION 10-009 BY THE CITY'S NEIGHBORHOOD STABILIZATION PROGRAM (NSP).**

The City Council is hereby informed that:

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) is charged with implementing the Housing and Economic Recovery Act of 2008 (HERA); and

WHEREAS, HERA funds are a special allocation of Community Development Block Grant (CDBG) funds, and HERA creates a national program henceforth called the Neighborhood Stabilization Program; and

WHEREAS, due to the urgency expressed under HERA, the entire allocation of HERA funding were awarded to the State of New Mexico Department of Finance and Administration, Local Government Division, and the City of Las Cruces submitted a plan for use of the Neighborhood Stabilization Program within the corporate limits of the City; and

WHEREAS, the City of Las Cruces has received an allocation of \$1,500,000 for its Neighborhood Stabilization Program from the State of New Mexico; and

WHEREAS, part of the City's Neighborhood Stabilization Program calls for the purchase of foreclosed, abandoned, and/or vacant residential property for the development of affordable owner-occupied housing through Tierra del Sol Housing Corporation (TdS), a local non-profit housing developer.

NOW, THEREFORE, Be it resolved by the governing body of the City of Las Cruces:

(I)

THAT the City of Las Cruces' staff are hereby authorized to transfer the property at 4757 Diamante from the City as shown in Exhibit "A," attached hereto and made part of this Resolution, to the ownership of TdS, and such transfer is hereby approved.

(II)

THAT the City Manager of the City of Las Cruces is hereby authorized to sign all necessary closing documents for the properties as identified in Paragraph (I) above, on the City's behalf.

(III)

THAT the property is to be rehabilitated as appropriate to the NSP standards under TdS direction and upon completion, it will be resold to eligible homeowners as affordable housing consistent with TdS's grant approved by the Council under Resolution 10-097 and the City's approved NSP Plan.

(IV)

THAT City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

DONE and APPROVED this _____ day of _____, 2010.

APPROVED:

(SEAL)

Mayor

ATTEST:

VOTE:

City Clerk

Mayor Miyagishima: _____

Councillor Silva: _____

Moved by: _____

Councillor Connor: _____

Seconded by: _____

Councillor Pedroza: _____

Councillor Small: _____

Councillor Sorg: _____

Councillor Thomas: _____

APPROVED AS TO FORM:

Denise A. O'Neil Kennedy

City Attorney

D090K04

CONTRACT COVER FORM

Date: 01/04/2010 Sales Representative Tim Lightfoot
 REO # D090K04 Loan # 1705543114 Closing Date 02/08/2010
 Owner Occupant or Investor Purchase Price \$ 125000
 All Cash to Seller yes or Fannie Mae financing _____

Property Address:
 Street: 4757 Diamante Court
 City/State/Zip: Las Cruces, NM 88012
 County: Dona Ana
 Complete Name(s) in which title is to be taken: City of Las Cruces

LISTING BROKER INFORMATION

Listing Agent Name: Grady Oxford Company: Steinborn GMAC Real Estate
 Company Address: Street: 141 Roadrunner Pkwy, Suite 141
 City/State/Zip: Las Cruces, NM 88011
 Phone No. (no 800 numbers): (575) 5223698 Fax No. (575) 5224987

SELLING BROKER INFORMATION

Selling Agent Name: John Lance Swarengin Company: International Realty Plus NM
 Company Address: Street: 1705 N. Valley Dr., Suite 1
 City/State/Zip: Las Cruces, NM 88007
 Phone No. (no 800 numbers): (575) 5220487 Fax No. (575) 5244252

BUYER'S ATTORNEY (if applicable)

Name: _____ Company: _____
 Company Address: Street: _____
 City/State/Zip: _____
 Phone No. (no 800 numbers): (_____) _____ Fax No. (_____) _____

FINANCING LENDER INFORMATION

Contact Name: N/A Company: _____
 Company Address: Street: _____
 City/State/Zip: _____
 Phone No. (no 800 numbers): (_____) _____ Fax No. (_____) _____

CLOSING AGENT INFORMATION

Contact Name: Crystal LeMaster Company: Fidelity National Title
 Company Address: Street: 8500 Menaul NE Ste B150
 City/State/Zip: Albuquerque, NM 87112
 Phone No. (no 800 numbers): (505) 3326211 Fax No. (505) 5595087

1093 / Work Authorizations Still Needed: YES NONE NEEDED

\$\$ Amount	Purpose	Contractor
_____	_____	_____
_____	_____	_____
_____	_____	_____

Include a complete ordering packet for each job needed, & place on top of this contract packet before sending.

SUPPLEMENT TO THE REAL ESTATE PURCHASE ADDENDUM

REQ. D090K04

Address 4757 Diamante Court

"The Purchaser represents that the Purchaser is eligible for Neighborhood Stabilization Program (NSP) funds through _____

[insert name of NSP funding entity or designated partner] (the "Agency").

The purchase price for a property acquired with Agency NSP funds must be not more than _____ % (the "Agency NSP Discount Percentage") less than the appraised value of the Property (the "NSP Appraised Value"), as determined by a URA appraisal or other evidence of value acceptable to the Agency and obtained by the Purchaser at no expense to the Seller (the "NSP Appraisal"). The NSP Appraised Value less an amount equal to the Agency NSP Discount Percentage is the "Agency Maximum Purchase Price". Accordingly, the following additional provisions apply to this Contract:

- (a) Promptly following the Purchaser's execution of this Agreement, the Purchaser shall provide to Seller or Seller's agent evidence of (i) the Purchaser's eligibility to receive NSP funds through the Agency and (ii) the NSP Appraised Value, each in such form as the Seller shall reasonably require, and shall provide a copy of the NSP Appraisal to the Seller or to the Seller's agent upon request.
- (b) If the Purchase Price stated in the Contract is less than the Agency Maximum Purchase Price, the Purchase Price stated in the Contract shall be the Purchase Price for the Property. If the Purchase Price stated in the Contract is more than the Agency Maximum Purchase Price, the Purchaser shall have until the earlier of (i) 5 days after the Purchaser's receipt of the NSP Appraisal or (ii) 15 days after the date of this Agreement (the "Purchase Price Negotiation Deadline") in which to negotiate a modified purchase price that conforms to Agency NSP requirements.
- (c) If (i) the Purchaser does not obtain a NSP Appraisal prior to the Purchase Price Negotiation Deadline or (ii) the Purchase Price stated in the Agreement is more than the Agency Maximum Purchase Price and the Purchaser and the Seller are unable to agree upon a modified purchase price prior to the Purchase Price Negotiation Deadline, either the Purchaser or the Seller shall have the right to terminate the Contract as provided in Section 18 of this Addendum, in which event the Seller shall return the Purchaser's earnest money deposit and the parties shall have no further obligation under this Agreement except as to any provision that survives termination pursuant to Section 24 of this Addendum.
- (d) The Seller's obligations under this Agreement are contingent upon the Seller's and the Purchaser's voluntary approval of the Purchase Price as negotiated pursuant to this Addendum. If the Purchase Price negotiated on the basis of the NSP Appraised Value (the "Appraisal Price") differs from the Purchase Price offered by the Purchaser in the original Contract, and the Seller and the Purchaser approve the Appraisal Price, the Seller and the Purchaser shall sign an amendment to this Contract stating that the Appraisal Price is the Purchase Price (the "Purchase Price Amendment"), and the Purchase Price shall be as

PURCHASER (Initials) _____

SELLER (Initials) _____

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stated in the Purchase Price Amendment. If the Seller does not approve the Appraisal Price, or if either the Seller or the Purchaser does not sign the Purchase Price Amendment, the Seller shall have the right to terminate this Contract as provided in Section 18 of this Addendum, in which event the Seller shall return the Purchaser's earnest money deposit and the parties shall have no further obligation under this Agreement except as to any provision that survives termination pursuant to Section 24 of this Addendum. If the Appraisal Price is the same as or greater than the Purchase Price offered by the Purchaser in the original Contract, no Purchase Price Amendment will be required and the parties will proceed to closing on the original Contract terms using the Purchase Price as stated in the Purchaser's original offer.

- (e) The Seller acknowledges that Federal financial assistance will be used in the transaction and that if agreement cannot be reached through negotiation, as evidenced by both parties' execution and delivery of the Purchase Price Amendment, the acquisition will not take place. The Seller is familiar with NSP, understands its appraisal and pricing requirements, and agrees voluntarily to any purchase price discount negotiated pursuant to clause (b) of this Section 38. The Seller further acknowledges that the Purchaser is acquiring the Property voluntarily and is not using any power of eminent domain to acquire the Property.
- (f) At or prior to closing, the Purchaser shall deliver to the Seller a Statement of NSP Eligibility issued by the Agency. The Purchaser is responsible for satisfaction of all Agency requirements to maintain NSP eligibility. The Seller's obligations under this Agreement are contingent upon the Purchaser's NSP eligibility, provided, however, that if the Purchaser does not receive NSP funds at closing, the Purchaser will have the right to close using non-NSP funds. If the Purchaser does not receive NSP funds and does not elect to close using other funds, the Seller shall have the right to terminate this Agreement as provided in Section 18 of this Addendum, in which event the Seller shall return the Purchaser's earnest money deposit and the parties shall have no further obligation under this Agreement except as to any provision that survives termination pursuant to Section 24 of this Addendum.
- (g) If the Seller terminates this Agreement for any reason permitted under the Contract or this Addendum, the Seller shall have no obligation to pay or reimburse the Purchaser for the Purchaser's Closing Costs or for the cost of the NSP Appraisal or for any other costs associated with NSP."

PURCHASER (Initials)

SELLER (Initials)

NSP PE 8-4-2009



The image shows two sets of handwritten initials. The first set, above the 'PURCHASER (Initials)' label, consists of a stylized 'Q' and 'W'. The second set, above the 'SELLER (Initials)' label, consists of a stylized 'J' and 'S'.

REO # D090K04

REAL ESTATE PURCHASE ADDENDUM

This Addendum is to be made part of, and incorporated into, the Real Estate Purchase Contract dated 12/21/2009, (the "Contract"), between Fannie Mae ("Seller") and City of Las Cruces ("Purchaser") for the property and improvements located at the following address: 4737 DIAMANTE COURT, LAS CRUCES, NM 88012 ("Property").

The Seller and the Purchaser agree as follows:

1. **Verbal Acknowledgement:** The essential terms of the purchase and sale of the Property have been verbally accepted by the Seller on or before 12/23/2009 (the "Verbal Acknowledgement Date") with a sales price of \$125,000.00. Notwithstanding such verbal acknowledgement, the Purchaser acknowledges and agrees that the Contract and this Addendum, (together shall be referred to as the "Agreement") are subject to approval by the Seller's Management and must be signed by all parties in order to be binding. If applicable, upon execution, escrow will be opened by both parties immediately following the Seller's acceptance of this Agreement with a mutually acceptable escrow agent. The Purchaser's earnest money deposit of \$0.00 is to be placed in a trust account acceptable to the Seller within 24 hours of the Seller's acceptance. This Agreement signed by the Purchaser and reflecting the terms verbally accepted by the Seller must be received by the Seller within five (5) calendar days of the Verbal Acknowledgement Date. If the Seller does not receive the signed Agreement by such date, this Agreement shall be null and void. In addition, this Agreement shall be null and void if the signed Agreement is not received by the Seller before the Seller accepts a compelling offer, or gives verbal notice of revocation either to the Purchaser, the Purchaser's agent or attorney, or the listing agent. As used in this paragraph, the term "received by the Seller" means actual receipt by the Seller of the Purchaser's written acceptance of these documents by the Seller's listing agent.

The Purchaser shall present proof, satisfactory to the Seller, of the Purchaser's prequalification for a mortgage loan in an amount and under terms sufficient for the Purchaser to perform its obligations under this Agreement. The prequalification shall include but is not limited to, a certification of prequalification or a mortgage loan commitment from a mortgage lender, a satisfactory credit report and/or proof of funds sufficient to meet the Purchaser's obligations under this Agreement. The Purchaser's submission of proof of prequalification is a condition precedent to the Seller's acceptance. The Seller may require the Purchaser to obtain, at no cost to the Purchaser, loan prequalification from a Seller approved third party lender. Notwithstanding any Seller required prequalification, the Purchaser acknowledges that Purchaser is free to obtain financing from any source.

2. **Time of the Events: Closing Date:**

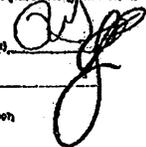
- (a) It is agreed that time is of the essence with respect to all dates specified in this Agreement and any addenda, riders or amendments thereto. This means that all deadlines are intended to be strict and absolute.
- (b) The closing shall take place on or before 2/8/2010, or within five (5) days of final loan approval by the lender, whichever is earlier, unless the closing date is extended in writing signed by the Seller and the Purchaser or extended by the Seller under the terms of this Agreement. The closing shall be held in the offices of the Seller's attorney or agent, or at a place so designated and approved by the Seller, unless otherwise required by applicable law. If the closing does not occur by the date specified in this Section 2 of the Addendum or in any extension, this Agreement is automatically terminated and the Seller shall retain any earnest money deposit as liquidated damages.
- (c) In the event the Seller agrees to the Purchaser's request for a written extension of this Agreement, the Purchaser agrees to pay to the Seller a per diem of \$1.00 through and including the closing date specified in the written extension. If the sale does not close by the date specified in the written extension agreement, the Seller may retain the earnest money deposit and the accrued per diem payment as liquidated damages.

3. **Financing:** This Agreement (check one): is, is not, contingent on financing for the purchase of the Property. If this Agreement is contingent on financing, the type of financing shall be the following (check one):

- Fannie Mae Special REO Financing from a participating lender
- Conventional
- FHA
- VA
- Other (specify):

All Financing. (This paragraph applies to all financing, whether or not it is Fannie Mae Special REO or other financing.) If this Agreement is contingent on financing, the Purchaser shall apply for a loan in the amount of \$_____ with a term of _____ years, at prevailing rates, terms and conditions. The Purchaser shall complete and submit to a mortgage lender, of the Purchaser's choice, an application for a mortgage loan containing the terms set forth in this paragraph within five (5) calendar days of the Verbal Acknowledgement Date, and shall use diligent efforts to obtain a mortgage loan commitment by _____. If, despite the Purchaser's diligent efforts, the Purchaser cannot obtain a mortgage loan commitment by the specified date, then either the Purchaser or the Seller may terminate this Agreement by giving written notice to the other party. The Purchaser's notice must include a copy of the loan application, proof of the application date, and a copy of the denial letter from the prospective lender. In the event of a proper termination of this Agreement under this paragraph, the earnest money deposit shall be returned to the Purchaser and the parties shall have no further obligation to each other under this Agreement. The Purchaser agrees to cooperate and comply with all requests for documents and information from the Purchaser's chosen lender during the loan application process. Failure of the Purchaser to comply with such requests from the lender that results in the denial of the mortgage loan will be a breach of this Agreement and the Seller shall be entitled to retain any earnest money deposited by the Purchaser.

(a) The Purchaser is aware that the price and terms of this transaction were negotiated on the basis of the type of financing selected by the Purchaser. Any change as to the terms or a change in the Purchaser's lender after negotiations have been completed will require renegotiation of all terms of this Agreement.

PURCHASER (initials) 
 SELLER (initials)
 MDC FORM 911 (01/2009)

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(b) The Purchaser shall ensure that the lender selected by the Purchaser to finance the sale shall fund the settlement agent as of the date of settlement. The Purchaser shall further ensure that the selected lender shall provide all lender prepared closing documentation to the settlement agent no later than 48 hours prior to settlement. Any delays in closing and funding as a result of the Purchaser's selected lender shall be the responsibility of the Purchaser.

4. **Use of Property:** The Purchaser (check one): () does, (X) does not, intend to use and occupy the Property as Purchaser's primary residence.

5. **Inspections:**

(a) On or before 10 calendar days from the Verbal Acknowledgement Date, the Purchaser shall inspect the Property or obtain for its own use, benefit and reliance, inspections and/or reports on the condition of the Property, or be deemed to have waived such inspection and any objections to the condition of the Property and to have accepted the Property. The Purchaser shall keep the Property free and clear of liens and indemnify and hold the Seller harmless from all liability claims, demands, damages, and costs related to the Purchaser's inspection and the Purchaser shall repair all damages arising from or caused by the inspections. The Purchaser shall not directly or indirectly cause any inspections to be made by any government building or zoning inspectors or government employees without the prior written consent of the Seller, unless required by law, in which case, the Purchaser shall provide reasonable notice to the Seller prior to any such inspection. If the Seller has winterized this Property and the Purchaser desires to have the Property inspected, listing agent will have the Property dewinterized prior to inspection and rewinterized after inspection. The Purchaser agrees to pay this expense in advance to the listing agent. The amount paid under this provision shall be nonrefundable.

