michaelson, connor & boul, inc.

Good Neighbor Next Door Sales Package

The following documents are contained in this package:

1. Instructions for Sales Contract
2. HUD 9548 (1/99) Sales Contract
3. Conditions of Sale
4. Radon Gas and Mold Notice and Release Agreement
5. Good Neighbor Next Door Certification
6. Good Neighbor Next Door Fact Sheet
7. Lead Based Paint Addendum
8. Forfeiture and Extension Policy (10/12/06)
9. For Your Protection Get a Home Inspection Form
10. Sales Contract and Addendum Checklist
11. Request to Turn On Utilities

The Sales package also must include:

1. Pre-qualification letter from a lender or verification of cash for a cash sale
2. Agency Disclosure Form from the Brokerage (if an agent is being used)

Important Note: For this sales package to be accepted the HUD 9548 Sales Contract may not be copied at **ANY** time. The only acceptable sales contract must have an original signature on an original print out. If a photocopy of the sales contract has an original signature it will not be accepted, it must be an original print out.

The Conditions of Sale (Page 4 of this print out) must be signed by all purchasers for the Sales Contract to be accepted.

The Sales Contract below can be filled out online, simply double click on the field (such as case number or address) to type in the appropriate information.

Please see the MCB Broker/Agent Information Handbook for additional information on Sales Contract Packages. The handbook can be found on our website: www.mcbreo.com. If you have any questions regarding the sales contract package please contact us.

Thank you,

MCB Sales

This sales package may be completed online prior to printing. Select a field (such as case number, address, and purchase price) and then fill in the correct information.

Instructions for Sales Contract

Property Disposition Program

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0306 (exp. 6/30/2004)

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required in order to administer the Property Disposition Sales Program (24 CFR Part 291). The collection of information is required in order to provide a binding contract between the property purchaser and HUD. A real estate broker or one of its agents completes this form. If this information were not collected, HUD would not be able to administer the Property Disposition Sales Program properly to avoid waste, mismanagement, and abuse. While no assurances of confidentiality are pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information request.

Privacy Act Notice – The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested on this form by virtue of Title 12, United States Code, Section 1701 et seq. The Housing and Community Development Act of 1987, U.S.C. 3543 authorized HUD to collect Employer ID and/or Social Security Numbers. These numbers are used to provide information to the IRS regarding payment of commissions or other fees. HUD may also disclose this information to Federal, State, and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as required and permitted by law. Failure to provide the Employer ID Number or Social Security Number could affect your participation in HUD's Property Disposition Program.

This **Sales Contract**, identified as form HUD-9548, must be prepared and transmitted in accordance with the following instructions. The form provides an original for fiscal and legal review, signed copy for the Purchaser, and unsigned information copies for the Purchaser, the selling Broker, and HUD's designated representative..

Remove this Instruction Sheet and type the HUD Case Number in the box in the upper right.

Item 1: Type Purchaser(s) name and complete property address.

Item 2: Enter name(s) and style in which title will be taken.

Item 3: Enter Bid Amount and amount of earnest money Purchaser has deposited.

Enter holder of earnest money deposit in accordance with Seller's instructions.

Item 4: Enter when appropriate, strictly in compliance with Seller's offering. If Seller has offered the property with insured financing available, and Purchaser is buying under such means, check the first block and the applicable type of insured financing, and complete the down payment and mortgage information. If the insured mortgage involves a repair escrow (and has been so offered by Seller), also check the appropriate block and insert the amount of the repair escrow.

Note: The amounts shown for "cash due at closing" and "balance by mortgage" do not include the FHA Mortgage Insurance Premium, prepaid expenses or closing costs Seller has agreed to fund into the mortgage.

Note: If Purchaser is paying cash or applying for conventional or other financing not involving FHA, check appropriate block.

Item 5: Enter amount of financing/closing costs Seller is expected to pay.

Note: If the amount stated in Item 5 exceeds actual and typical allowable financing and/or closing costs, such excess shall not be paid by Seller and may not be used by Purchaser to reduce amount(s) owing to Seller.

Item 6: Enter dollar amount Seller is expected to pay, including any selling bonus if offered by Seller. The commission will be paid by Seller upon completion of closing.

Item 7: Enter net amount due Seller (purchase price [Item 3], less Items 5 and 6). Contract will be awarded on the basis of the greatest acceptable net return to Seller.

