

PRE-FORECLOSURE SALE DISCLOSURE

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Aggressive pricing and strong Seller motivation make the purchase of a pre-foreclosure property a unique opportunity for you as a buyer. The sale of this property located at _____ will require the approval of a third party. There are a number of differences in the way this transaction and escrow must be handled. The purpose of this disclosure is to help prepare you and your agent for these differences and as a guideline for writing your offer.

THIS DOCUMENT MUST BE SIGNED BY BUYER AND BUYER'S AGENT AND SUBMITTED WITH ANY OFFER TO PURCHASE. IT IS NOT INTENDED TO BE A PART OF THE PURCHASE CONTRACT. DO NOT REFERANCE IT IN YOUR OFFER.

THIRD PARTY APPROVAL: Buyer acknowledges that the Seller owes more for the Premises than the purchase price and the Premises are encumbered by a loan(s) in excess of the purchase price. Even though the Seller is the owner of the property, they really have no say in the short sale process. The Seller's lender(s), PMI Company, or government agency, must approve the short sale. The Seller will accept the offer after receipt of the settlement letter from the lender(s) is still the owner of the property, and the Seller is the only one that can enter into a contract to sell. The Seller will enter into a contract with you (subject to third party approval) and your offer will then be submitted for third party review and approval. Since the MLS advertisement is subject to review by these parties, list price, terms, commissions, and other conditions may change upon review by these parties. In the event that the third party involved does not approve your offer, you may cancel your contract and receive a full refund of your earnest money. The Seller is advised to obtain legal advise regarding the terms of any such short sale agreement and professional advice regarding the tax implications of a short sale.

CLOSING COSTS: As a rule, the Buyer in any Short Sale must pay all negotiable expenses. Please do NOT specify in your offer that the Seller will pay any of the following costs:

- | | |
|---|--|
| <input type="checkbox"/> Home warranty fees | <input type="checkbox"/> Buyer's appraisal |
| <input type="checkbox"/> Termite inspection | <input type="checkbox"/> Tax service fees |
| <input type="checkbox"/> Discount points | <input type="checkbox"/> Survey costs |
| <input type="checkbox"/> HOA transfer fees | <input type="checkbox"/> Septic inspection fees |
| <input type="checkbox"/> Buyer's pre-paid items | <input type="checkbox"/> All fees charged by Buyer's lender unless
FHA or VA requires Seller to pay |

If the Buyer MUST have closing cost assistance, it MAY be possible for the Seller to provide such assistance, but only as a specific dollar amount credited to the buyer at close of escrow. Any seller contribution to buyer closing costs MUST be justified by the purchase price.

CONTINGENCIES: Contingency contracts are NOT acceptable due to the limited marketing time.

PROPERTY CONDITION & INSPECTIONS: The property is being offered AS-IS, however you are encouraged to do inspections to determine your satisfaction with the condition of the property. It is very difficult to obtain third party approval for any repairs unless your lender requires the requested repairs (a termite treatment for example). Since the cost of any required repairs will affect the net proceeds of the sale, it is important that all inspections be completed within 10-days of acceptance of the contract. This will allow the third party(s) involved to consider the cost of any required repairs as a cost of the sale.

TIME NEEDED TO OBTAIN THIRD PARTY APPROVAL: Third party contract review and response times vary depending upon the particular circumstances. Some of these circumstances include: Internal policies of the third party, their current workload, whether or not PMI approval is required,

whether an independent appraisal is required, etc. Generally, we are not able to estimate how long the third party approval may take since so much of the process is not within our control. From our past experience, the time required to obtain third party approval can range from a few days to several weeks and on some occasions a month or more. We will do everything possible to expedite the process and keep you informed of the progress. Your patience is appreciated.

ESCROW COMPANY: To insure a smooth escrow and minimize delays it is very important that we use an escrow officer and staff that have extensive experience dealing with lenders in pre-foreclosure short sale situations. Please indicate the following title company information in your offer:

Celeste Coe LandAmerica Capital Title

6720 N. Scottsdale Road #270 Scottsdale, AZ 85253

480-483-3939 phone 480-483-9292 fax 602-622-6181 cell

BY SIGNING BELOW, ALL PARTIES ACKNOWLEDGE THAT THEY HAVE REVIEWED AND RECEIVED A COPY OF THIS DOCUMENT.

Buyer	Date	Buyer	Date
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Seller	Date	Seller	Date
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Buyer's Agent	Date
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Listing Agent	Date
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Buyer Initials _____ Buyer's Agent Initials _____