Within five (5) calendar days of receipt of any inspection report prepared by or for the Purchaser, but not later than 10 days from the Verbal Acknowledgement Date, whichever first occurs, the Purchaser will provide written notice to the Seller of any items disapproved. The Purchaser's silence shall be deemed as acceptance of the condition of the Property. The Purchaser shall provide to the Seller, at no cost, upon request by the Seller, complete copies of all inspection reports upon which the Purchaser's disapproval of the condition of the property is based. In no event shall the Seller be obligated to make any repairs or replacements that may be indicated in the Purchaser's inspection reports. The Seller may, at its sole discretion, make such repairs to the Property under the terms described in Section 7 of this Addendum. If the Seller elects not to repair the Property, the Purchaser may cancel this Agreement and receive all earnest money deposited. If the Seller elects to make any such repairs to the Property, the Seller shall notify the Purchaser after completion of the repairs and the Purchaser shall have 5 days from the date of notice, to inspect the repairs and notify the Seller of any items disapproved. The Purchaser's silence shall be deemed as acceptance.

In situations that are applicable, a structural, electrical, mechanical or termite inspection report may have been prepared for the benefit of the Seller. Upon request, the Purchaser will be allowed to review the report to obtain the same information and knowledge the Seller has about the condition of the Property but the Purchaser acknowledges that the inspection reports were prepared for the sole use and benefit of the Seller. The Purchaser will not rely upon any such inspection reports obtained by the Seller in making a decision to purchase the Property.

(b) If the Property is a condominium or planned unit development or co-operative, unless otherwise required by law, the Purchaser, at the Purchaser'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 within (10) days of execution of this Agreement by both parties pursuant to paragraph 1 hereof. The Seller agrees to use reasonable efforts, as determined at the Seller's sole discretion, to assist the Purchaser in obtaining a copy of the covenants, conditions and restrictions and bylaws. The Purchaser will be deemed to have accepted the covenants, conditions and restrictions and by laws if the Purchaser does not notify the Seller in writing, within 15 days of execution of this Agreement, of the Purchaser's objection to the covenants, conditions and restrictions and/or bylaws.

6. **CONDITION OF PROPERTY:** THE PURCHASER UNDERSTANDS THAT THE SELLER ACQUIRED THE PROPERTY BY FORECLOSURE, DEED-IN-LIEU OF FORECLOSURE, FORFEITURE, TAX SALE, RIGHT OF EMINENT DOMAIN OR SIMILAR PROCESS AND CONSEQUENTLY, THE SELLER HAS LITTLE OR NO DIRECT KNOWLEDGE CONCERNING THE CONDITION OF THE PROPERTY. AS A MATERIAL PART OF THE CONSIDERATION TO BE RECEIVED BY THE SELLER UNDER THIS AGREEMENT AS NEGOTIATED AND AGREED TO BY THE PURCHASER AND THE SELLER, THE PURCHASER ACKNOWLEDGES AND AGREES TO ACCEPT THE PROPERTY IN "AS IS" CONDITION AT THE TIME OF CLOSING, INCLUDING, WITHOUT LIMITATION, ANY HIDDEN DEFECTS OR ENVIRONMENTAL CONDITIONS AFFECTING THE PROPERTY, WHETHER KNOWN OR UNKNOWN WHETHER SUCH DEFECTS OR CONDITIONS WERE DISCOVERABLE THROUGH INSPECTION OR NOT. THE PURCHASER ACKNOWLEDGES THAT THE SELLER, ITS AGENTS AND REPRESENTATIVES HAVE NOT MADE AND THE SELLER SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTEES, IMPLIED OR EXPRESS, ORAL OR WRITTEN IN RESPECT TO:

(A) THE PHYSICAL CONDITION OR ANY OTHER ASPECT OF THE PROPERTY INCLUDING THE STRUCTURAL INTEGRITY OR THE QUALITY OR CHARACTER OF MATERIALS USED IN CONSTRUCTION OF ANY IMPROVEMENTS, AVAILABILITY AND QUANTITY OR QUALITY OF WATER, STABILITY OF THE SOIL, SUSCEPTIBILITY TO LANDSLIDE OR FLOODING, SUFFICIENCY OF DRAINAGE, WATER LEAKS, WATER DAMAGE, MOLD OR ANY OTHER MATTER AFFECTING THE STABILITY, INTEGRITY, OR CONDITION OF THE PROPERTY OR IMPROVEMENTS;

(B) THE CONFORMITY OF THE PROPERTY OR THE IMPROVEMENTS TO ANY ZONING, LAND USE OR BUILDING CODE REQUIREMENTS OR COMPLIANCE WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY FEDERAL, STATE OR LOCAL GOVERNMENTAL AUTHORITY, OR THE GRANTING OF ANY REQUIRED PERMITS OR APPROVALS, IF ANY, OF ANY GOVERNMENTAL BODIES WHICH HAD JURISDICTION OVER THE CONSTRUCTION OF THE ORIGINAL STRUCTURE, ANY IMPROVEMENTS AND/OR ANY REMODELING OF THE STRUCTURE; AND

(C) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY OR IMPROVEMENTS INCLUDING REDHIBITORY VICES AND DEFECTS, APPARENT, NON APPARENT OR LATENT, WHICH NOW EXIST OR WHICH MAY HEREAFTER EXIST AND WHICH IF KNOWN TO THE PURCHASER, WOULD CAUSE THE PURCHASER TO REFUSE TO PURCHASE THE PROPERTY.

PURCHASER (Name)

SELLER (Initials)

SPC FORM 691 (01/06/97)

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Mold, mildew, spores and/or other microscopic organisms and/or allergens (collectively referred to in this Agreement 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, officers, directors, contractors, or agents concerning the past or present existence of Mold in or around the property.

In the event the Property is affected by an environmental hazard, as determined by the Seller, either party may terminate this Agreement. In the event the Seller decides to sell the Property to the Purchaser and the Purchaser agrees to purchase the Property, the Purchaser agrees to execute a general release at closing, in a form acceptable to Seller, releasing the Seller from any liability related to the environmental hazard or conditions of the Property. In the event the Purchaser elects not to execute the disclosure and release, at the Seller's discretion, this Agreement is automatically terminated.

In the event the Seller has received official notice that the Property is in violation of building codes or similar laws or regulations, the Seller may terminate this Agreement or delay the date of closing or the Purchaser may terminate this Agreement. In the event this Agreement is terminated by either Purchaser or Seller pursuant to this Section 6 of this Addendum, any earnest money deposit will be returned to the Purchaser. If there is an enforcement proceeding arising from allegations of such violations before an enforcement board, special master, court or similar enforcement body, and neither the Purchaser nor the Seller terminate this Agreement, the Purchaser agrees (a) to accept the Property subject to the violations, (b) to be responsible for compliance with the applicable code and with orders issued in any code enforcement proceeding and (c) to resolve the deficiencies as soon as possible after the closing. The Purchaser agrees to execute any and all documents necessary or required for closing by any agency with jurisdiction over the Property. The Purchaser further agrees to indemnify the Seller from any and all claims or liability arising from the Purchaser's breach of this Section 6 of this Addendum.

The closing of this sale shall constitute acknowledgement by the Purchaser that Purchaser had the opportunity to retain an independent, qualified professional to inspect the Property and that the condition of the Property is acceptable to the Purchaser. The Purchaser agrees that the Seller shall have no liability for any claims or losses the Purchaser or the Purchaser's successors or assigns may incur as a result of construction or other defects which may now or hereafter exist with respect to the Property.

The 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 Purchaser have previously executed a waiver of the disclosure provisions of Alaska statutes.

7. ~~Repairs:~~ All treatments for wood infesting organisms and other repairs will be completed by a vendor approved by the Seller, and will be subject to the Seller's satisfaction only. If the Seller has agreed to pay for treatment of wood infesting organisms, the Seller shall treat only active infestation. Neither the Purchaser, nor its representatives, shall enter upon the Property to make any repairs and/or treatments prior to closing without the prior written consent of the Seller. To the extent that the Purchaser or its representatives makes repairs and/or treatments to the Property prior to closing, the Purchaser hereby agrees to release and indemnify the Seller from and against any and all claims related in any way to the repairs and/or treatments and further agrees to execute a release and indemnification in a form acceptable to the Seller prior to the commencement of any such repairs or treatments. The Purchaser acknowledges that all repairs and treatments are done for the benefit of the Seller and not for the benefit of the Purchaser and that the Purchaser has inspected or has been given the opportunity to inspect repairs and treatments. Any repairs or treatments made or caused to be made by the Seller shall be completed prior to the closing. Under no circumstances shall the Seller be required to make any repairs or treatments after the Closing Date. The Purchaser acknowledges that closing on this transaction shall be deemed the Purchaser's representation that the Purchaser is satisfied with the condition of the Property and with all repairs and treatments to the Property and waives all claims related to such condition and to the quality of the repairs or treatments to the Property. Any repairs or treatments shall be performed for functional purposes only and exact restoration of appearance or cosmetic items following any repairs or treatments shall not be required. The Seller shall not be obligated to obtain or provide to the Purchaser any receipts for repairs, or treatments, written statements indicating dates or types of repairs and/or treatments or copies of such receipts or statements nor any other documentation regarding any repairs and treatments to the Property. **THE SELLER DOES NOT WARRANT OR GUARANTEE ANY WORK, REPAIRS OR TREATMENTS TO THE PROPERTY.**

8. ~~Occupancy shall be provided:~~ The Purchaser acknowledges that neither the Seller, nor its representatives, agents or assigns, has made any warranties or representations, implied or expressed, relating to the existence of any tenants or occupants at the Property unless otherwise noted in Section 38 of this Addendum. The Purchaser acknowledges that closing on this transaction shall be deemed the Purchaser's reaffirmation that neither the Seller, nor its representatives, agents or assigns, has made any warranties or representations, implied or expressed, relating to the existence of any tenants or occupants at the Property unless otherwise noted in Section 38 of this Addendum. 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 unless otherwise noted in Section 38 of this Addendum.

The Purchaser further acknowledges that, to the best of the Purchaser's knowledge, 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 and agrees that no sums representing such tenant security deposits shall be transferred to the Purchaser as part of this transaction. The Purchaser further agrees to assume all responsibility and liability for the refund of such security deposits to the tenants pursuant to the provisions of applicable laws and regulations. All rents, due and payable and collected from tenants for the month in which closing occurs will be prorated according to the provisions of Section 10 of this Addendum.

The Purchaser acknowledges that this Property may be subject to the provisions of local rent control ordinances and regulations. The Purchaser agrees that upon the closing all eviction proceedings and other duties and responsibilities of a property owner and landlord,

PURCHASER (in Hand) _____
SELLER (in Hand) _____
NPOC FORM #01 (01/2002)

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including but not limited to, those proceedings required for compliance with such local rent control ordinances and regulations, will be the Purchaser's sole responsibility.

9. **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 unless the personal property is specifically described and referenced in Section 38 of this Addendum. Any personal property at or on the Property may be subject to claims by third parties and, therefore, 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 Purchaser assumes responsibility for any personal property remaining on the Property at the time of closing.
10. **Closing Costs and Adjustments:**
- (a) The Purchaser and the Seller agree to prorate the following expenses as of closing and funding: municipal water and sewer charges, utility charges, real estate taxes and assessments, common area charges, condominium or planned unit development or similar community assessments, co-operative fees, maintenance fees, and rents, if any. In determining prorations, the funding date shall be allocated to the Purchaser. Payment of special assessment district bonds and assessments, and payment of homeowner's association or special assessments shall be paid current and prorated between the Purchaser and the Seller as of closing date with payments not yet due and owing to be assumed by the Purchaser without credit toward purchase price. The Property taxes shall be prorated based on an estimate or actual taxes from the previous year on the Property. All prorations shall be based upon a 30-day month and all such prorations shall be final. The Seller shall not be responsible for any amounts due, paid or to be paid after closing, including but not limited to, any taxes, penalties or interest assessed or due as a result of retroactive, postponed or additional taxes resulting from any change in use of, or construction on, or improvement to the Property, or an adjustment in the appraised value of the Property. In the event the Seller has paid any taxes, special assessments or other fees and there is a refund of any such taxes, assessments or fees after closing, and the Purchaser as current owner of the Property receives the payment, the Purchaser will immediately submit the refund to the Seller. If the Property is heated by or has storage tanks for fuel oil, liquefied petroleum gases or similar fuels, the Purchaser will buy the fuel in the tank at closing at the current price as calculated by the supplier.
- (b) Regardless of local custom, requirements or practice, the Purchaser shall pay any and all realty transfer taxes due as a result of the conveyance of the Property. The Purchaser shall pay all other costs and fees incurred in the transfer of the Property, including cost of any survey, title policy, escrow or closing fees and lender required fees, except as expressly assumed by the Seller in Section 38 of this Addendum.
- (c) If Fannie Mae is the owner and the Seller hereunder, the Purchaser acknowledges that Fannie Mae is a congressionally chartered corporation and is exempt from realty transfer taxes pursuant to 12 U.S.C. 1723a(e)(2).
- (d) The Seller shall pay the real estate commission per the listing agreement between the Seller and the Seller's listing broker.
11. **Delivery of Funds:** Regardless of local custom, requirements, or practice, upon delivery of the deed by the Seller to the Purchaser, the Purchaser shall deliver all funds due the Seller from the sale in the form of cash, bank check, certified check or wire transfer. An attorney's trust fund check shall not be sufficient to satisfy this provision unless the bank holding the account on which the trust fund check is drawn certifies the trust fund check.
12. **Certificate of Occupancy:** 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 repairs to the Property to obtain such Certificate of Occupancy necessary for the Property to be occupied, the Purchaser understands that the Seller requires the Certificate of Occupancy to be obtained by the Purchaser at the Purchaser's sole cost and expense. The Purchaser shall make application for all Certificates of Occupancy within ten (10) days of the Verbal Acknowledgment Date. The Purchaser shall not have the right to delay the closing due to the Purchaser's failure or inability to obtain any required Certificate of Occupancy. Failure of the Purchaser to obtain and furnish the Certificate of Occupancy shall be a material breach of the Agreement. Neither the Purchaser, nor its representatives, shall enter upon the Property to make any repairs and/or treatments prior to closing without the prior written consent of the Seller. To the extent that the Purchaser or its representatives makes repairs and/or treatments to the Property prior to closing, the Purchaser hereby agrees to release and indemnify the Seller from and against any and all claims related in any way to the repairs and/or treatments and further agrees to execute a release and indemnification in a form acceptable to the Seller prior to the commencement of any such repairs or treatments.
13. **Delivery of Possession of Property:** The Seller shall deliver possession of the Property to the Purchaser at closing and funding of sale. The delivery of possession shall be subject to the rights of any tenants or parties in possession per Section 8 of this Addendum. If the Purchaser alters the Property or causes the Property to be altered in any way and/or occupies the Property or allows any other person to occupy the Property prior to closing and funding without the prior written consent of the Seller, such event shall constitute a breach by the Purchaser under this Agreement and the Seller may terminate this Agreement and the Purchaser shall be liable to the Seller for damages caused by any such alteration or occupation of the Property prior to closing and funding and waives any and all claims for damages or compensations for improvements made by the Purchaser to the Property including, but not limited to, any claims for unjust enrichment.

PURCHASER (Print)

SELLER (Print)

WFOO FORM 001 (1/1/2009)

14. **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). Any reference to the term "Deed" or "Special Warranty Deed" herein shall be construed to refer to such form of deed.

() (check if applicable) Seller's deed shall include the following deed restriction:

GRANTEE HEREIN SHALL BE PROHIBITED FROM CONVEYING CAPTIONED PROPERTY TO A BONAFIDE PURCHASER FOR VALUE FOR A SALES PRICE OF GREATER THAN \$ _____ FOR A PERIOD OF _____ MONTH(S) FROM THE DATE OF THIS DEED. GRANTEE SHALL ALSO BE PROHIBITED FROM ENCUMBERING SUBJECT PROPERTY WITH A SECURITY INTEREST IN THE PRINCIPAL AMOUNT OF GREATER THAN \$ _____ FOR A PERIOD OF _____ MONTH(S) FROM THE DATE OF THIS DEED. THESE RESTRICTIONS SHALL RUN WITH THE LAND AND ARE NOT PERSONAL TO GRANTEE.