Item 8: Enter appropriate occupancy information. If left blank, Purchaser will be considered as an investor. If purchaser qualifies for discount, enter percent. Discount will be reduced by amounts, if any, on Line Items 5 and 6. (Do not enter discounted price on contract.)

Item 9: Enter in accordance with HUD's instructions.

Item 10: Enter appropriate back-up offer information.

Item 11: Enter if an addendum is to be attached to and made a part of this contract.

Note: Addendum not previously approved by Seller may not be made a part of this Contract. Approved addendum must be signed by, and in the same style as, those signing as Purchaser(s).

Item 12: Purchaser(s) must initial in appropriate space.

Other:

a. Failure of the Purchaser to perform in accordance with this contract may cause the Seller to retain all or a portion of the earnest money deposit. Broker must be certain this is fully explained to and understood by the Purchaser(s).

b. Enter Selling Broker's Name and Address Identifier (NAID). If broker has not been issued a SAMS NAID, complete forms SAMS-1111, Payee Name and Address, and SAMS-1111-A, Selling Broker Certification, along with required documentation, and attach to this contract. Contact HUD's local designated representative.

c. The Broker is required to inform Purchaser of the Conditions of Sale on the reverse of the Sales Contract, and particularly of Purchaser's right and responsibility for satisfying itself as to the full condition of the property prior to submitting an offer to purchase and that Seller will provide no warranty or perform any repairs after acceptance of the Contract.

Signatures: Sign Original, leaving carbon inserts intact, making certain that the signature(s) appears on all copies.

Transmittal: Forward the Original with Copies 1 and 2 to HUD's designated representative. Copies 3 and 4 are to be retained by Broker and Purchaser as information copies. Upon acceptance, HUD's designated representative will return the signed Copy 1 to Broker for delivery to Purchaser(s). HUD's designated representative will retain Copy 2.

Sales Contract

Property Disposition Program

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

HUD Case No.

1. I (We), _____
(Purchaser(s)) agree to purchase on the terms set forth herein, the following property, as more particularly described in the deed conveying the property to the Secretary of Housing and Urban Development:
_____ .
(street number, street name, unit number, if applicable, city, county, State)

2. The Secretary of Housing and Urban Development (Seller) agrees to sell the property at the price and terms set forth herein, and to prepare a deed containing a covenant which warrants against the acts of the Seller and all claiming by, through or under him. Title will be taken in the following name(s) and style: _____ .

3. The agreed purchase price of the property is ..... ➤ **3.** $ _____
Purchaser has paid $ _____ as earnest money to be applied on the purchase price, and agrees to pay the balance of the purchase price, plus or minus prorations, at the time of closing, in cash to Seller. The earnest money deposit shall be held by _____ .

4. ☐ Purchaser is applying for FHA insured financing [☐ 203(b), ☐ 203(b) repair escrow, ☐ 203(k)] with a cash down payment of $ _____ due at closing and the balance secured by a mortgage in the amount of $_____ for_____ months (does not include FHA Mortgage Insurance Premium, prepaid expenses or closing costs Seller has agreed to fund into mortgage.).
☐ Said mortgage involves a repair escrow amounting to $ _____ .
☐ Purchaser is paying cash or applying for conventional or other financing not involving FHA.

5. Seller will pay reasonable and customary costs, but not more than actual costs, nor more than paid by a typical Seller in the area, of obtaining financing and/or closing (excluding broker's commission) in an amount not to exceed ..... ➤ **5.** $ _____

6a. Upon sales closing, Seller agrees to pay to the broker identified below a commission (including selling bonus, if offered by seller) of ..... ➤ **6a.** $ _____

6b. If broker identified below is not the broad listing broker, broad listing broker will receive a commission of: .... ➤ **6b.** $ _____

7. The net amount due Seller is (Purchase price [Item 3] less Items 5 and 6) ..... ➤ **7.** $

8. Purchaser is: ☐ owner-occupant (will occupy this property as primary residence) ☐ investor
☐ nonprofit organization ☐ public housing agency ☐ other government agency. Discount at closing: _____ %
Discount will reduced by amounts, if any, listed on Line Items 5 and 6.

9. Time is of the essence as to closing. The sale shall close not later than _____ days from Seller's acceptance of contract. Closing shall be held at the office of Seller's designated closing agent or _____ .

10. If Seller does not accept this offer, Seller ☐ may ☐ may not hold such offer as a back-up to accepted offer.

11. Lead based paint addendum ☐ is ☐ is not attached; Other addendum ☐ is ☐ is not attached hereto and made part of this contract.