THIS RESTRICTION SHALL TERMINATE IMMEDIATELY UPON CONVEYANCE AT ANY FORECLOSURE SALE RELATED TO A MORTGAGE OR DEED OF TRUST.

15. **Defects in Title:** If the Purchaser raises an objection to the Seller's title to the Property, which, if valid, would make title to the Property unmarketable, the Seller shall have the right unilaterally to terminate this Agreement by giving written notice of the termination to the Purchaser. However, if the Seller is able to correct the problem through reasonable efforts, as the Seller determines, at its sole and absolute discretion, prior to the closing date set forth in this Agreement, including any written extensions, or if title insurance is available from a reputable title insurance company at regular rates containing affirmative coverage for the title objections, then this Agreement shall remain in full force and the Purchaser shall perform pursuant to the terms set in this Agreement. The Seller is not obligated to remove any exception or to bring any action or proceeding or bear any expense in order to convey title to the Property or to make the title marketable and/or insurable but any attempt by the Seller to remove such title exceptions shall not impose an obligation upon the Seller to remove those exceptions. The Purchaser acknowledges that the Seller's title to the Property may be subject to court approval of foreclosure or to mortgagor's right of redemption. In the event the Seller is not able to (a) make the title insurable or correct any problem or (b) obtain title insurance from a reputable title insurance company, all as provided herein, The Purchaser may terminate this Agreement and any earnest money deposit will be returned to the Purchaser as the Purchaser's sole remedy at law or equity.

16. **Representations and Warranties:**

The Purchaser represents and warrants to the Seller the following:

- (a) The Purchaser is purchasing the Property solely in reliance on its own investigation and inspection of the Property and not on any information, representation or warranty provided or to be provided by the Seller, its servants, representatives, brokers, employees, agents or assignor;
- (b) Neither the Seller, nor its servants, employees, representatives, brokers, agents or assignor, has made any representations or warranties, implied or expressed, relating to the condition of the Property or the contents thereof, except as expressly set forth in Section 38 of this Addendum;
- (c) The Purchaser has not relied on any representation or warranty from the Seller regarding the nature, quality or workmanship of any repairs made by the Seller; and
- (d) The Purchaser will not occupy or cause or permit others to occupy the Property prior to closing and funding and, unless and until any necessary Certificate of Occupancy has been obtained from the appropriate governmental entity, will not occupy or cause or permit others to occupy the Property after closing.
- (e) The Purchaser has has not previously purchased a Fannie Mae owned property.

17. **WAIVERS:**

AS A MATERIAL PART OF THE CONSIDERATION TO BE RECEIVED BY THE SELLER UNDER THIS AGREEMENT AS NEGOTIATED AND AGREED TO BY THE PURCHASER AND THE SELLER, THE PURCHASER WAIVES THE FOLLOWING:

- (A) ALL RIGHTS TO FILE AND MAINTAIN AN ACTION AGAINST THE SELLER FOR SPECIFIC PERFORMANCE;
- (B) RIGHT TO RECORD A LIS PENDENS AGAINST THE PROPERTY OR TO RECORD THIS AGREEMENT OR A MEMORANDUM THEREOF IN THE REAL PROPERTY RECORDS;
- (C) RIGHT TO INVOKE ANY OTHER EQUITABLE REMEDY THAT MAY BE AVAILABLE THAT IF INVOKED, WOULD PREVENT THE SELLER FROM CONVEYING THE PROPERTY TO A THIRD PARTY PURCHASER;
- (D) ANY AND ALL CLAIMS ARISING FROM THE ADJUSTMENTS OR PRORATIONS OR ERRORS IN CALCULATING THE ADJUSTMENTS OR PRORATIONS THAT ARE OR MAY BE DISCOVERED AFTER CLOSING;
- (E) ANY CLAIMS FOR FAILURE OF CONSIDERATION AND/OR MISTAKE OF FACT AS SUCH CLAIMS RELATE TO THE PURCHASE OF THE PROPERTY OR ENTERING INTO OR EXECUTION OF OR CLOSING UNDER THIS AGREEMENT;
- (F) ANY REMEDY OF ANY KIND, INCLUDING BUT NOT LIMITED TO RESCISSION OF THIS AGREEMENT, OTHER THAN AS EXPRESSLY PROVIDED IN SECTION 19 OF THIS ADDENDUM, TO WHICH THE PURCHASER MIGHT OTHERWISE BE

PURCHASER (initials) _____

SELLER (initials) _____

SPCC FORM 001 (07/2007)

ENTITLED AT LAW OR EQUITY WHETHER BASED ON MUTUAL MISTAKE OF FACT OR LAW OR OTHERWISE;

- (C) TRIAL BY JURY, EXCEPT AS PROHIBITED BY LAW, IN ANY LITIGATION ARISING FROM OR CONNECTED WITH OR RELATED TO THIS AGREEMENT;
- (H) ANY CLAIMS OR LOSSES THE PURCHASER MAY INCUR AS A RESULT OF CONSTRUCTION ON, REPAIR TO, OR TREATMENT OF THE PROPERTY, OR OTHER DEFECTS, WHICH MAY NOW OR HEREAFTER EXIST WITH RESPECT TO THE PROPERTY;
- (I) ANY CLAIMS OR LOSSES RELATED TO ENVIRONMENTAL CONDITIONS AFFECTING THE PROPERTY INCLUDING, BUT NOT LIMITED TO, MOLD, LEAD PAINT, FUEL OIL, ALLERGENS, OR OTHER TOXIC SUBSTANCES OF ANY KIND;
- (J) ANY RIGHT TO AVOID THIS SALE OR REDUCE THE PRICE OR HOLD THE SELLER RESPONSIBLE FOR DAMAGES ON ACCOUNT OF THE CONDITION OF THE PROPERTY, LACK OF SUITABILITY AND FITNESS, OR REDHIBITORY VICES AND DEFECTS, APPARENT, NONAPPARENT OR LATENT, DISCOVERABLE OR NONDISCOVERABLE; AND
- (K) 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.

References to the "Seller" in this Section 17 of the Addendum shall include the Seller and the Seller's servants, representatives, agents, brokers, employees, or assigns.

In the event that the Purchaser breaches any of the warranties described or contemplated under this Section 17 of this Addendum and a court finds that such action is without merit, the Purchaser shall pay all reasonable attorneys fee and cost incurred by the Seller in defending such action, and the Purchaser shall pay Five Thousand Dollars (\$5,000) as liquidated damages for breach of this Section 17 of the Addendum, which amount shall be in addition to any liquidated damages held or covered by the Seller pursuant to Section 19 of this Addendum.

18. Conditions to the Seller's Performance: The Seller shall have the right, at the Seller's sole discretion, to extend the closing date or to terminate this Agreement if:

- (a) full payment of any mortgage insurance claim related to the loan previously secured by the Property is not confirmed prior to the closing date or the mortgage insurance company exercises its right to acquire title to the Property;
- (b) The Seller determines that it is unable to convey good and marketable title to the Property insurable by a reputable title insurance company at regular rates;
- (c) The Seller has requested that the servicing lender, or any other party, repurchase the loan previously secured by the Property;
- (d) a third party with rights related to the sale of the property does not approve the sale terms;
- (e) full payment of any property, fire or hazard insurance claim is not confirmed prior to the closing or date set forth herein for closing;
- (f) any third party, whether tenant, homeowner's association, or otherwise, exercises rights under a right of first refusal to purchase the Property;
- (g) the Purchaser is the former mortgagor of the Property whose interest was foreclosed, or is related to or affiliated in any way with the former mortgagor, and the Purchaser has not disclosed this fact to the Seller prior to the Seller's acceptance of this Agreement. Such failure to disclose shall constitute default under this Agreement, entitling the Seller to exercise any of its rights and remedies, including, without limitation, retaining the earnest money deposit; or
- (h) the Seller, at the Seller's sole discretion, determines that the sale of the Property to the Purchaser or any related transactions are in any way associated with illegal activity of any kind.

In the event the Seller elects to terminate this Agreement as a result of (a), (b), (c), (d), (e) or (g) above, the Seller shall return the Purchaser's earnest money deposit and the parties shall have no further obligation under this Agreement except as to any provision that survives termination pursuant to Section 24 of this Addendum.

19. Remedies for Default:

- (a) In the event of the Purchaser's default, material breach or material misrepresentation of any fact under the terms of this Agreement, the Seller, at its option, may retain the earnest money deposit and any other funds then paid by the Purchaser as liquidated damages and/or invoke any other remedy expressly set out in this Agreement and the Seller is automatically released from the obligation to sell the Property to the Purchaser and neither the Seller nor its representatives, agents, attorneys, successors, or assigns shall be liable to the Purchaser for any damages of any kind as a result of the Seller's failure to sell and convey the Property.
- (b) In the event of the Seller's default or material breach under the terms of this Agreement or if the Seller terminates this Agreement as provided under the provisions of this Agreement, the Purchaser shall be entitled to the return of the earnest money deposit as Purchaser's sole and exclusive remedy at law and/or equity. Any reference to a return of the Purchaser's earnest money deposit contained in the Agreement shall mean a return of the earnest money deposit less any escrow cancellation fees applicable to the Purchaser under this Agreement and less fees and costs payable for services and products provided during escrow at the Purchaser's request. The Purchaser waives any claims that the Property is unique and the Purchaser acknowledges that a return of its earnest money deposit can adequately and fairly compensate the Purchaser. Upon return of the earnest money deposit to the Purchaser, this Agreement shall be terminated, and the Purchaser and the Seller shall have no further liability, no further

PURCHASER (Printed Name)

SELLER (Printed Name)

NPDC FORM 881 (01/07/00)

obligation, and no further responsibility each to the other and the Purchaser and the Seller shall be released from any further obligation each to the other in connection with this Agreement.

(c) The Purchaser agrees that the Seller shall not be liable to the Purchaser for any 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 Purchaser 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 this Agreement or a breach of this Agreement.

(d) 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.

(e) In the event either party elects to exercise its remedies as described in this Section 19 of this Addendum and this Agreement is terminated, the parties shall have no further obligation under this Agreement except as to any provision that survives the termination of this Agreement pursuant to Section 24 of this Addendum.

20. **Indemnification:** The Purchaser agrees to indemnify and fully protect, defend, and hold the Seller, its officers, directors, employees, shareholders, servicers, representatives, agents, attorneys, tenants, brokers, successors or assigns harmless from and against any and all claims, costs, liens, loss, damages, attorney's fees and expenses of every kind and nature that may be sustained by or made against the Seller, its officers, directors, employees, shareholders, servicers, representatives, agents, attorneys, tenants, brokers, successors or assigns, resulting from or arising out of:

(a) inspections or repairs made by the Purchaser or its agents, employees, contractors, successors or assigns

(b) the imposition of any fine or penalty imposed by any governmental entity resulting from the Purchaser's failure to timely obtain any Certificate of Occupancy or to comply with equivalent laws and regulations;

(c) claims for amounts due and owed by the Seller for taxes, homeowner association dues or assessment or any other items prorated at closing under Section 10 of this Addendum, including any penalty or interest and other charges, arising from the proration of such amounts for which the Purchaser received a credit at closing under Section 10 of this Addendum and

(d) the Purchaser's or the Purchaser's tenants, agents or representatives use and for occupancy of the Property prior to closing and/or issuance of required certificates of occupancy.

21. **Risk of Loss:** The Purchaser assumes all risk of loss related to damage to the Property. In the event of fire, destruction or other casualty loss to the Property after the Seller's acceptance of this Agreement and prior to closing and funding, the Seller may, at its sole discretion, repair or restore the Property, or the Seller may terminate this Agreement. If the Seller elects to repair or restore the Property, then the Seller may, at its sole discretion, limit the amount to be expended. If the Seller elects to repair or restore the Property, the Purchaser's sole and exclusive remedy shall be either to acquire the Property in its then condition at the Purchase Price with no reduction thereof by reason of such loss or terminate this Agreement and receive a refund of any earnest money deposit.

22. **Eminent Domain:** In the event that the Seller's interest in the Property, or any part thereof, shall have been taken by eminent domain or shall be in the process of being taken on or before the closing date, either party may terminate this Agreement and the earnest money deposit shall be returned to the Purchaser and neither party shall have any further rights or liabilities hereunder except as provided in Section 24 of this Addendum.

23. **Keys:** The Purchaser understands that if the Seller is not in possession of keys, including but not limited to, mailbox keys, recreation area keys, gate cards, or automatic garage remote controls, then the cost of obtaining the same will be the responsibility of the Purchaser. The Purchaser also understands that if the Property includes an alarm system, the Seller cannot provide the access code and/or key and that the Purchaser is responsible for any costs associated with the alarm and/or changing the access code or obtaining keys. If the Property is presently on a Master Key System, the Seller will re-key the exterior doors to the Property prior to closing and funding at the Purchaser's expense. The Purchaser authorizes and instructs escrow holder to charge the account of the Purchaser at closing for the rekey.

24. **Survival:** Delivery of the deed to the Property to the Purchaser by the Seller shall be deemed to be full performance and discharge of all of the Seller's obligations under this Agreement, notwithstanding anything to the contrary in this Agreement, the provisions of Sections 6, 7, 8, 10, 12, 13, 16, 17, 19, 20, 21, 22, and 24 of this Addendum, as well as any other provision which contemplates performance or observance subsequent to any termination or expiration of this Agreement, shall survive the closing, funding and the delivery of the deed and/or termination of this Agreement by any party and continue in full force and effect.

25. **Further Assurances:** The Purchaser agrees to execute and deliver to the Seller at closing, or otherwise as requested by the Seller, documents including Fannie Mae's NPDC Form 4 (Waiver and Release Regarding Property Condition at Closing), NPDC Form 5 (Tax Proration Agreement) or documents that are substantially the same, and to take such other action as reasonably may be necessary to further the purpose of this Agreement. Copies of referenced documents are available from the Seller's listing agent upon request by the Purchaser.

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

27. **Assignment of Agreement:** The Purchaser shall not assign this Agreement without the express written consent of the Seller. The Seller may assign this Agreement at its sole discretion without prior notice to, or consent of, the Purchaser.

28. **EFFECT OF ADDENDUM:** THIS REAL ESTATE PURCHASE ADDENDUM AMENDS AND SUPPLEMENTS THE CONTRACT AND, IF APPLICABLE, ESCROW INSTRUCTIONS. IN THE EVENT THERE IS ANY CONFLICT BETWEEN THIS ADDENDUM AND THE CONTRACT OR ESCROW INSTRUCTIONS OR NOTICE OR OTHER DOCUMENTS ATTACHED AND MADE A PART OF THIS AGREEMENT, THE TERMS OF THIS ADDENDUM TAKE PRECEDENCE AND SHALL PREVAIL EXCEPT AS OTHERWISE PROVIDED BY LAW. The undersigned, if executing this Agreement on behalf of a Seller and/or the Purchaser that is a corporation,

PURCHASER (Initials)

SELLER (Initials)

NPDC FORM 001 (01/10/07)

partnership, trust or other entity, represents and warrants that he/she is authorized by that entity to enter into this Agreement and bind the entity to perform all duties and obligations stated in this Agreement.

29. **Entire Agreement:** This Agreement, including the disclosure of information on lead based paint and/or lead based paint hazards or the Seller Disclosure and Release Addendum or other disclosure forms or notices required by law, constitutes the entire agreement between the Purchaser 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 Purchaser and the Seller. **NO ORAL PROMISES, REPRESENTATIONS (EXPRESSED OR IMPLIED), WARRANTIES OR AGREEMENTS 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 INCLUDED IN THIS AGREEMENT.** All negotiations are merged into this Agreement. The Seller is not obligated by any other written or verbal statements made by the Seller, the Seller's representatives, or any real estate licensee.
30. **Modification:** No provision, term or clause of this Agreement shall be revised, modified, amended or waived except by an instrument in writing signed by the Purchaser and the Seller.
31. **Rights of Others:** This Agreement does not create any rights, claims or benefits inuring to any person or entity, other than Seller's successors and/or assigns, that is not a party to this Agreement, nor does it create or establish any third party beneficiary to this Agreement.
32. **Counterparts:** This 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.
33. **Headings:** The titles to the sections and headings of various paragraphs of this Agreement are placed for convenience of reference only and in case of conflict, the text of this Agreement, rather than such titles or headings shall control.
34. **Gender:** Unless the context otherwise requires, singular nouns and pronouns, when used herein, shall be deemed to include the plural of such nouns or pronouns and pronouns of one gender shall be deemed to include the equivalent pronoun of the other gender.
35. **Force Majeure:** Except as provided in Section 21. to the Addendum, no party shall be responsible for delays or failure of performance resulting from acts of God, riots, acts of war, epidemics, power failures, earthquakes or other disasters, providing such delay or failure of performance could not have been prevented by reasonable precautions and cannot reasonably be circumvented by such party through use of alternate sources, workaround plans or other means.
36. **Attorney Review:** The Purchaser acknowledges that Purchaser has had the opportunity to consult with its legal counsel regarding this Agreement and that accordingly the terms of this Agreement are not to be construed against any party because that party drafted this Agreement or construed in favor of any Party because that Party failed to understand the legal effect of the provisions of this Agreement.
37. **Notices:** Any notices required to be given under this Agreement shall be deemed to have been delivered when actually received in the case of hand or overnight delivery, or five (5) days after mailing by first class mail, postage paid, or by fax with confirmation of transmission to the numbers below. All notices to the Seller will be deemed sent or delivered to the Seller when sent or delivered to Seller's listing broker or agent or Seller's attorney, at the address or fax number shown below. All notices to the Purchaser shall be deemed sent or delivered when sent or delivered to the Purchaser or the Purchaser's attorney or agent at the address or fax number shown below.
38. **Additional Terms or Conditions:**

~~Seller to contribute up to \$2,500.00 towards Buyer's Closing Costs, Points, and/or Prepaid.~~

PURCHASER (Initials)

SELLER (Initials)

WDC FORM 1001 (2/11/2009)

IN WITNESS WHEREOF, the Purchaser and the Seller have entered into this Agreement as of the date first set forth above.

PURCHASER(S):

Signature: [Signature]

Date: 12/31/09

Print Name: Robert Garza

Address: _____

Telephone: _____

Fax: _____

Signature: _____

Date: _____

Print Name: _____

Address: _____

Telephone: _____

Fax: _____

PURCHASER'S AGENT:

Brokerage Firm: International Realty Plus NM

Purchaser's Agent Name: John Lance Swartz

Address: 1705 N. Valley Dr. Ste 1

Las Cruces, NM 88007

Telephone: 575-522-0487 ()

Fax: 575-524-4252

Email Address: _____

PURCHASER'S ATTORNEY:

Name: _____

Address: _____

Telephone: _____

Fax: _____

APPROVED AS TO FORM:

[Signature]
Attorney

PURCHASER (Initials) _____

SELLER (Initials) _____

APPROVED BY (Print Name) _____

[Signature]

SELLER:

FANNIE MAE:

FANNIE MAE as Agent and Attorney in Fact

for _____

By: [Signature]

Date: 1-5-10

SELLER'S AGENT:

Brokerage Firm: STEINBORN INC. REALTORS

Seller's Agent Name: GRADY OXFORD

Address: 141 ROADRUNNER PKWY STE 141

LAS CRUCES NM 88011

Telephone: 575-522-3688 ()

Fax: 575-522-4987

Email Address: goxford@zienei.com

SELLER'S ATTORNEY:

Name: _____

Address: _____

Telephone: _____

Fax: _____



REALTORS® ASSOCIATION OF NEW MEXICO BROKER DUTIES - 2010

Every licensed New Mexico real estate Broker is obligated to disclose Broker Duties. Please acknowledge receipt of this information by signing or initialing at the bottom of this page. **Disclosure:** The following brokerage relationships are available in the State of New Mexico: (1) transaction broker, (2) exclusive agency, and (3) dual agency (see RANM Form 1401, p. 2).

Prior to the time an Associate Broker or Qualifying Broker generates or presents any written document that has the potential to become an express written agreement, the Associate Broker or Qualifying Broker shall disclose in writing to their prospective buyer, seller, landlord or tenant, the following list of Broker Duties that are owed to all Customers and Clients by all Brokers:

- (A) Honesty and reasonable care as set forth in the provisions of this section;
- (B) Compliance with local, state, and federal fair housing and anti-discrimination laws, the New Mexico Real Estate License Law and the Real Estate Commission Rules and other applicable local, state, and federal laws and regulations;
- (C) Performance of any and all oral or written agreements made with the Customer or Client;
- (D) Assistance to the Broker's Customer or Client in completing the Transaction, unless otherwise agreed to in writing by the Customer or Client, including (1) Presentation of all offers or counter-offers in a timely manner, and (2) Assistance in complying with the terms and conditions of the contract and with the closing of the Transaction;

If the Broker in a transaction is not providing the service, advice or assistance described in paragraphs D(1) and D(2), the Customer or Client must agree in writing that the Broker is not expected to provide such service, advice or assistance, and the Broker shall disclose such agreement in writing to the other Brokers involved in the Transaction;

- (E) Acknowledgment by the Broker that there may be matters related to the Transaction that are outside the Associate Broker's or Qualifying Broker's knowledge or expertise and that the Associate Broker or Qualifying Broker will suggest that the Customer or Client seek expert advice on these matters;
- (F) Prompt accounting for all monies or property received by the Broker;
- (G) Prior to the time the Associate Broker or Qualifying Broker generates or presents any written document that has the potential to become an express written agreement, written disclosure of (1) any written Brokerage Relationship the Broker has with any other Parties to the Transaction; and or (2) any material interest or relationship of a business, personal, or family nature that the Broker has in the Transaction; (3) other Brokerage Relationship options available in New Mexico;

(H) Disclosure of any adverse material facts actually known by the Associate Broker or Qualifying Broker about the Property or the Transaction, or about the financial ability of the parties to the Transaction to complete the Transaction. Adverse material facts do not include data from a sex offender registry or the existence of group homes;

(I) Maintenance of any confidential information learned in the course of any prior Agency relationship unless the disclosure is with the former Client's consent or is required by law;

(J) Unless otherwise authorized in writing, an Associate Broker or Qualifying Broker shall not disclose to their Customer or Client during the transaction that their Seller Client or Customer has previously indicated they will accept a sales price less than the asking or listed price of a property; that their Buyer Client or Customer has previously indicated they will pay a price greater than the price submitted in a written offer; the motivation of their Client or Customer for selling or buying property; that their Seller Client or Customer or their Buyer Client or Customer will agree to financing terms other than those offered; or any other information requested in writing by the Associate Broker's or Qualifying Broker's Customer or Client to remain confidential, unless disclosure is required by law.

Signature	Date	Time	Signature	Date	Time
City of Las Cruces			By Terrence Moore-City Manager		

**REALTORS® ASSOCIATION OF NEW MEXICO
BROKER DUTIES - 2010**

Effective January 1, 2007, the New Mexico Real Estate Commission requires the disclosure of the following brokerage relationships (as quoted from 16.61.19.9 NMAC, 1-1-2004):

16.61.19.9. BROKERAGE RELATIONSHIPS: Brokerages working with consumers either as customers or clients may do so through a variety of brokerage relationships. These relationships include but are not limited to an exclusive agency relationship, a dual agency relationship, or a transaction broker relationship. For all regulated real estate transactions, a buyer, seller, landlord or tenant may enter into an express written agreement to become a client of a brokerage without creating an agency relationship, and no agency duties will be imposed.

A. Exclusive agency: an express written agreement between a person and a brokerage wherein the brokerage agrees to exclusively represent as an agent the interests of the person in a real estate transaction. Such agreements include buyer agency, seller agency, designated agency, and subagency agreements.

B. Dual agency: an express written agreement that modifies existing exclusive agency agreements to provide that the brokerage agrees to act as a facilitator in a real estate transaction rather than as an exclusive agent for either party to the transaction.

C. Transaction Broker: The non-fiduciary relationship created by Broker: 61.29.2A14 NMSA 1978, wherein a brokerage provides real estate services without entering into an agency relationship.





REALTORS® ASSOCIATION OF NEW MEXICO PURCHASE AGREEMENT – RESIDENTIAL RESALE – 2010 PART I – BROKER DUTIES

Every licensed New Mexico real estate Broker is obligated to disclose Broker Duties. Please acknowledge receipt of this information by signing or initialing at the bottom of this page. **Disclosure:** The following brokerage relationships are available in the State of New Mexico: (1) transaction broker, (2) exclusive agency, and (3) dual agency (see RANM Form 1401, p. 2).

Prior to the time an Associate Broker or Qualifying Broker generates or presents any written document that has the potential to become an express written agreement, the Associate Broker or Qualifying Broker shall disclose in writing to their prospective buyer, seller, landlord or tenant, the following list of Broker Duties that are owed to all Customers and Clients by all Brokers:

- (A) Honesty and reasonable care as set forth in the provisions of this section;
- (B) Compliance with local, state, and federal fair housing and anti-discrimination laws, the New Mexico Real Estate License Law and the Real Estate Commission Rules and other applicable local, state, and federal laws and regulations;
- (C) Performance of any and all oral or written agreements made with the Customer or Client;
- (D) Assistance to the Broker's Customer or Client in completing the Transaction, unless otherwise agreed to in writing by the Customer or Client, including (1) Presentation of all offers or counter-offers in a timely manner, and (2) Assistance in complying with the terms and conditions of the contract and with the closing of the Transaction;

If the Broker in a transaction is not providing the service, advice or assistance described in paragraphs D(1) and D(2), the Customer or Client must agree in writing that the Broker is not expected to provide such service, advice or assistance, and the Broker shall disclose such agreement in writing to the other Brokers involved in the Transaction;

(E) Acknowledgment by the Broker that there may be matters related to the Transaction that are outside the Associate Broker's or Qualifying Broker's knowledge or expertise and that the Associate Broker or Qualifying Broker will suggest that the Customer or Client seek expert advice on these matters;

(F) Prompt accounting for all monies or property received by the Broker;

(G) Prior to the time the Associate Broker or Qualifying Broker generates or presents any written document that has the potential to become an express written agreement, written disclosure of (1) any written Brokerage Relationship the Broker has with any other Parties to the Transaction; and or (2) any material interest or relationship of a business, personal, or family nature that the Broker has in the Transaction; (3) other Brokerage Relationship options available in New Mexico;

(H) Disclosure of any adverse material facts actually known by the Associate Broker or Qualifying Broker about the Property or the Transaction, or about the financial ability of the parties to the Transaction to complete the Transaction. Adverse material facts do not include data from a sex offender registry or the existence of group homes;

(I) Maintenance of any confidential information learned in the course of any prior Agency relationship unless the disclosure is with the former Client's consent or is required by law;

(J) Unless otherwise authorized in writing, an Associate Broker or Qualifying Broker shall not disclose to their Customer or Client during the transaction that their Seller Client or Customer has previously indicated they will accept a sales price less than the asking or listed price of a property; that their Buyer Client or Customer has previously indicated they will pay a price greater than the price submitted in a written offer; the motivation of their Client or Customer for selling or buying property; that their Seller Client or Customer or their Buyer Client or Customer will agree to financing terms other than those offered; or any other information requested in writing by the Associate Broker's or Qualifying Broker's Customer or Client to remain confidential, unless disclosure is required by law.

**REALTORS® ASSOCIATION OF NEW MEXICO
PURCHASE AGREEMENT – RESIDENTIAL RESALE – 2010
PART II**

BROKERAGE RELATIONSHIPS DISCLOSURE: Transaction Broker, Exclusive Agency, and Dual Agency are brokerage relationships available in New Mexico. Brokers may, but are not required to, disclose unwritten agreements with Buyers and Sellers. However, Brokers must disclose written agreements.

1. John Lance Swarengin ("Buyer's Broker") is working with the Buyer in this transaction as a:
- Transaction Broker without a written agreement.
 - Transaction Broker with a written agreement (RANM Form 1206, Buyer Broker Agreement).
 - Agent with a written agreement (RANM Form 1206, Buyer Broker Agreement with Agency Addendum).

2. **IN-HOUSE TRANSACTION:**

- A. Buyer's Broker is licensed under the same Qualifying Broker in the same Brokerage as Seller's Broker. Seller's Broker has a written listing agreement with the Seller as Transaction Broker Agent.
- B. Buyer's Broker is also Seller's Broker for the property in this Transaction. Seller's Broker has a written listing agreement with Seller as Transaction Broker Agent.

3. **DUAL REPRESENTATION DISCLOSURE AND CONSENT:** Brokerage is representing both Buyer and Seller by means of written agreements with each of them, without creating Dual Agency. If there are two written agreements, Buyer and Seller hereby consent to this dual representation.

4. **DUAL AGENCY DISCLOSURE:** Brokerage is representing both Buyer and Seller by means of written agency agreements with each of them, and Designated Brokerage has not been chosen by the Qualifying Broker, thus creating Dual Agency. Prior to writing or presenting this offer, Broker must obtain written consent from the Buyer Client and Seller Client (RANM Form 1301, Agency Agreement - Dual).

5. Buyer's Broker does does not have a material interest or relationship of a business, personal or family nature in the transaction, including compensation from more than one party: Contracted as a Buyers Broker for the City of Las Cruces

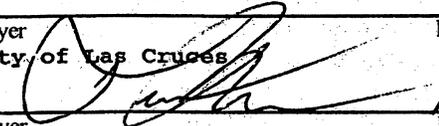
If the Brokerage or Qualifying Broker has a material interest or relationship of a business, personal, or family nature in the transaction, that interest or relationship must also be disclosed separately.

6. Buyer Seller is a licensed New Mexico real estate Broker.

The BROKERAGE RELATIONSHIPS DISCLOSURE is acknowledged by the parties below:

BUYER

SELLER

Buyer _____ Date _____ Time _____
 City of Las Cruces

 Buyer _____ Date 1/12/10 Time _____
 By Terrence Moore-City Manager

Seller _____ Date _____ Time _____
 Seller _____ Date _____ Time _____

BUYER'S BROKER

International Realty Plus NM
 Buyer's Brokerage Firm

Broker is is not a REALTOR®

Broker Signature John Lance Swarengin Date _____ Time _____

SELLER'S BROKER

 Seller's Brokerage Firm

Broker is is not a REALTOR®

Broker Signature _____ Date _____ Time _____



REALTORS® ASSOCIATION OF NEW MEXICO
PURCHASE AGREEMENT - RESIDENTIAL RESALE - 2010



OFFER DATE: 1-6-2010

1. PARTIES. City of Las Cruces, By Terrence Moore-City Manager
("Buyer") agrees to buy from Seller and ("Seller") agrees to sell and convey to Buyer the Property described in paragraph 4 with a Settlement/Signing Date of See Addendum #2 (described in paragraph 5 below).

2. PURCHASE PRICE. \$ 150,000.00
A. APPROXIMATE CASH DOWN PAYMENT \$ 1,000.00
(Including Earnest Money referred to in paragraph 3)
B. AMOUNT OF THE LOAN(S) described in paragraph 7 below. \$

3. EARNEST MONEY. Buyer will deliver \$ 1,000.00
Earnest Money in the form of [X] check [] cash [] note dated , to be escrowed upon mutual acceptance of this Agreement by Buyer and Seller with Southwestern Abstract and Title Co, in accordance with New Mexico law. Earnest Money will be applied to Purchase Price and/or closing costs upon Funding Date.

4. PROPERTY.
A. 4752 Diamante Ct. Las Cruces NM 88012
Address City State/Zip Code
Lot 140, Block C, Los Enamorados Estates Replat #2
Legal Description

or see metes and bounds or other legal description attached as Exhibit , Dona Ana County, New Mexico. If the legal description of the Property is not complete or is inaccurate, this Agreement will not be invalid and the legal description will be completed or corrected to meet the requirements of the title company which will issue the title policy.

B. TYPE: [X] site built [] manufactured housing [] modular [] off site built [] other:
(See RANM Form 2305 for further information.)

C. Description or explanation of any known mineral or water rights appurtenant to the Property and whether they will be included in the sale: If water or mineral rights are identified as being included in the sale of the Property, Buyer is advised to seek expert and legal advice and assistance to ensure that those rights are properly transferred at closing.