12. **Should Purchaser refuse or otherwise fail to perform in accordance with this contract, including the time limitation, Seller may, at Seller's sole option, retain all or a portion of the deposit as liquidated damages. The Seller reserves the right to apply the earnest money, or any portion thereof, to any sums which may be owed by the Purchaser to the Seller for rent.** Purchaser(s) Initials:_____ Seller's Initials:_____

13. This contract is subject to the Conditions of Sale on the reverse hereof, which are incorporated herein and made part of this contract.

Certification of Purchaser: The undersigned certifies that in affixing his/her/its signature to this contract he/she/it understands: (1) all the contents thereof (including the Conditions of Sale) and is in agreement therewith without protest; (2) he/she/it is responsible for satisfying itself as to the full condition of the property; and (3) that Seller will not perform repairs after acceptance of this contract.

Purchaser(s): (type or print names & sign) | Purchaser(s) Address:

Purchaser(s) Social Security Number (SSN) or Employer Identification Number (EIN) (include hyphens) | Phone No: | Date Purchaser(s)Signed Contract:

Seller: Secretary of Housing and Urban Development By: (type name & title, & sign) | Date Contract Accepted by HUD:
X

Certification of Broker: The undersigned certifies that: (1) neither he/she nor anyone authorized to act for him/her has declined to sell the property described herein to or to make it available for inspection or consideration by a prospective purchaser because of his/her race, color, religion, sex, familial status, national origin, or disability; (2) he/she has both provided and explained to the purchaser the notice regarding use of Seller's closing agent; (3) he/she has explained fully to the purchaser the entire terms of the contract, including Condition B on the reverse hereof; and (4) he/she is in compliance with Seller's earnest money policy as set forth on HUD forms SAMS-1111, Payee Name and Address, and SAMS-1111-A, Selling Broker Certification, which he/she has executed and filed with Seller.

Broker's Business Name & Address: (for IRS reporting) (include Zip Code) | Broker's EIN or SSN: (include hyphens) | SAMS NAID:

Signature of Broker: X | Broker's Phone No:

Type or print the name and phone number of sales person:

This section for HUD use only. Broker notified of:
☐ Acceptance ☐ Back-Up No. _____
☐ Rejection ☐ Return Earnest Money Deposit

Authorizing Signature & Date:
X

Conditions of Sale

A. All assessments, including improvement assessments which are available for payment without interest or penalty for advance payment, taxes, rent, and ground rent, if any, shall be prorated as of the closing date.

B. Seller makes no representations or warranties concerning the condition of the property, including but not limited to mechanical systems, dry basement, foundation, structural, or compliance with code, zoning or building requirements and will make no repairs to the property after execution of this contract. Purchaser understands that regardless of whether the property is being financed with an FHA-insured mortgage, Seller does not guarantee or warrant that the property is free of visible or hidden structural defects, termite damage, lead-based paint, or any other condition that may render the property uninhabitable or otherwise unusable. Purchaser acknowledges responsibility for taking such action as it believes necessary to satisfy itself that the property is in a condition acceptable to it, of laws, regulations and ordinances affecting the property, and agrees to accept the property in the condition existing on the date of this contract. It is important for Purchaser to have a home inspection performed on the property in order to identify any possible defects. If FHA insured financing is used, up to $200 of the cost to perform the inspection may be financed into the mortgage. Names of home inspection companies can be found in the yellow pages of your telephone directory under the heading "Home Inspection Services.

C. If financing is involved in this transaction (Item 4), Purchaser agrees that should he/she/it fail to provide documentation indicating that proper loan application was made in good faith within 10 calendar days of the date this contract was accepted by Seller, and/or thereafter otherwise to put forth good faith efforts to obtain necessary financing, Seller shall have the option of rescinding this contract and retaining all or a portion of Purchaser's earnest money deposit.

D. Seller may rescind this contract and return all or a portion of Purchaser's earnest money deposit under the following conditions:
1. Seller has not acquired the property.
2. Seller is unable or unwilling to remove valid objections to the title prior to closing.
3. Seller determines that purchaser is not an acceptable borrower.

Tender of the deposit shall release the Seller from any and all claims arising from this transaction.