D. The Property will include the following, if existing on the Property, unless excluded below, free of liens: smoke, fire, security and water conditioning systems (if owned by Seller); heating, ventilating and air conditioning systems, landscaping; sprinklers/irrigation equipment; storm windows and doors, screens, window coverings and rods; TV antennas, satellite dishes and receiver with access card (if owned by Seller and if transferable); light fixtures; ceiling fans; range; oven; dishwasher; garbage disposal; attached mirrors; attached floor coverings; awnings; mailboxes; fireplace grate and screen; garage door openers and controls; pool and spa equipment; and outdoor plants and trees (other than in movable containers). The following additional existing personal property, if checked, shall remain with the property:

- [] Refrigerator [] Decorative mirrors above bath vanities
[] Microwave [] Built-in/attached speakers and sub woofers
[] Washer [] TV
[] Dryer [] Audio components
[X] Other Stove and Dishwasher [] Other

The above additional existing personal property included shall not be considered part of the premises and shall be transferred with no monetary value, and free and clear of all liens and encumbrances.

REALTORS® Association of New Mexico (RANM) makes no warranty of the legal effectiveness or validity of this form and disclaims any liability for damages resulting from its use. By use of this form the parties agree to the limitations set forth in this paragraph. The parties hereby release RANM, the real estate brokers, their Agents and employees from any liability arising out of the use of this form. You should consult your attorney with regards to the effectiveness, validity, or consequences of any use of this form. The use of this form is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by real estate licensees who are members of the National Association of REALTORS® and who subscribe to the Association's strict Code of Ethics.

REALTORS® ASSOCIATION OF NEW MEXICO
PURCHASE AGREEMENT - RESIDENTIAL RESALE - 2010

E. The following items are excluded from the sale: _____

5. CLOSING. "Closing" is defined as a series of events by which Buyer and Seller satisfy all of their obligations in the Agreement. Closing is not completed until all parties have completed all requirements as stated below, as well as completing all other obligations under this Agreement. If either party elects to extend either of the following dates, they must do so in a writing signed by both parties. No extension is binding unless agreed to in writing by both parties. The parties further acknowledge that Seller will not receive the proceeds of sale until all the events stated under "Funding Date" have been completed.

A. Settlement/Signing date: See Addendum #2 (as described in paragraph 1)

1. Buyer and Seller agree to sign and deliver to the responsible closing officer all documents required to complete the transaction and to perform all other closing obligations of this Agreement on or before the above date.

2. Buyer and Seller agree to provide for the delivery of all required funds, exclusive of Lender funds, if any, using wired, certified or other "ready" funds acceptable to the closing officer, on or before the above date.

B. Funding Date (Completion of Closing): on or before See addendum #2 para #3. The Funding Date is the date that the closing officer has funds available to disburse to all parties after recording all documents required to complete the transaction.

1. It is Buyer's responsibility to ensure that Buyer's lender, if any, makes available to the closing officer, wired certified or other "ready" funds with written instructions to disburse funds, on or before the Funding Date as set forth above.

2. Buyer and Seller acknowledge that possession of the Property will be in accordance with the terms of paragraph 6 below.

Unless otherwise agreed to in writing, failure to perform any of the above items by either party shall constitute a default under this Agreement.

6. POSSESSION.

A. Buyer and Seller agree that Seller will give possession of the Property to Buyer upon:

1. "Funding Date" as set forth above at 5:00 p.m.; or,

2. Other: _____

B. If possession date is other than "Funding Date" as set forth above, then Buyer and Seller shall execute a separate written Occupancy Agreement. (See RANM Forms 2201 and 2202)

7. FINANCED OR CASH PURCHASE.

A. LOANS. This Agreement is contingent upon Buyer's ability to obtain a loan in the amount stated above in paragraph 2B of the following type: Conventional FHA VA Deed of Trust Other: _____

1. Buyer has made written application for a loan, or agrees to make written application for a loan no later than _____ days after the Date of Acceptance ("Loan Application Period"). Buyer agrees to provide Seller with a letter of Preliminary Loan Approval from a lender no later than _____ days after the Date of Acceptance ("Financing Approval Period").

2. Preliminary Loan Approval must stipulate that: (1) a loan application has been made; (2) a credit report has been obtained and reviewed by a lender; (3) a preliminary loan commitment has been secured from the same lender; (4) financing equal to the loan amount provided in paragraph 2B is available to complete the transaction with no contingencies except those provided for in this Agreement.

3. If there are changes to the loan, loan program, financing terms, or a change in lender at any time after the Financing Approval Period which adversely affect Buyer's ability to obtain a loan, increase Seller's costs or delay Closing, Buyer shall have the obligation to notify Seller in writing within 2 days of such occurrence. In that event, within days of receipt of Buyer's notification, Seller may notify Buyer in writing of: (1) Seller's approval of such changes, or (2) Seller's decision to terminate the Agreement. If Seller does not notify Buyer within the 5 day period provided, Seller will be deemed to have waived Seller's right to terminate and shall proceed to Closing.

4. If Buyer cannot obtain Preliminary Loan Approval within the Financing Approval Period, this Agreement shall terminate and the Earnest Money shall be refunded to Buyer unless the parties agree in writing to an extension.

5. Buyer further agrees to provide Seller with written notification of Final Loan Approval from Buyer's lender with all loan contingencies removed _____ days before the Settlement/Signing Date ("Final Loan Approval"). In the event of a written rejection by the lender prior to Final Loan Approval, this Agreement shall terminate and the Earnest Money shall be refunded to Buyer.

REALTORS® ASSOCIATION OF NEW MEXICO
PURCHASE AGREEMENT – RESIDENTIAL RESALE – 2010

B. SELLER FINANCING: The approximate balance of \$ _____ shall be financed by Seller and shall be secured by: Real Estate Contract Mortgage Deed of Trust. Terms and conditions of the above instrument shall be attached as Addendum _____. If RANM Real Estate Contract (RANM Form 2401) is selected, a completed Addendum to Purchase Agreement - Real Estate Contract (RANM Form 2402) shall be attached.

Buyer shall provide Seller with: a current and complete financial statement and/or a current credit report no later than _____ days after the Date of this Agreement. Seller shall have the right to object to either of these documents within _____ days after receipt from Buyer (Financial Review Period). If Seller does not approve Buyer's qualifications during the Financial Review Period, Seller has the option to terminate this Agreement and Earnest Money shall be refunded to Buyer. If Seller does not object in writing to Buyer's qualifications within the Financial Review Period, Seller will be deemed to have waived Seller's right to object to Buyer's qualifications. Seller may not unreasonably withhold approval.

C. CASH PURCHASE: Buyer agrees to purchase the subject property for cash. No later than _____ days after the Date of Acceptance, Buyer agrees to provide Seller with verification of funds and proof satisfactory to Seller that Buyer has in Buyer's possession or control, the funds necessary to complete the transaction. This Agreement shall terminate in the event of failure of Buyer to provide timely proof of funds and Earnest Money shall shall not be refunded to Buyer.

D. CONTINGENT SALE: This Agreement is contingent on the future Closing of Buyer's property. Buyer's Sale Contingency – RANM Form 2503 is is not attached.

8. APPRAISAL

A. CONVENTIONAL OR OTHER NON-FHA/VA LOAN: (describe): _____
It is expressly agreed that, notwithstanding any other provisions of this Agreement, Buyer shall not be obligated to complete the purchase of the Property or incur any penalty for forfeiture of Earnest Money if the Purchase Price exceeds the current estimated market value ("Appraisal") as established by a real estate appraiser approved by the lender.

B. FHA: It is expressly agreed that, notwithstanding any other provisions of this contract, Buyer shall not be obligated to complete the purchase of the Property described herein or to incur any penalty by forfeiture of Earnest Money deposits or otherwise unless the Buyer has been given, in accordance with HUD/FHA or VA requirement, a written statement by the Federal Housing Commissioner or a Direct Endorsement Lender setting forth the appraised value of the property, or a VA Certificate of Reasonable Value (excluding closing costs) of not less than \$ _____ (Purchase Price). The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the value nor the condition of the property. Buyer should satisfy himself that the price and condition of the property are acceptable.

C. VA: It is expressly agreed that, notwithstanding any other provisions of this contract, Buyer shall not incur any penalty by forfeiture of Earnest Money or otherwise be obligated to complete the purchase of the real estate described herein, if the contract Purchase Price or cost exceeds the reasonable value of the real estate established by the Veterans Administration.

D. CASH OR SELLER FINANCED: It is expressly agreed that, notwithstanding any other provisions of this Agreement, Buyer shall not be obligated to complete the purchase of the Property or incur any penalty by forfeiture of Earnest Money if the Purchase Price exceeds the current estimated market value ("Appraisal") as established by a real estate appraiser engaged by and paid by Buyer Seller.

E. In the event the conventional appraisal, the FHA appraisal, the VA certificate of reasonable value, or an appraisal for a cash or seller financed transaction is less than the agreed upon Purchase Price, Buyer may still proceed with the consummation of this Agreement without regard to the amount of appraisal or certificate of reasonable value, provided Buyer delivers written notice to Seller of such election within 3 days of the receipt of said notice of value. If Buyer does not deliver written notice of such election within 3 days, Buyer shall be deemed to have elected not to proceed. If Buyer elects not to proceed, Seller and Buyer may agree to a Purchase Price acceptable to both parties within 5 days after receipt of said notice to both parties. If the parties cannot agree, this Agreement shall terminate and Earnest Money shall be refunded to Buyer.

**REALTORS® ASSOCIATION OF NEW MEXICO
PURCHASE AGREEMENT – RESIDENTIAL RESALE – 2010**

9. COSTS TO BE PAID. Buyer or Seller will pay the following marked items:

Loan Related Costs and Fees	Buyer	Seller	Not Required	Title Company Closing Costs	Buyer	Seller	Not Required
				Closing Fee	1/2	1/2	
Appraisal Fee	X			Legal Document Preparation			X
Appraisal Reinspection Fee	X			Special Assessment Search			X
Credit Report			X	Buyer Recording Fees	X		
Loan Assumption/Transfer			X	Seller Recording Fees		X	
Loan Documentation Preparation			X	Policy Premiums			
Origination Fee			X	Title Commitment		X	
Points - Buydown			X	Standard Owner's Policy		X	
Points - Discount			X	Mortgagee's Policy			X
Tax Service Fee			X	Mortgagee's Policy Endorsements			X
Underwriting Review Fee			X	Other:			
Flood Zone Certification		X		Miscellaneous			
Other:				Survey (§ 16C)		X	
Other:				Impact Fees			
Prepays Required by Lender				Home Warranty contract (§ 17)			
Flood Insurance			X	Transfer Fees (e.g. HOA, etc.)			
Hazard Insurance			X	HOA Fees (e.g. processing)			
Interest			X	Other:			
PMI or MIP			X	Escrow Fees			
Taxes			X	Set up			
Other:				Periodic			
Other:				Close Out			
				Other:			

Buyer agrees to pay all other allowed direct loan costs.

10. IRS 1031 TAX-DEFERRED EXCHANGE. Buyer Seller intends to use this property to accomplish a 1031 tax-deferred exchange. The parties agree to cooperate with one another in signing and completing any documents required. The exchanging party agrees that the other party will bear no additional expense.

11. PRORATIONS. Seller will be responsible for disclosing all applicable property-specific fees, or lease agreements, private memberships and/or association fees or dues, taxes and contract service agreements, all of which are to be prorated through Settlement/Signing Date. Any equipment rental or contract service agreement (e.g. alarm system, satellite system, propane and tank, private refuse collection, road maintenance, etc.) will be handled directly between the Buyer and Seller, and title company will not be responsible for proration thereof.

12. ASSESSMENTS. Buyer will assume all bonds, impact fees and assessments that are part of or paid with the property tax bill. If other bonds, impact fees or assessments are a lien upon the Property, the current installment will be prorated through Settlement/Signing Date. Buyer will assume future installments. This Agreement is conditioned upon both parties verifying and approving in writing the amount of all bonds, impact fees, or assessments to be assumed or paid within 10 days after receipt of the title commitment ("Approval Date"). In the event of disapproval, the disapproving party may terminate this Agreement by giving written notice to the other on or before the Approval Date. Future assessments for improvements such as, but not limited to, sidewalks, driveway cuts or roads will be paid by Buyer.

REALTORS® ASSOCIATION OF NEW MEXICO
PURCHASE AGREEMENT – RESIDENTIAL RESALE – 2010

13. EXAMINATION OF TITLE; LIENS; DEED.

A. Buyer Seller shall order a title commitment from Southwestern Abstract and Title Co. (Title Company) within 5 bus days after the Date of Acceptance. Buyer will have 5 bus days ("Review Period") to review and object to title exceptions after receipt of the title commitment and all documents referred to therein. Exceptions to the title, including the standard exceptions, shall be deemed approved unless written objection is delivered to the Seller within this Review Period. If Seller is unwilling or unable to remove such exception before Settlement/Signing Date, Seller shall provide written notice to Buyer within 5 bus days after receipt of Buyer's objections. Buyer may choose to close subject to exceptions, remove them at Buyer's expense or terminate this Agreement. If Buyer terminates this Agreement, the Earnest Money will be refunded to Buyer.

B. Seller will satisfy any judgments and liens, including but not limited to, all mechanics' and materialmen's liens of record on or before Settlement/Signing Date and will indemnify and hold Buyer harmless from any liens filed of record after Settlement/Signing Date and which arise out of any claim related to the providing of materials or services to improve the Property as authorized by Seller or Seller's agents, unless otherwise agreed to by the parties in writing.

C. Seller will convey the Property by General Warranty Deed other deed _____ subject only to any matters identified in the title commitment and not objected to by Buyer as provided in paragraph 13A. The legal description contained in the deed shall be the same legal description contained in the title commitment and any survey required under paragraph 16C.

14. FOREIGN SELLERS. The disposition of a U.S. Real Property interest by a Foreign Person is subject to Foreign Investment in Real Property Tax Act of 1980 (FIRPTA) income tax withholding. FIRPTA applies if Seller is a Foreign Person, Foreign Corporation or Partnership, or non-resident Alien, unless BOTH the purchase price is \$300,000 or less AND Buyer intends to use the property as Buyer's primary residence. Federal Law requires that if Seller is a Foreign Person, then Buyer must withhold ten percent (10%) of the amount realized from the sale of the Property and remit it to the Internal Revenue Service (IRS) within 20 days of Closing unless the Seller provides written confirmation from the IRS that Seller is not subject to withholding. Generally speaking, the "amount realized" is the sales/purchase price of the Real Estate. If Seller is Non-Foreign, the Seller must provide proof of Non-Foreign status by fully executing an Affidavit of Non-Foreign Seller (RANM Form 2303) and deliver it to either the Buyer or to a Qualified Substitute. Under FIRPTA, if Seller is a Foreign Person and Buyer fails to withhold taxes, the Buyer may be held liable for the tax, in addition to other fines and penalties and the Buyer's Broker may be fined up to the amount of their commission.

Buyer's offer is is not contingent upon the Seller completing the FIRPTA response box in the Acknowledgement by Seller Section of this Purchase Agreement, and providing the documents indicated there in no later than 10 days after Date of Acceptance. If Seller is providing an Affidavit of Non-Foreign Seller, Buyer agrees that Seller may, at Seller's option, provide this Affidavit either to Buyer or to a Qualified Substitute as provided by FIRPTA. If a Qualified Substitute is used, Buyer will not receive a copy of Seller's Affidavit.

For further information on FIRPTA, see the FIRPTA Information Sheet (RANM Form 2304), and consult with an attorney and/or tax professional.

15. INSURANCE CONTINGENCY/APPLICATION.

A. Buyer agrees to make application for insurance within _____ days after Date of Acceptance of this Agreement. If Buyer fails to make application within the agreed time, this insurance contingency shall be deemed waived. This Agreement is conditioned upon Buyer's ability to obtain a homeowner's or property insurance binder on the Property at normal and customary premium rates. **Buyer understands that an insurance company may cancel or change the terms of a homeowner's insurance policy/binder for any reason prior to close of escrow or within sixty days after issuance of the homeowner's policy/binder (which generally occurs at close of escrow).**

B. This insurance contingency shall be deemed satisfied, unless within _____ days after Date of Acceptance of this Agreement, Buyer gives notice of inability to obtain a binder for insurance or if Buyer gives notice that Buyer is unable to obtain a homeowner's or property insurance binder on the Property at normal and customary premium rates. If Buyer is unable to obtain such a binder for insurance after making a good faith effort and gives timely notice of such inability, then the Purchase Agreement shall terminate and the Earnest Money shall be refunded to Buyer.