E. Purchaser may not perform repairs nor take possession of the property until sale is closed. Risk of loss or damage is assumed by Seller until sale is closed, unless Purchaser takes possession of the property prior thereto, in which case State law shall apply. (1) If sale involves FHA insured financing and after damage the property no longer meets the intent of Minimum Property Standards (MPS), Seller may, at its option, perform repairs or cancel the contract and return Purchaser's full earnest money deposit. If, after damage, the property still meets the intent of MPS, Purchaser has the option of accepting the property as-is, with a purchase price adjustment at Seller's sole discretion, or cancelling the contract and receiving refund of full earnest money deposit. (2) If sale does not involve FHA insured financing, Seller will not repair damage but may, at Seller's sole discretion, reduce the sale price. Purchaser has option to cancel the contract and receive refund of full earnest money deposit. Tender of the earnest money shall release Seller from any claims arising from this transaction.

F. If this property is being offered with FHA insured mortgage financing available, Seller's acceptance of this contract constitutes a commitment to insure, conditioned upon Purchaser being determined by Seller or Direct Endorsement Underwriter to be an acceptable borrower and further conditioned upon Seller's authority to insure the mortgage at the time the sale is closed.

G. Purchaser understands that Seller's listing price is Seller's estimate of current fair market value.

H. No member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

I. Purchaser and Seller agree that this contract shall be binding upon their respective heirs, executors, administrators, successors or assigns but is assignable only by written consent of the Seller.

J. If this property was constructed prior to 1978, Seller has inspected for defective paint surfaces (defined as cracking, scaling, chipping, peeling or loose paint on all interior and exterior surfaces). Seller's inspection found no defective paint surfaces, or if defective paint surfaces were found, Seller has treated or will treat such defective surfaces in a manner prescribed by Seller prior to closing. **Purchaser understands and agrees that the Seller's inspection and/or treatment is not intended to, nor does it guarantee or warrant that all lead-based paint and all potential lead-based paint hazards have been eliminated from this property.** Purchaser acknowledges that he/she/it has received a copy of a pamphlet which discusses lead-based paint hazards and has signed, on or before the date of this contract, the Lead-Based Paint Addendum to Sales Contact - Property Built Before 1978. Purchaser understands that the Lead-Based Paint Addendum must be signed by all Purchasers and forwarded to Seller ***with*** this contract. Contracts which are not in conformance with these requirements will not be accepted by Seller.

K. The effective date of this contract is the date it is accepted (signed) by the Seller.

L. If the amount stated in Item 5 exceeds actual and typical financing and/or closing costs, such excess shall not be paid by Seller and may not be used by Purchaser to reduce amount(s) due Seller.

M. Seller's policies and requirements with regard to earnest money (including forfeiture thereof), extensions of time in which to close the sale, back-up offers, and allowable financing and/or closing costs are detailed in instructions issued to selling brokers.

N. Seller makes no representations or guarantees that the property will, in the future, be eligible for FHA insured mortgage financing, regardless of its condition or the repairs which may be made.

O. Warning: Falsifying information on this or any other form of the Department of Housing and Urban Development is felony. It is punishable by a fine not to exceed $250,000 and/or a prison sentence of not more than two years. (18 U.S.C. 1010, 3559; 3571)

P. This contract contains the final and entire agreement between Purchaser and Seller and they shall not be bound by any terms, conditions, statements, or representations, oral or written, not contained in this contract.

Purchaser: _____

Purchaser:

Radon Gas and Mold Notice and Release Agreement

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

Property Case #: _____
Property address: _____
_____
_____
_____

PURCHASERS ARE HEREBY NOTIFIED AND UNDERSTAND THAT RADON GAS AND SOME MOLDS HAVE THE POTENTIAL TO CAUSE SERIOUS HEALTH PROBLEMS.

Purchaser acknowledges and accepts that the HUD-owned property described above (the "Property") is being offered for sale "**AS IS**" with no representations as to the condition of the Property. The Secretary of the U.S. Department of Housing and Urban Development, his/her officers, employees, agents, successors and assigns (the "Seller") and Michaelson, Connor & Boul, Inc, an independent management and marketing contractor ("M & M Contractor") to the Seller, have no knowledge of radon or mold in, on, or around the Property other than what may have already been described on the web site of the Seller or M & M Contractor or otherwise made available to Purchaser by the Seller or M & M Contractor.

Radon is an invisible and odorless gaseous radioactive element. Mold is a general term for visible growth of fungus, whether it is visible directly or is visible when barriers, such as building components (for example, walls) or furnishings (for example, carpets), are removed.