**REALTORS® ASSOCIATION OF NEW MEXICO
PURCHASE AGREEMENT – RESIDENTIAL RESALE – 2010**

16. SELLER DISCLOSURE AND OTHER DOCUMENTS AND INSPECTIONS. Any "Deadline" can be expressed either as a calendar date or as a number of days after Date of Acceptance. Delivery Deadlines, Objection Deadlines and Resolution Deadlines may be extended only by a written agreement of both parties.

A. DOCUMENTS. Seller shall deliver the following documents by the Delivery Deadline specified below. "Delivery Deadline" is the date by which Buyer shall receive any documents, reports or surveys as set forth below.

DOCUMENTS	Delivery Deadline	Objection Deadline	Resolution Deadline
Seller's Property Disclosure Statement			
Road Documents			
Water Rights Documents			
Well Documents			
Other:			
Other:			

Is any part of this Property a residence built before 1978? Yes No *If the answer is yes, federal law says: Seller cannot legally accept this offer unless Buyer has received, before making this offer, ALL of the following:*

1. Lead-Based Paint Addendum to Purchase Agreement (RANM Form 5112) that was first fully completed and signed by Seller and then is signed by Buyer; and
2. A list of and copies of all reports or information relating to lead-based paint inspections, risk assessments, and hazards; and
3. A copy of the pamphlet, "Protect Your Family From Lead-Based Paint in Your Home."

If Buyer received the above items 1, 2, and 3 prior to writing this offer, Buyer's right to a 10 day opportunity to conduct inspections or risk assessments for the presence of lead-based paint and/or lead-based paint hazards will begin on the Date of Acceptance (as defined in the Purchase Agreement).

If Buyer has not received ALL the above items 1, 2 and 3 and had an opportunity to review them before writing this offer, AND has not signed the Lead-Based Paint Addendum to the Purchase Agreement, Seller cannot legally accept this offer. Seller should consult an attorney for specific legal advice.

PROPERTY TAX DISCLOSURE.

Buyer(s) hereby acknowledge receipt of the Estimated Property Tax Levy on the Property, attached as Exhibit 1 and understands that said Estimated Property Tax Levy is based on the LISTING price of the Property.

Buyer(s) hereby acknowledge that the Estimated Property Tax Levy on the Property is not readily available and does hereby waive the right to receive the Estimated Property Tax Levy prior to submitting this Purchase Agreement. See Estimated Property Tax Levy Disclosure Information Sheet (RANM Form 3275).

SEPTIC SYSTEM. Does the Property include an on-site liquid waste system? Yes No *If the answer is "Yes", the transfer of the Property is subject to Regulations of the New Mexico Environment Department governing on-site liquid waste systems, which require inspection and possible repair, and RANM Form 5120a, Septic System Contingency Addendum, is attached hereto and incorporated by reference.*

B. INSPECTIONS. Seller and Broker strongly recommend that Buyer satisfy any concerns that Buyer may have about the physical condition of the Property. To accomplish this, the parties are encouraged to employ competent (and, where appropriate, licensed) professionals to perform inspections of all conditions of the Property. Buyer has the right to have performed the inspections checked below. Seller Buyer will be responsible for paying any charges required by the utility company to have utilities turned on for inspection purposes, but in no event will Buyer be responsible for charges to repair the property, to bring it up to code, to pay unpaid bills, or for anything other than a turn-on fee.

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Unless otherwise agreed in writing, the Buyer will select the inspector. Whether or not the transaction closes, the following inspections will be paid for by:

INSPECTIONS	Buyer Pays	Seller Pays	Delivery Deadline	Objection Deadline	Resolution Deadline
Home	X		Due Diligence	Due Diligence	Due Diligence
Electrical	X		Due Diligence	Due Diligence	Due Diligence
Heating/Air Conditioning	X		Due Diligence	Due Diligence	Due Diligence
Plumbing	X		Due Diligence	Due Diligence	Due Diligence
Roof	X		Due Diligence	Due Diligence	Due Diligence
Structural	X		Due Diligence	Due Diligence	Due Diligence
Lead-Based Paint Evaluation					
Risk Assessment					
Paint Inspection					
Combination Risk Assessment/Inspection					
Other:					
Well Equipment (pump, pressure tank, lines)					
Well Water Potability Tests					
Well Water Yield Tests					
Well Water Nitrate Tests					
Pool/Spa/Hot Tub Equipment					
Wood-Destroying Insects	X		Due Diligence	Due Diligence	Due Diligence
Dry Rot	X		Due Diligence	Due Diligence	Due Diligence
Radon					
Mold					
Square-Foot Measurement:					
Sewer Line Inspections					
Ducts (type):					
Phase One Environmental Inspection					
Soil Test					
Other:					
Other:					

C. SURVEYS OR IMPROVEMENT LOCATION REPORT. Buyer has the right to have performed the item selected below or the right to accept an existing one. Unless otherwise agreed in writing the party paying for the item will select the surveyor and order the survey or report.

SURVEY/IMPROVEMENT LOCATION REPORT	Delivery Deadline	Objection Deadline	Resolution Deadline
Improvement Location	30 Days After Acceptance	32 Days After Acceptance	40 Days After Acceptance
Metes and Bounds Description			
Staked Boundary	30 Days After Acceptance	32 Days After Acceptance	40 Day After Acceptance
American Land Title Association Survey (ALTA)			
Flood Plain Designation	30 Days After Acceptance	32 Days After Acceptance	40 Days After Acceptance
Other:			

Each party is responsible for payment as shown above for any inspection or surveys ordered and performed whether or not the transaction closes.

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PURCHASE AGREEMENT – RESIDENTIAL RESALE – 2010**

D. BUYER'S OBJECTIONS.

1. The Buyer may make any reasonable objections to any report or unsatisfactory condition disclosed by any document (16A), inspections (16B), survey or Improvement Location Report (16C) by submitting them in writing to Seller no later than applicable Objection Deadline. Any objections to any inspection, survey or report must be accompanied by a copy of the report. If Seller is responsible for ordering a report or document, and if Buyer does not receive that report or document by the Delivery Deadline, Buyer and Seller may agree to extend the Objection Deadline and Resolution Deadline or Buyer may terminate the Agreement. If Buyer is responsible for ordering a report or document, and fails to do so in a timely manner, Buyer may not use the failure to receive the report or document as cause to terminate the Agreement.

2. Upon objection, Buyer can request that Seller cure the objections or Buyer can terminate this Agreement. If no written objection or termination is delivered to Seller in writing by Objection Deadline, the contingency shall be deemed removed.

E. RESOLUTION. If Buyer makes specific objections and requests Seller to cure, Buyer and Seller may negotiate a resolution. If the objections are not resolved by the Resolution Deadline, this Agreement shall be terminated.

F. COST OF REPAIRS. Seller agrees to complete or pay for any repairs required by a FHA, VA, conventional lender, or with respect to any objections made by Buyer as a result of the above reports, at an aggregate cost **not to exceed \$** _____. If the cost to cure the objections exceeds this amount, such excess costs may be negotiated and if no agreement is reached, the Agreement shall terminate.

G. OBJECTIONS COMPLETION. Seller agrees to cure objections not later than _____ days prior to Settlement/ Signing Date.

H. REFUND OF EARNEST MONEY. If this Agreement is terminated pursuant to this paragraph, the Earnest Money will be refunded to Buyer.

I. REASONABLE ACCESS; DAMAGES. Seller agrees to provide reasonable access to Buyer and any inspectors. The party selecting the inspector is responsible for and shall pay for any damages which occur to the Property as a result of such Inspection.

17. HOME WARRANTY CONTRACT. If provided for in paragraph 9, a home warranty service contract will be purchased from _____. The parties acknowledge that the home warranty service contract provides for limited coverage and for only limited components of the Property. In addition, the home warranty service contract contains specific exclusions and/or certain deductibles. Neither the Seller nor the Broker is responsible for home warranty coverage or lack thereof. The parties acknowledge that a home warranty service contract provider may or may not conduct an inspection of the Property. Any inspection report made available by the provider is not meant as a representation as to the condition of the Property, and is only a report used by the provider to determine the conditions under which the Property may be warranted.

18. DISCLAIMER. The Property is sold in its current condition including, but not limited to, the nature, location, amount, sufficiency or suitability of its: current or future value; future income to be derived therefrom or as to its current or future production; condition; size; location of utility lines; location of sewer, water and other utility lines or availability of utility services or the possibility of extending improvements (paving, sewer, water, utilities, access) to the Property; easements with which it is burdened or benefited; lot boundaries; adjacent property zoning; physical and legal access; soil conditions; permits, zoning, or code compliance; lot size or acreage; and improvements or their square footage; and water rights. Broker has not investigated and is not responsible for the foregoing aspects of the Property, among which lot size, acreage, and square footage may have been approximated, but are not warranted as accurate. Buyer will have had full and fair opportunity to inspect and judge all aspects of the Property with professional assistance of Buyer's choosing prior to settlement and is purchasing Property based solely upon Buyer's inspection and judgment and not by reason of any representation made to Buyer by Seller or Broker unless expressly set forth in this Agreement or Disclosure Statements. Buyer and Seller acknowledge that Brokers' only role in this transaction is to provide real estate advice to Broker's client and/or customer and real estate information to the parties. For all other advice or information that may affect this transaction, including but not limited to financial and legal, the parties must rely on other professionals.

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19. RELEASE. The parties hereby release the REALTORS® Association of New Mexico, all local REALTOR® Boards, Broker and the agents and employees of the foregoing from any liability arising out of use of this Purchase Agreement form. Buyer and Seller acknowledge that they are hereby advised to consult their own respective attorneys, accountants, or other advisors as to the legal and tax effect of this Agreement prior to signing.

20. MAINTENANCE. Seller agrees that until Seller gives possession of the Property to Buyer, the heating, air conditioning, electrical, solar, septic systems, well and well equipment, gutters and downspouts, sprinklers, plumbing systems including the water heater, pool and spa systems, as well as appliances and other mechanical apparatus, will be in the same condition as the Date of Acceptance, normal wear and tear excepted. Until the Property is delivered, Seller will maintain all structures, landscaping, grounds and pool. Seller agrees to deliver the Property with all debris and personal belongings removed. The following items are specifically excepted from the above: _____

21. PRE-CLOSING WALK-THROUGH. Within 2 days prior to Settlement/Signing Date, Buyer shall have the right to verify the Property is in the same condition as on the Date of Acceptance, reasonable wear and tear excepted, and all agreed upon improvements have been completed.

22. FLOOD HAZARD ZONE. If the Property is located in an area which is designated as a special flood hazard area, Buyer may be required to purchase flood insurance in order to obtain a loan secured by the Property from any federally regulated financial institution or a loan insured or guaranteed by an agency of the U.S. Government.

23. DEFINITIONS. BROKER includes Buyer's and Seller's brokers. **DAYS** means calendar days excluding weekends and bank holidays, unless otherwise specified. **DATE OF ACCEPTANCE** is the date this Agreement is fully executed and delivered. **DELIVERED** means personally delivered, delivered by facsimile, mailed postage prepaid, or by any method where there is evidence of receipt. The facsimile or e-mail transmission of a copy of this or any related document will constitute delivery of that document. The facsimile, e-mail or electronically transmitted signature shall have the same force and effect as an original signature. Delivery to the real estate Broker who is working with or who represents the Buyer or Seller will constitute delivery to the Buyer or Seller respectively, except if the same Broker works for or represents both Buyer and Seller, in which case, delivery to the principal is required. The **MASCULINE** includes the feminine. The **SINGULAR** includes the plural.

24. RISK OF LOSS. Prior to Funding Date, risk of fire or other casualty will be on Seller, and in the event of loss, Buyer will have the option (to be exercised by written notice to Seller within 5 days after receipt of notice of loss) of canceling this Agreement and receiving back the Earnest Money or closing and receiving assignment of Seller's portion of the insurance proceeds, if any, at Funding Date. If Buyer fails to timely notify Seller of Buyer's election, Buyer will be deemed to have elected to close.

25. MEDIATION. If a dispute arises between the parties relating to this Agreement, the parties agree to submit the dispute to mediation. The parties will jointly appoint a mediator and will share equally the costs of the mediation. If a mediator cannot be agreed on or mediation is unsuccessful, the parties may enforce their rights and obligations under this Agreement in any manner provided by New Mexico law.

26. EARNEST MONEY DISPUTE. Notwithstanding any termination of this Agreement, in the event that a controversy arises between Buyer and Seller, and the controversy cannot be resolved, the Holder of the Earnest Money may take no action or may choose to file an **Interpleader** action. **Interpleader** is a legal proceeding whereby the Holder of the Earnest Money names Buyer and Seller as defendants and deposits the funds in question with an appropriate court. Once the funds have been disbursed by final determination of the court, the prevailing party and the Holder of the Earnest Money shall be entitled to request recovery of all court costs and reasonable attorneys' fees related to the dispute from the non-prevailing party. Parties to all Earnest Money disputes are urged to review RANM Form 2310, "Earnest Money Dispute Information Sheet," and to consult a licensed attorney to fully understand all their rights and remedies.

27. DEFAULT. Time is of the essence. If any payment or any other condition hereof is not made, tendered or performed by either Seller or Buyer as required, then this Agreement may be terminated at the option of the party who is not in default. If the non-defaulting party elects to treat this Agreement as terminated, the non-defaulting party may elect to retain the Earnest Money and pursue any additional remedies allowable by law. In the event, however, the non-defaulting party elects to treat this Agreement as being in full force and effect, the non-defaulting party will have all rights and remedies available under this Agreement. Buyer and Seller acknowledge and agree that Broker will not in any circumstances be responsible for any breach by either party to this Agreement. Should any aspect of this Agreement result in dispute, litigation, or settlement, the prevailing party of such action including Broker shall be entitled to an award of reasonable attorneys' fees and court costs.

**REALTORS® ASSOCIATION OF NEW MEXICO
PURCHASE AGREEMENT – RESIDENTIAL RESALE – 2010**

28. FAIR HOUSING. Seller and Buyer understand that the Fair Housing Act and the New Mexico Human Rights Act prohibit discrimination in the sale or financing of housing on the basis of race, age, color, religion, sex, sexual orientation, gender identity, familial status, spousal affiliation, physical or mental handicap, serious medical condition, national origin or ancestry.

29. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which is deemed to be an original, and all of which will together constitute one and the same instrument.

30. GOVERNING LAW. This Agreement will be interpreted in accordance with the laws of the State of New Mexico.

31. SEVERABILITY. If any portion of this agreement is found by any court of competent jurisdiction to be invalid or unenforceable, the remainder of this agreement will remain in full force and effect.

32. ENTIRE AGREEMENT. The parties understand that this offer, if accepted in writing by Seller and delivered to Buyer, constitutes a legally binding contract. This Agreement together with the following addenda and any exhibits referred to in this Agreement contains the entire agreement of the parties and supersedes all prior agreements or representations with respect to the Property which are not expressly set forth herein. This Agreement may be modified or canceled only by a writing signed and dated by both parties.

- | | |
|---|--|
| <input type="checkbox"/> Addendum No. _____ (5101) | <input type="checkbox"/> Occupancy Agreement – Buyer/Seller (2201/2202) |
| <input type="checkbox"/> Buyer's Sale Contingency
(Right of First Refusal) Addendum (2503) | <input type="checkbox"/> Real Estate Contract Addendum (2402) |
| <input type="checkbox"/> Lead-Based Paint Addendum (5112) | <input type="checkbox"/> Residential Resale Condominium Addendum (2302) |
| <input checked="" type="checkbox"/> Other: <u>Addendum #1-NSP Letter</u> | <input checked="" type="checkbox"/> Other: <u>Exhibit #1-Tax Levy Form</u> |
| <input checked="" type="checkbox"/> Other: <u>Addendum #2</u> | <input type="checkbox"/> Other: <u>Exhibit #2-MLS Doc.</u> |
| <input type="checkbox"/> Other: _____ | <input type="checkbox"/> Other: _____ |

33. EXPIRATION OF OFFER. This offer will expire unless acceptance is delivered in writing to Buyer or Buyer's Broker on or before January 13, 2010, at 5:00 am pm Mountain Time. If not accepted, this offer can be withdrawn at any time before the expiration date.

OFFER BY BUYER:

Buyer acknowledges that Buyer has read the entire Purchase Agreement and understands the provisions thereof.

Buyer Signature _____	Offer Date _____	Time _____
Buyer Signature _____	Offer Date <u>1/6/10</u>	Time _____
<u>City of Las Cruces, By Terrence Moore-City Manager</u>	Email Address _____	
Buyer Names (Print) _____	<u>Las Cruces</u>	<u>NM</u>
Buyer Address _____	City	State
		<u>88001</u>
		Zip Code
Buyer Home Phone _____	Buyer Cell Phone _____	Buyer Business Phone _____
		Buyer Fax _____

**REALTORS® ASSOCIATION OF NEW MEXICO
PURCHASE AGREEMENT – RESIDENTIAL RESALE – 2010**

ACKNOWLEDGEMENT BY SELLER:

With regard to Paragraph 14, FOREIGN SELLERS, Seller agrees to;

- Execute an Affidavit of Non-Foreign Seller (RANM Form 2303), or
- Provide written documentation from the IRS that withholding is not required.

If Seller does not provide the Affidavit of Non-Foreign Seller (if applicable) within the time-frame provided, Buyer, in his sole discretion, may choose to terminate this Agreement or to proceed to Settlement/Signing. If Buyer chooses to terminate, Earnest Money will be returned to Buyer. If Seller fails to provide either of the above documents prior to the Settlement/Signing date, Buyer may still proceed with the consummation of this Agreement and may in his sole discretion, instruct the Title Company closing this transaction to withhold ten percent (10%) of the amount realized from the sale of the Property to be remitted to the IRS on Buyer's behalf. Generally speaking, the "amount realized" is the sales/purchase price of the Real Estate.

By signature hereto, Seller hereby acknowledges Buyer's obligations under FIRPTA and in the event Seller fails to provide the necessary documentation as provided for in this Agreement authorizes the Title Company closing this transaction to withhold ten percent (10%) of the amount realized from the sale of the Property to be remitted to the IRS on Buyer's behalf.

Seller acknowledges that Seller has read the entire Purchase Agreement and understands the provisions thereof.

Seller (select one):

- ACCEPTS this Offer and agrees to sell the Property for the price and on the terms and conditions specified in this Agreement.
- REJECTS this Offer and submits a Counteroffer (RANM 5102).
- SUBMITS an Invitation to Offer (RANM 5103).
- REJECTS this Offer.

Seller Signature	Date	Time
Seller Signature	Date	Time
Seller Names (Print)	Email Address	
Seller Address	City	State Zip Code
Seller Home Phone	Seller Cell Phone	Seller Business Phone Seller Fax

BUYER'S BROKER

International Realty Plus NM Buyer's Brokerage Firm	1705 N. Valley Dr. Ste 1, Las Cruces, NM 88007 Address	(575) 522-0487 Office Phone	(575) 524-4252 Fax
John Lance Swarengin By (Print)	Email Address		
Broker <input checked="" type="checkbox"/> is <input type="checkbox"/> is not a REALTOR®			

SELLER'S BROKER

Seller's Brokerage Firm	Address	Office Phone	Fax
By (Print)	Email Address		
Broker <input type="checkbox"/> is <input type="checkbox"/> is not a REALTOR®			



**City of Las Cruces**

ADDENDUM _____

January 6, 2010
L-10-002

Federal National Mortgage Association
14221 Dallas Parkway Ste 1000
Dallas, TX 75254-2916

Gentlemen:

The City of Las Cruces is interested in acquiring property you own at 4752 Diamante Ct., Las Cruces, NM 88012, for a proposed project which will receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) through the State of New Mexico, Local Government Division (LGD) under the Neighborhood Stabilization Program (NSP).

Please be advised that the City of Las Cruces possesses eminent domain authority to acquire property. However, in the event we cannot reach an amicable agreement for the voluntary purchase of your property, we will not pursue its acquisition under eminent domain. Your property is not a necessary part of the proposed project and is not intended, planned, or in a designated project area where substantially all of the property within the area is to be acquired.

We are offering you \$150,000 to purchase your property (see attached formal offer). We believe this amount represents the Fair Market Value (FMV) of your property. FMV will be confirmed through a formal appraisal after an offer is negotiated or accepted. The FMV price must then be discounted by one percent (1%) to meet the requirements of the NSP at Article IX.C, as amended, of the grant agreement from the State of New Mexico, Local Government Division, to the City of Las Cruces.

If you have any questions about this notice or the proposed project, please contact me at 575-528-3060 or email at ddollahon@las-cruces.org.

Sincerely,

A handwritten signature in black ink, appearing to read "David P. Dollahon".

David Dollahon, AICP
Neighborhood Services Administrator

cc: David Weir, Community Development Director
Ray Sartin, Home Rehabilitation Coordinator
Grantee File

Handwritten initials in black ink, possibly "JL".
Seller's Initials



REALTORS® ASSOCIATION OF NEW MEXICO
GENERAL ADDENDUM No. 2 2010

This Addendum is part of the Residential Resale Form-2104 Agreement (the "Agreement")
dated January 6, 2010, between City of Las Cruces
and Seller relating to the following Property:

4752 Diamante Ct. Las Cruces 88012
Address City Zip Code

Lot 140, Block C, Los Enamorados Estates Replat #2
Legal Description

or see metes and bounds description attached as Exhibit _____, Dona Ana County, New Mexico.
The following is added to the Agreement:

1. Settlement/Signing Date shall be on or before 59 days after acceptance of the agreement.
2. The Buyer has 21 working days Due Diligence to receive bids and reach a conclusion on feasibility of the purchase of the property.
3. The funding shall be on or before 60 days after acceptance of the offer.

If there is any conflict between the provisions of the Agreement and this Addendum, the provisions of this Addendum will control. The remaining provisions of the Agreement will remain in effect.

Signature [Signature] City of Las Cruces Date 1/6/10 Time _____
 Signature By [Signature] Terrence Moore Date 1/6/10 Time _____
 City Manager

Signature _____ Date _____ Time _____
 Signature _____ Date _____ Time _____

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**REALTORS® ASSOCIATION OF NEW MEXICO
INFORMATION SHEET
ESTIMATED PROPERTY TAX LEVY DISCLOSURE – 2010**

PURPOSE: The Property tax levied on a residential Property for the current year may be a misleading guide to property tax levies in the years following the sale of that Property. Therefore, New Mexico law provides that prospective Buyer needs information regarding the Property tax obligation in the year following the Property's sale to properly judge the affordability of a contemplated purchase.

SELLER OR SELLER'S BROKER OBLIGATIONS: Prior to accepting an Offer to Purchase, the Property Seller or the Seller's Broker must request from the County Assessor of the county in which the Property at issue is located the Estimated Property Tax Levy with respect to the Property and provide a copy of the Assessor's response in writing to the prospective Buyer or Buyer's Broker.

BASIS FOR ESTIMATED PROPERTY TAX LEVY: The listed price shall be provided to the County Assessor and shall be used as the value of the Property for purposes of calculating the Estimated Property Tax Levy.

BUYER'S BROKER OBLIGATIONS: A Buyer's Broker must provide the Estimated Property Tax Levy to the prospective Buyer immediately upon receiving the estimate from the Seller or Seller's Broker and receive in writing the prospective Buyer's acknowledgment of receipt of the Estimated Property Tax Levy.

BUYER'S OPTION TO WAIVE RIGHT TO RECEIVE DISCLOSURE: The prospective Buyer may waive the disclosure requirements by signing a written document prior to the time the Offer to Purchase is to be made in which the Buyer acknowledges that the required Estimated Property Tax Levy is not readily available and waives disclosure of the Estimated Property Tax Levy.

COUNTY ASSESSOR'S OBLIGATIONS: Upon request, a County Assessor must furnish in writing an Estimated Property Tax Levy with respect to a residential Property in the County, calculated at a Property value specified by the requestor. The County Assessor must comply with the request by the close of business of the business day following the day the request is received. A County may satisfy this obligation through an internet site or other automated format that allows a user to print the requested Estimated Property Tax Levy.

USE OF ESTIMATE IN FUTURE VALUATIONS: A document associated with the request is not a public record or a valuation record. County Assessors are prohibited from using the information provided with a request, including the specified value, to assess the valuation of the Property. Neither the County nor any jurisdiction levying a tax against residential Property in the County is bound in any way by the estimate given.

CONTENTS OF DOCUMENT PROVIDED BY COUNTY ASSESSOR: The County Assessor's Estimated Property Tax Levy must contain the following: 1) the actual amount of Property tax levied for the Property for the current calendar year if the tax rates for the current year have been imposed or in all other cases, the amount

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**REALTORS® ASSOCIATION OF NEW MEXICO
INFORMATION SHEET
ESTIMATED PROPERTY TAX LEVY DISCLOSURE – 2010**

of Property tax levied with respect to the Property for the prior calendar year; 2) the Estimated Property Tax Levy for the calendar year following the year in which the transaction takes place; and 3) a disclaimer similar to the following.

"The Estimated Property Tax Levy is calculated using the stated price and estimates of the applicable tax rates. The County Assessor is required by law to value the Property at its current and correct value, which may differ from the listed price. Further the estimated tax rates may be higher or lower than those that will actually be imposed. Accordingly, the actual Property tax levied may be higher or lower than the estimated amount. New Mexico law requires your real estate Broker or agent to provide you an Estimate Property Tax Levy on the Property on which you have submitted or intend to submit an Offer to Purchase. All real estate Brokers and agents who have complied with these disclosure requirements shall be immune from liability arising from suit relating to the Estimated Property Tax Levy."

SELLER AND REAL ESTATE BROKER LIABILITY: All Property Sellers and real estate Brokers and agents who have complied with these provisions are immune from suit and liability arising from or relating to the Estimated Property Tax Levy.

Received *[Signature]* Date 1/6/10

Exhibit # 1



Steinborn GMAC Real Estate

Steinborn GMAC Real Estate
141 N. Roadrunner Pkwy. Ste. 141
Las Cruces, NM 88011
FAX: 575-522-4987



REALTORS ASSOCIATION OF NEW MEXICO
COUNTY ASSESSOR'S PROPERTY TAX LEVY
REQUEST AND CERTIFICATE - 2009

Grady Oxford / Jodi Juliana, Listing Broker, on behalf of
Jannie Mae Seller
requests that the Dona Ana County Tax Assessor furnish the following information for the list price of
\$ 159,000 in accordance with the New Mexico Estimated Property Tax Levy Disclosure with respect to the
following property:

Property Address 4752 Diamante Ct.
Parcel ID 02-34376
Legal Description # 140, Block C, Las Encarnadas Estates

New Mexico law requires that upon request, a County Assessor must furnish in writing an Estimated Property Tax Levy with respect
to a residential Property in the County, calculated at a Property value specified by the requestor. The County Assessor must comply
with the request by the close of business of the business day following the day the request is received. A County may satisfy this
obligation through an internet site or other automated format that allows a user to print the requested Estimated Property Tax Levy.

REQUESTED BY SELLER:

Seller Jodi Juliana Date 12-28-09 Time
Broker STEINBORN GMAC REAL ESTATE Date Time

PLEASE RETURN VIA FAX TO THE ABOVE BROKER AT: (575) - 522-4987

Or via email to:

PROPERTY TAX LEVY CERTIFICATE
(To be completed by the County Assessor's Office)

The following items are required to be provided by the County Assessor:

Actual amount of Property tax levied for the current calendar year: \$ 11032.72 (or if not available) the amount of
Property tax levied for the prior calendar year: \$ 11019.93

The ESTIMATED Property Tax Levy for the year following the current tax year based upon the above list price:
\$ 11447.61

The Estimated Property Tax Levy is calculated using the stated price and estimates of the applicable tax rates. The County Assessor
is required by law to value the Property at its "current and correct" value, which may differ from the listed price. Further, the
estimated tax rate may be higher or lower than those that will actually be imposed. Accordingly, the actual tax levy may be higher or
lower than the estimated amount. New Mexico law requires your real estate Broker or agent to provide you an Estimated Property
Tax Levy on the Property you have submitted or intended to submit an Offer to Purchase. All real estate Brokers and agents who
have complied with these disclosure requirements shall be immune from suit and liability from suit relating to the Estimated Property
Tax Levy.

County Tax Assessor Representative Date 12/29/09 Time

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resulting from its use. By use of this form the parties agree to the limitations set forth in this paragraph. The parties hereby release RANM, the real estate brokers,
their agents and employees from any liability arising out of the use of this form. You should consult your attorney with regards to the effectiveness, validity, or
consequences of any use of this form. The use of this form is not intended to identify the user as a REALTOR. REALTOR is a registered collective
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Association's strict Code of Ethics.



REALTORS® ASSOCIATION OF NEW MEXICO
CERTIFICATION OF DELIVERY AND ACKNOWLEDGMENT
OF RECEIPT OF ESTIMATED PROPERTY TAX LEVY - 2010

TAX YEAR 2008

Buyer(s) City of Las Cruces, By Terrence Moore-City Manager

Seller(s)

Property Address 4752 Diamante Ct., Las Cruces, NM 88012

Parcel ID 02-34376

[X] COUNTY ASSESSOR'S ESTIMATED PROPERTY TAX LEVY IS ATTACHED.

I, Seller's Broker, provided a copy of the Assessor's response to my request for the Estimated Property Tax Levy on the above-identified Property to [] Buyer [] Buyer's Broker on this ___ day of ___, ___.

Seller's Broker

Date

I, Buyer's Broker, do hereby acknowledge that I received an Estimated Property Tax Levy on the above referenced Property from [X] Seller [] Seller's Broker on the 30th day of December, 2009 and that I provided the same to Buyer on the 6 day of January, 2010.

Buyer's Broker John Lance Swarengin

Date

I, Buyer, hereby acknowledge receipt of the Estimated Property Tax Levy provided to me by [X] Buyer's Broker [] Seller's Broker on this 6 day of January, 2010.

Buyer(s) City of Las Cruces, By Terrence Moore-City Manager

Date

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REALTORS® ASSOCIATION OF NEW MEXICO INFORMATION SHEET - FIRPTA - 2010

FIRPTA EXPLAINED. FIRPTA is the Foreign Investment in Real Property Tax Act of 1980 (26 USC §1445 et. Sec.) ("FIRPTA"). Under FIRPTA, nonresident Sellers are taxed similarly to U.S. real estate owners when selling their properties by placing the tax-remittance onus on the resident Buyer.

BUYER'S OBLIGATIONS UNDER FIRPTA. In transactions with foreign persons, the Buyer MUST submit ten percent (10%) of the amount realized from the sale of the property to the Internal Revenue Service ("IRS") within 20 days of closing. Generally speaking, the "amount realized" is the sales/purchase price of the Real Estate. The Buyer must determine the Seller's status as a foreign or non-foreign person. If the Seller is foreign, but an exemption applies, then the Buyer must obtain proof of qualification to avoid IRS sanctions. If a Seller asserts that he/she is a non-foreign person, the Buyer should obtain an Affidavit of Non-Foreign Seller (RANM Form 2303) or a Qualified Substitute Statement (RANM Form 2303A).

A "FOREIGN PERSON" UNDER FIRPTA. A foreign person includes: a nonresident alien individual; a foreign corporation, partnership, trust, or estate; and any other person that is not a U.S. person. A nonresident alien is defined as an individual who is neither a U.S. citizen nor a resident of the U.S. within the meaning of section 7701(b) of the Internal Revenue Code. Two tests apply. Under the "green-card" test, an alien individual is a resident of the U.S. if he/she has been admitted for U.S. permanent residence (i.e., has a green card) at any time during the calendar year. Under the substantial-presence test, an alien individual is a resident for U.S. federal tax purposes if the alien is physically present in the U.S. for 183 days or more during the current calendar year. Alternatively, if the alien is physically present for at least 31 days during the current year, the alien may be treated as a U.S. tax resident in the current year under a three-year look-back test which requires an analysis of the alien's presence over the preceding three years. If the alien is from a country that has an income tax treaty with the United States, the treaty may act to change these results.

EXCEPTIONS TO WITHHOLDING UNDER FIRPTA. The following are the most common: 1) the property is purchased for less than \$300,000 AND the Buyer is using the property as a primary residence; 2) the Seller has an IRS statement that specifies the Seller is exempt from withholding, is entitled to a reduced withholding amount, has provided adequate security for payment or has made arrangements with the IRS for payment; 3) the Seller provides the Buyer with a Non-Foreign Seller Affidavit (RANM Form 2303); 4) a Qualified Substitute provides the Buyer with a Qualified Substitute Statement (RANM Form 2303A); or 5) the Seller is participating in a SIMULTANEOUS Section 1031 Exchange. In order for the home to be considered the Buyer's "primary residence" for purposes of the exception, the Buyer or a member of the Buyer's family must have definite plans to reside at the property for at least 50% of the number of days the property is used by any person during each of the first two 12-month periods following the date of transfer. When counting the number of days the property is used, do not count the days the property will be vacant.