Purchaser represents and warrants that Purchaser has not relied on the accuracy or completeness of any representations that have been made by the Seller and/or M & M Contractor as to the presence of radon or mold and that the Purchaser has not relied on the Seller's or M & M Contractor's failure to provide information regarding the presence or effects of any radon or mold found on the Property.

Real Estate Brokers and Agents are not generally qualified to advise purchasers on radon or mold treatment or its health and safety risks. **PURCHASERS ARE ENCOURAGED TO OBTAIN THE SERVICES OF A QUALIFIED AND EXPERIENCED PROFESSIONAL TO CONDUCT INSPECTIONS AND TESTS REGARDING RADON AND MOLD PRIOR TO CLOSING**. Purchasers are hereby notified and agree that they are solely responsible for any required remediation and/or resulting damages, including, but not limited to, any effects on health, due to radon or mold in, on or around the property.

In consideration of the sale of the Property to the undersigned Purchaser, Purchaser does hereby release, indemnify, hold harmless and forever discharge the Seller, as owner of the Property and separately, M & M Contractor, as the independent contractor responsible for maintaining and marketing the Property, and its officers, employees, agents, successors and assigns, from any and all claims, liabilities, or causes of action of any kind that the Purchaser may now have or at any time in the future may have against the Seller and/or M & M Contractor resulting from the presence of radon or mold in, on or around the Property.

Purchaser has been given the opportunity to review this Release Agreement with Purchaser's attorney or other representatives of Purchaser's choosing, and hereby acknowledges reading and understanding this Release. Purchaser also understands that the promises, representations and warranties made by Purchaser in this Release are a material inducement for Seller entering into the contract to sell the Property to Purchaser.

Dated this ____ day of _____, 20__.

_____	_____
Purchaser's Signature	Purchaser's Signature
_____	_____
Purchaser's Printed Name	Purchaser's Printed Name

Employer Verification of Participant Employment

Property Disposition Program
Good Neighbor Next Door Sales Program

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0306
(exp. 09/30/2008)

Public reporting burden for this collection of information is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required in order to administer the Good Neighbor Next Door Sales Program (24 CFR Part 291, Subpart F) and to determine and document eligibility to participate in the program. If this information were not collected, HUD would not be able to administer the Good Neighbor Next Door Sales Program properly to avoid waste, mismanagement, and abuse. The information will be retained by the Department as part of the transaction record for a property disposition transaction. Failure to provide this information could affect your employee's participation in HUD's Good Neighbor Next Door Sales program.

Warning: Falsifying information on this or any other form of the Department is a felony. It is punishable by a fine not to exceed $250,000 and/or a prison sentence of not more than two years. Failure to adhere to the residency and resale requirements may result in administrative sanctions being taken against the Law Enforcement Officer, Teacher or Firefighter/Emergency Responder.

Privacy Act Notice – The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested on this form by virtue of Title 12, United States Code, Section 1701 et seq. The Housing and Community Development Act of 1987, U.S.C. 3543 authorized HUD to collect Employer ID and/or Social Security Numbers. These numbers are used to provide information to the IRS regarding payment of commissions or other fees. HUD may also disclose this information to Federal, State, and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as required and permitted by law. Failure to provide the Employer ID Number or Social Security Number could affect your participation in HUD's Property Disposition Program.

To the employer:

The individual named below has represented to the U.S. Department of Housing and Urban Development that he/she is employed by your agency in one of the capacities identified below. The information must be verified by your agency as a prerequisite to participation in the Good Neighbor Next Door Sales Program. Please check the appropriate box provided below, sign/date where indicated and forward this form in the enclosed pre-addressed envelope. Participation in the Good Neighbor Next Door Sales Program by the named individual is dependent on receipt of this Verification from your agency.

Agency's Certification of Employment

I hereby certify that

Name:_____ **Address:** _____ **Case #:** _____

Is employed by the below-named agency and is: (check the appropriate box)

☐ a Law Enforcement Officer who, for purposes of GNND Sales Program, is defined as an individual who is employed full-time by a Federal, State, county, or municipal government and is sworn to uphold, and make arrests for violations of, Federal, State, county, or municipal law; or

☐ a Teacher, who, for purposes of the GNND Sales Program, is defined as an individual employed full time by a state accredited public school or private school, as a classroom teacher in grades pre-K through 12 and that this agency serves students from the school district or, in the case of a private school, from the area serving the above listed address.

☐ a firefighter/emergency responder who, for the purposes of the GNND Sales Program, is defined as an individual who is employed full-time as a firefighter or emergency medical technician by a fire department or emergency medical services responder unit of a federal, state, or general local government, or an Indian tribal government serving the above listed address:

Print or type your name			
Print or type your title			
Agency Name			
Agency Address			
Telephone Number			
Your signature		Date	

Good Neighbor Next Door Sales Program

OVERVIEW	• Enables a full-time law enforcement officer, teacher, or **firefighter/emergency medical technicians** to purchase a specifically designated HUD-acquired home • At a 50 percent discount from the list price; • Property must be located in a revitalization area • Successful bidder is selected by random lottery • **Offers must be submitted through real estate brokers**
PURCHASER QUALIFICATIONS	• Law enforcement officer • Teacher • **Firefighter/emergency medical technician** • **Good faith intent to remain in employment status for one year** • **Earnest money** • Fulfill owner occupancy period • **No residential real property ownership for 1 year preceding offer submission date by either spouse** • **No prior participation in program by either spouse.**
LAW ENFORCEMENT OFFICER	• Employed full-time by a law enforcement agency of the federal government, a state, unit of general local government, or an Indian tribal government; and • In carrying out such full-time employment, the person is sworn to uphold, and make arrests for violations of, federal, state, tribal, county, township, or municipal laws.
TEACHERS	• Employed as a full-time teacher by a **state accredited public school or private school that provides direct services to students in grades pre-kindergarten through 12;** and • The public or private school where the person is employed as a teacher serves students from the area where the home is located in the normal course of business.
FIREFIGHTER/ EMERGENCY MEDICAL TECHNICIAN	• **employed full-time as a firefighter or emergency medical technician** • **by a fire department or emergency medical services responder unit of the federal government, a state, unit of general local government, or an Indian tribal government** • **serving the area where the home is located.**
EARNEST MONEY	• **Required** • **1% of list price, but no less than $500 and no more than $2,000.** • **Earnest Money Deposits are subject to total forfeiture for failure of the participant to close the sale**
OWNER-OCCUPANCY TERM	• **36 months** • Starts on 30, 90 or 180 days from closing according to property condition
SPECIAL FHA FINANCING INCENTIVES	• Finance all reasonable and customary closing costs • Downpayment of $100
FINANCING LIMITATIONS	• **Conventional financing may not exceed discounted sales price (Selling Agent Commissions and other fee's cannot be included in the mortgage)** • **FHA financing limited to discounted sales price plus closing costs plus rehab costs if 203(b) or 203(k) used.**

SUBORDINATE MORTGAGE	• Required • **Must equal 50% of the list price** • **36 months term** • Self-amortizes monthly • Pro rata balance due for non-compliance computed from month of violation
MULTI-UNIT PROPERTIES	• No
POST-PURCHASE OBLIGATIONS	• Continue to own, and live in as his/her sole residence, the home purchased through the GNND Sales Program; and • Certify initially and once annually thereafter during and at the conclusion of the owner-occupancy term that s/he was at all times fully in compliance with paragraph (a) of this section.

Buyer Signature_____Date_____

Broker Signature_____Date_____

IMPORTANT NOTICE

LEAD BASED PAINT ADDENDUM

If this property was built prior to 1978 the sales package requires the lead based paint addendum. This can be found on our website www.mcbreo.com as a link on the property listing or under bid results for this case number.

You are required to download and print the Lead Based Paint Addendum from our website and submit with your completed sales package.

If you have any questions please contact MCB's Regional Office for your area.

Thank you,

MCB Sales Team

U.S. DEPT. OF HOUSING & URBAN DEVELOPMENT

Addendum A (REV 09/29/06)

*******FORFEITURE AND EXTENSION POLICY*******

HUD Case No. _____

Property Address:

_____

City:

_____

All HUD Property Disposition sales of HUD-acquired properties are to close within 45 days (60 days in Michigan and Ohio only) of acceptance of a HUD-9548 (1/99) Sales Contract offer to purchase.

Forfeiture of Earnest Money Deposits.

The failure by a purchaser to close on the sale of property within the allowable time period, including any granted extensions, will result in the forfeiture of the entire earnest money deposit, except where the purchaser presents documentation to HUD that one of the special circumstances described in paragraph (B) below this section has occurred.