AFFIDAVIT OF NON-FOREIGN SELLER (FORM 2303) AND QUALIFIED SUBSTITUTE STATEMENT (FORM 2303A). The Affidavit of Non-Foreign Seller (Seller's Affidavit) is a sworn statement completed and signed by the Seller which includes the Seller's tax identification number (most often a Social Security number) and in which the Seller states under Penalty of Perjury that the Seller is not a foreign person as defined under FIRPTA, and thus, is not subject to tax withholding under FIRPTA. The Seller can provide a completed and signed Seller's Affidavit directly to the Buyer or to a Qualified Substitute. A Qualified Substitute is a person or entity as defined under FIRPTA that

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INFORMATION SHEET - FIRPTA - 2010

accepts a Seller's completed and signed Seller's Affidavit in the Buyer's stead. The Qualified Substitute retains the Seller's Affidavit and must provide the Buyer with a Qualified Substitute Statement. The Qualified Substitute Statement is a sworn statement made under Penalty of Perjury in which the Qualified Substitute states that the Qualified Substitute has a completed and signed Seller's Affidavit from the Seller. The Buyer must retain the Qualified Substitute Statement in his/her records. If the Buyer receives a Qualified Substitute Statement, the Buyer never receives the Seller's Affidavit, nor the Seller's tax identification number.

QUALIFICATIONS OF A "QUALIFIED SUBSTITUTE" UNDER FIRPTA. Under FIRPTA, the Buyer's Broker or any person (including an attorney or Title Company) responsible for closing the transaction may be a "Qualified Substitute". **The Seller's Broker may NOT be a "Qualified Substitute".**

EXCEPTION FOR NON-FOREIGN SELLERS DOES NOT APPLY IF THERE IS KNOWLEDGE OR NOTICE THAT THE SELLER'S AFFIDAVIT OR QUALIFIED SUBSTITUTE STATEMENT IS FALSE. In the case of any of the following, the Buyer must retain and remit ten percent (10%) of the amount realized from the sale of the property to the IRS within 20 days of closing (Generally speaking, the "amount realized" is the sales/purchase price of the Real Estate):

- 1) The Buyer or Qualified Substitute has actual knowledge that either the Seller's Affidavit or the Qualified Substitute Statement is false;
- 2) The Buyer receives notice from the Seller's Broker, Buyer's Broker or the Qualified Substitute that the Seller's Affidavit or the Qualified Substitute Statement is false;
- 3) The Qualified Substitute receives notice from the Seller's Broker or Buyer's Broker that the Seller's Affidavit is false;
- 4) The United States Secretary of Treasury, by regulations, requires the Buyer or the Qualified Substitute to furnish a copy of the Seller's Affidavit or the Qualified Substitute Statement to the Secretary of Treasury and the Buyer or Qualified Substitute fails to furnish a copy of the Affidavit or Statement at the time and in the manner as required by the regulations.

AGENT TO THE TRANSACTION OR A QUALIFIED SUBSTITUTE LEARNS THE SELLER'S AFFIDAVIT OR QUALIFIED SUBSTITUTE STATEMENT, AS MAY BE THE CASE, IS FALSE. Such agent or Qualified Substitute **MUST** notify the Buyer at such time and in such manner as required by the regulations. If the Seller's Broker, Buyer's Broker or Qualified Substitute fails to provide notice of a false affidavit as required by the regulations, such agent or Qualified Substitute shall have the same duty to deduct and withhold that the Buyer would have had if the agent or Qualified Substitute had complied with the notice requirements. (See below for limitation on liability for agents, Brokers and Qualified Substitutes).

IRS PENALTIES FOR VIOLATIONS UNDER FIRPTA. Buyers who fail to withhold and fail to obtain proof of an approved exemption may be held liable for the Seller's tax that should have been withheld on the sale. In the event an agent or Qualified Substitute fails to notify a Buyer of a false Seller's Affidavit or false Qualified Substitute Statement as may be the case, the agent and/or Qualified Substitute may be liable for an amount up to the amount of compensation the agent or Qualified Substitute derived from the transaction. In addition to the above, criminal penalties and other civil penalties and interest may apply.

PARTIES SHOULD CONSULT WITH QUALIFIED PROFESSIONALS. Foreign Sellers and Buyers dealing with transactions involving Foreign Sellers should consult with the appropriate professional, i.e. an accountant and/or attorney.



REALTORS® ASSOCIATION OF NEW MEXICO
AFFIDAVIT -- NON-FOREIGN SELLER - 2010

NOTICE TO SELLER: If you need any assistance to understand the Foreign Investment in Real Property Act and its application to you, please consult with your own tax advisor. Real estate Brokers are not permitted to give advice with respect to such matters.

Section 1445 of the Internal Revenue Code provides that a Buyer of United States real property must withhold tax if Seller is a foreign person. To inform Buyer that withholding of tax is not required upon the disposition of the Property described below, the undersigned Seller executes this Affidavit. Seller understands that this certification may be disclosed to the Internal Revenue Service by Buyer and that any false statement may be punished by fine, imprisonment or both.

This Affidavit is executed in connection with the sale of the following Property:

4752 Diamante Ct. Las Cruces 88012
Address City Zip Code

Lot 140, Block C, Los Enamorados Estates Replat #2
Legal Description

or see metes and bounds description attached as Exhibit, Dona Ana County, New Mexico.

INDIVIDUAL SELLER

- 1. I am not a Foreign Person for purposes of United States income taxation.
2. My United States taxpayer identification number (Social Security Number) is:
3. My home address is:

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief, it is true, correct, and complete.

Name of Individual Seller

Signature

Date Time

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Handwritten signature and the word 'Untitled' next to it.

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REALTORS® ASSOCIATION OF NEW MEXICO
AFFIDAVIT -- NON-FOREIGN SELLER - 2010

ENTITY SELLER

1. _____ ("Seller")
is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations).
2. Seller's United States employer identification number is _____
3. Seller's office address is _____

4. If a corporation, Seller's place of incorporation is _____
Under penalties of perjury, I declare that to the best of my knowledge and belief, the statements in this Affidavit are true, correct, and complete, and that I have authority to sign this document on behalf of Seller.

Name of Entity _____
By _____
Its _____
Date _____ Time _____

Buyer or Qualified Substitute, as applicable, must retain this Affidavit and make it available to the Internal Revenue Service upon request.

NOTICE TO SELLER OR BUYER: An affidavit should be signed by each individual or entity seller to whom or to which it applies. Any questions relating to the legal sufficiency of this form, or to whether it applies to a particular transaction, or to the definition of any of the terms used, should be referred to a certified public accountant, attorney, or other professional tax advisor, or to the Internal Revenue Service.

Received by Buyer Qualified Substitute

Signature _____ Date 1/6/10 Time _____
City of Las Cruces By Terrence Moore - City Manager



REALTORS® ASSOCIATION OF NEW MEXICO INFORMATION SHEET - MOLD – 2010

This form is neither a disclosure nor a warranty concerning any specific property.

Mold is everywhere. It is a natural part of the Earth's environment.

Many types of mold can cause reactions in people, varying from mild allergic reactions (runny nose, itchy eyes) all the way to critical and life threatening conditions, such as brain damage, hemorrhaging and cancer. The way in which people react to exposure to mold depends on a number of factors, including their age, genetic make-up and overall health or physical condition. Even the same individual may react differently to similar exposures under different conditions. Not all molds are "toxic" (or poisonous). Indeed, only a few species of mold are toxic, the most notorious being Stachybotrys. These molds are known to produce "mycotoxins" under certain conditions. ("Myco" means "mold," and "toxin" means "poison.") Exposure to mycotoxins may cause a more serious health reaction.

When conditions are right for mold spores to germinate, a mold infestation may develop in a home. Once mold becomes problem, it often spreads rapidly. At this point, it can cause serious medical consequences to people who are exposed to it as well as structural damage to the property.

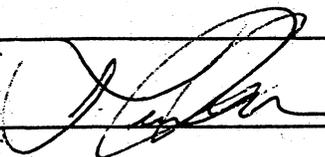
Mold needs certain things to develop into a mold infestation: water, food and time. The "food" most likely to be involved in a mold infestations is cellulose-based building materials, including, but not limited to, wallboard, sheetrock, ceiling tile, carpet and other similar items. When these building materials are exposed to water, especially if they are saturated, a mold infestations may result, and may begin as little as 24 hours after exposure of the mold to a source of food and moisture.

A Buyer inspecting a property for purchase should look for any signs of water damage, which can be an indication of a possible mold infestation. The Buyer should be aware that some areas of water damage may be hidden, such as in the ceiling of a wall. These areas are difficult or impossible to locate with even the most prudent and thorough inspections. If there are such hidden areas of water damage, a mold infestation problem may be hidden in a property and not readily detectable.

Inspections done by most general house inspectors include reporting visible signs of leaks and moisture, not the presence of mold or mold spores. Real estate Brokers and their agents are not qualified to recognize, identify or advise on the subject of molds. Sellers have an obligation to disclose known problems with their property. Inspectors inspect only within the terms of their contract, which may not include a mold inspection. Licensed real estate Brokers must disclose adverse material facts actually known by them.

A mold infestation may be present that has not been discovered by and is not known by any of these people.

If a Buyer has additional concerns about mold and toxic mold, the Broker involved in this transaction recommends that the Buyer research this issue personally, and consult with an environmental professional for additional advice and recommendations, and testing, if appropriate.

Buyer		City of Las Cruces	Date	Time
Buyer		By Terrence Moore-City Manager	1/6/10	
			Date	Time

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REALTORS® ASSOCIATION OF NEW MEXICO INFORMATION SHEET - EARNEST MONEY DISPUTE – 2010

UNLESS ACTING ON THEIR OWN BEHALF, BROKERS ARE NOT A PARTY TO A REAL ESTATE TRANSACTION AND MAY NOT REPRESENT EITHER THE BUYER OR THE SELLER TO SETTLE ANY EARNEST MONEY DISPUTE. PARTIES TO ALL EARNEST MONEY DISPUTES ARE URGED TO CONSULT A LICENSED ATTORNEY TO FULLY UNDERSTAND THEIR RIGHTS AND REMEDIES.

1. Unless otherwise specified, earnest money is funds in the form of cash, wire transfer, check or other negotiable security instrument that is placed in the custody of a Broker or a title company authorized to do business in New Mexico and is deposited into their respective trust account. Earnest money is evidence of the Buyer's good faith intentions to complete a real estate transaction and shall be held by the holder of the funds as a credit to the Buyer until the conclusion of the transaction.
2. In the event of any controversy that may arise regarding the distribution of the earnest money the holder of the earnest money shall not be required to take any action or distribute the earnest money unless the Buyer and the Seller have a written agreement detailing the disbursement of the funds.
3. If Buyer and Seller have signed an agreement to mediate, they have agreed to make a good faith effort to resolve their dispute. Mediation is a process in which one or more neutral third party mediators, who are skilled in negotiating, assist disputing parties to reach an agreement. In agreeing to mediate both parties retain the right to pursue other legal remedies. If you cannot reach an agreement, you are free to arbitrate or litigate the dispute as if the mediation never took place.
4. Both Buyer and Seller, in the interest of time and expense, may agree to submit to arbitration and to jointly share the cost of such arbitration. Both parties acknowledge and agree that the results of arbitration are legally binding to both parties. The results are final and may not be appealed to another jurisdiction.
5. In the event of a controversy, the holder of the earnest money may choose to take no action, or may choose to file an interpleader action. Interpleader is a legal proceeding whereby the holder of the earnest money names the Buyer and the Seller as defendants and deposits the funds in question with an appropriate court. The court holds the funds and distributes the funds only after a legal determination is made by the court. The prevailing party and the holder of the earnest money are entitled to request recovery of all courts costs and reasonable attorneys' fees related to the dispute from the non-prevailing party.
6. Either Buyer or Seller may submit a claim to an appropriate court. In addition to the final judgment, the prevailing party in any such litigation is entitled to request recovery of all court costs and reasonable attorneys' fees from the non-prevailing party.



REALTORS® ASSOCIATION OF NEW MEXICO MEDIATION INFORMATION FOR CLIENTS AND CUSTOMERS - 2010

- » **What is Mediation?** Mediation is a process in which one or more neutral third party mediators, who are skilled in negotiating, assist disputing parties to reach an agreement. Mediators do not render a win/lose decision as a judge or an arbitrator. Rather, mediators help you to arrive at a solution that all parties can accept. When everyone has agreed on a solution, all parties sign a written agreement; then the parties are legally bound to abide by its terms.
- » **What Are the Benefits of Mediation?** Mediation can help reduce tension between parties and enable you to preserve a viable, working relationship. In mediation, you retain control over the outcome of the dispute. You decide your own priorities, and on which items you may be willing to compromise in order to achieve your most important goals. The other parties can do the same prioritizing; everyone can come out ahead. In arbitration or litigation, a third party will make the decision for you. Someone will win and someone will lose.
- » **Do I Have to Mediate?** If you have signed an agreement to mediate, you have agreed to make a good faith effort to resolve your dispute. However, in agreeing to mediate both parties also retain the right to pursue other legal remedies. If you cannot reach an agreement, you are free to arbitrate or litigate the dispute as if the mediation never took place.
- » **Is Mediation Confidential?** Mediation sessions are private. Because successful mediation requires open communications, all written and oral communications will be treated as privileged. The parties agree not to admit evidence of settlement discussions in court proceedings or to call the mediator as a witness. The mediator will not disclose anything discussed in mediation to anyone except the parties without their consent unless required to do so by law.
- » **Do I Need An Attorney?** Mediation does not require the assistance of an attorney, but mediators welcome the assistance of the parties' lawyers when needed to explain to their clients their legal rights and obligations, and the effect of any proposed agreement.
- » **How Long Does Mediation Take?** Mediation is faster than litigation. Most mediation sessions can be completed in a day or less. A lawsuit can take anywhere from several months to several years to be decided.
- » **Is Mediation Expensive?** Mediation is considerably less expensive than litigation, and the cost is usually shared by the parties equally.
- » **Where Do I Find a Mediator?** Most communities have professional mediators who will provide this service for a fee. Consult your local telephone directory yellow pages for a listing of mediation services.

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For Your Protection: Get a Home Inspection

Why a Buyer Needs a Home Inspection

A home inspection gives the buyer more detailed information about the overall condition of the home prior to purchase. In a home inspection, a qualified inspector takes an in-depth, unbiased look at your potential new home to:

- ✓ Evaluate the physical condition: structure, construction, and mechanical systems;
- ✓ Identify items that need to be repaired or replaced; and
- ✓ Estimate the remaining useful life of the major systems, equipment, structure, and finishes.

Appraisals are Different from Home Inspections

An appraisal is different from a home inspection. Appraisals are for lenders; home inspections are for buyers. An appraisal is required to:

- ✓ Estimate the market value of a house;
- ✓ Make sure that the house meets FHA minimum property standards/requirements; and
- ✓ Make sure that the property is marketable.

FHA Does Not Guarantee the Value or Condition of your Potential New Home

If you find problems with your new home after closing, FHA can not give or lend you money for repairs, and FHA can not buy the home back from you. That is why it is so important for you, the buyer, to get an independent home inspection. Ask a qualified home inspector to inspect your potential new home and give you the information you need to make a wise decision.

Radon Gas Testing

The United States Environmental Protection Agency and the Surgeon General of the United States have recommended that all houses should be tested for radon. For more information on radon testing, call the toll-free National Radon Information Line at 1-800-SOS-Radon or 1-800-767-7236. As with a home inspection, if you decide to test for radon, you may do so before signing your contract, or you may do so after signing the contract as long as your contract states the sale of the home depends on your satisfaction with the results of the radon test.

Be an Informed Buyer

It is your responsibility to be an informed buyer. Be sure that what you buy is satisfactory in every respect. You have the right to carefully examine your potential new home with a qualified home inspector. You may arrange to do so before signing your contract, or may do so after signing the contract as long as your contract states that the sale of the home depends on the inspection.



HUD-92564-CN (6/06)



CAUTION