A. Investor Purchasers:

1. The failure by an investor to close on an uninsured (not involving FHA) sale will result in forfeiture of the entire earnest money deposit.
2. Fifty percent of the earnest money deposit on an FHA-insured sale will be returned to an Investor Purchaser where HUD (or a Direct Endorsement Lender using HUD guidelines) determines that the Purchaser is not an acceptable borrower.

B. Owner Occupant Purchasers:

1. The entire earnest money deposit will be returned to an Owner-Occupant Purchaser who fails to close after the sales contract was signed due to:
   - There has been a death in the immediate family (contract holder, spouse, or children living in the same household).
   - There has been a recent serious illness in the immediate family that has resulted in significant medical expenses or substantial loss of income, thus adversely affecting the purchaser's financial ability to close the sale.
   - There has been a loss of employment by one of the primary breadwinners, or substantial loss of income through no fault of the purchaser.
   - In the case of an FHA-insured sale HUD (or a direct endorsement lender using HUD guidelines) determines that the purchaser is not an acceptable borrower.
   - For other good cause, to be determined by MCB.
2. In the case of an uninsured (not involving FHA) loan where, despite good faith efforts by the purchaser, there is an inability to obtain a mortgage loan from a recognized mortgage lender, 50 percent of the earnest money deposit will be returned.

On either type of sale, forfeit 100 percent of the deposit on those instances where no documentation is submitted, where the documentation fails to provide an acceptable cause for the purchaser's failure to close, or where the documentation is not provided within a reasonable time frame following contract cancellation. (e.g., 90 days).

C. Good Neighbor Next Door Purchasers:

Earnest money deposits are subject to **total forfeiture** for failure of the participant to close.

Extensions

The MCB office will grant extensions of time upon written request from the purchaser. Extensions of time to close the sale are entirely within the Seller's discretion. An extension, if granted, will be under the following conditions:

a) **A written request for an extension must be received by MCB before the expiration of the sales contract.**
b) **The documentation submitted with the request must establish the cause of delay and that mortgage approval is imminent during the extension period.**
c) **An extension will be for a period of fifteen calendar days. Fees are based on the Contract Sales Price of the property; $10 per day is charged if the sales price is $25,000 or less; $15 per day if the sales price is more than $25,001; and $25 per day if the sales price is over $50,000. Extension requests must be submitted through the Closing Agent and all fees must accompany the request at the time of submission.**
d) **Extension fees shall be retained by Seller if a closing doesn't occur.**
e) **At the closing, unused extension fees will be prorated to the Purchaser and refunded by escrow.**
f) **The granting of one extension shall not obligate the Seller to grant additional extensions, and the Seller shall declare a Default for the Purchasers' failure to close the sale upon the expiration of the original closing period or upon expiration of the extension.**

Allowable Closing Costs-Line 5 of Sales Contract (HUD 9548-1/99)

Upon closing of a HUD-owned single-family property, the Department will allow to be deducted from its proceeds, purchaser financing and closing costs considered to be reasonable and customary in the jurisdiction where the the property is located. Form-HUD-9548 (Sales Contract-Property Disposition Program), shall be used to reflect the total dollar amount HUD is expected to pay towards a purchaser's financing and closing costs. However, in no event may the costs exceed three percent (3%) of the property's gross purchase price. If the total closing costs reflected on the HUD 1 settlement statement are less than the amount indicated on the sales contract, HUD will reimburse only the actual costs charged and will not credit the purchaser with any difference either in cash or through a purchase price.

Within the three percent (3%) allowance, HUD will reimburse loan origination fees up to one percent of the mortgage. However, on an FHA 203(k) rehabilitation mortgage, HUD will reimburse one and a half percent (1.5%) of the mortgage.

• Transfer Charges and Recording Fees:	For the deed only, paid by HUD automatically
Condominium or HOA Transfer Fee	If applicable (includes cost to provide HOA documents)
Repair Escrow Fee	$200 where applicable on FHA insured Loans only

Seller Disclosure

Seller makes no representations or warranties concerning the condition of the property, including but not limited to mechanical systems, plumbing systems, dry basement, foundation, structural, or compliance with code, zoning or building requirements and will make no repairs to the property after execution of this contract. Purchaser understands that regardless of whether the property is free of visible or hidden structural defects, termite damage, lead-based paint, or any other condition that may render the property uninhabitable or otherwise unusable. Purchaser acknowledges responsibility for taking such action as it believes necessary to satisfy itself that the property is in a condition acceptable to it, of laws, regulations and ordinances affecting the property, and agrees to accept the property in the condition existing on the date of this contract. Seller disclosure concerning HOA dues, assessments, or any tax concerning HUD homes is based on available information but not deemed complete or accurate. It is the responsibility of the Buyer to obtain all information concerning these issues.

Walk-Thru Inspection

All purchasers are strongly encouraged to perform a walk through inspection PRIOR to the close of escrow. If a purchaser discovers a property condition that did not exist at the time of sale they must immediately notify HUD's property manager, Michaelson, Connor & Boul, of the damage. The buyer assumes full responsibility for the property and its condition on the date of close of escrow. The Department assumes no responsibility, and will make no settlement, for damages reported to HUD after the close of escrow. Brokers must sign out keys with the property manager to perform the inspection. (See item #13.E of HUD Sales Contract).

Buyer Certification.

I/we certify that I/we have been interviewed, completed a loan application, verification of employment's and obtained a full credit report from the lender that has provided the attached Letter of Commitment. I/we understand the I/we will forfeit our earnest money deposit if we enter into this contract without completing this qualification process.

Signatures

_____	_____	_____
(Purchaser)	(Purchaser)	(Date)
_____	_____	_____
(Purchaser)	(Purchaser)	(Date)

HUD Case No. _____

Property Address:
_____

City:
_____

(Rev 09/29/06)

**US Department of Housing
and Urban Development (HUD)
Federal Housing Administration**

OMB Approval No: 2502-0538
(exp. 06/30/2006)

For Your Protection: Get a Home Inspection

Name of Buyer (s) _____

Property Address _____

_____

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
- 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 for three reasons:

- to estimate the market value of a house
- to make sure that the house meets FHA minimum property standards/requirements
- to make sure that the house 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.

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 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.

I/we understand the importance of getting an independent home inspection. I/we have considered this before signing a contract with the seller for a home. Furthermore, I/we have carefully read this notice and fully understand that FHA will not perform a home inspection nor guarantee the price or condition of the property.

_____ **I/We choose to have a home inspection performed.**

_____ **I/We choose <u>not</u> to have a home inspection performed.**

X _____ X _____

Signature & Date Signature & Date

Michaelson, Connor & Boul, Inc.
4500 Cherry Creek Dr., Suite 1070
Glendale, CO 80246
Phone (303) 758-6736 Fax (303) 758-6748

PERMISSION TO TURN ON UTILITIES FORM

Revised November 30, 2007

No utilities may be activated on any HUD properties without prior written permission from Michaelson, Connor & Boul, Inc. (MCB). Utilities must be activated by the potential purchaser and/or their agent and discontinued within 72 hours. Failure to obtain authorization prior to utility activation will result in cancellation of the sale and forfeiture of the earnest money deposit. If the inspection can not be completed in the time authorized below, a new request form must be submitted for approval.

MCB permission to activate utilities may be requested by completion of this form and should be submitted to MCB via facsimile.

We, the undersigned, request permission from MCB to turn on the following utilities:

____ water ____ electricity ____ gas

at the HUD property located at the following address:_____,
and designated by HUD case number _____ for purposes of performing a systems check on the above property.

Permission is requested to turn on the above-designated utilities on the following date:_____ and have them turned off on the following date:_____.

We the undersigned understand that in so doing, we shall be liable for the payment of any and all connection and disconnection fees and/or utility usage charges resulting from this activation request and/ or the resulting system check.

We further agree to assume full responsibility for any damage to the above-designated property, and/or any neighboring or adjacent property resulting from the requested utilities activation and/or systems check. And agree to properly re-winterize the property after systems check has been completed.

We further agree to take proper care of any and all appliances affected by the utilities activation and systems check, and specifically agree to ensure that all hot water heaters in the above-designated property are full of water before turning on electricity to be certain not to burn out the elements.

By signing below, we agree to be bound by the statements agreed to above:

_____	_____	_____
Purchaser	Date	Telephone number
_____	_____	_____
Purchaser	Date	Telephone number
_____	_____	_____
Real Estate Agent	Date	Telephone number

Company name:_____ _____
Fax Number

For MCB use only:
Permission is hereby granted for the above-listed utilities to be turned on as of _____ and disconnected on:_____.

Approved for MCB by_____ Date:_____.