

**INSTRUCTIONS FOR COMPLETING THE  
MICHIGAN STATE-SPECIFIC ADDENDUM TO REAL ESTATE PURCHASE AND SALE CONTRACT**

These instructions are intended to explain specific provisions contained in the addendum. There are additional instructions provided with the body of the document to assist the preparer in completing the addendum.

**Article 2 Lead Based Paint:** This section should only be completed if the Property is a residential dwelling or is utilized as a daycare facility and was built prior to 1978. If the section is applicable, make sure the Purchaser initials the appropriate lines in subsections 2.2 and 2.3.

**2.2(a):** If Seller has acknowledge of lead-based paint, check the box next to “(i)” and then describe the condition on the lines provided. If Seller has no actual knowledge of lead-based paint, then check the box next to “(ii).”

**2.2(b):** If Seller has an environmental report or other assessment that discusses the presence of lead-based paint, check the box next to “(i)” and list the documents on the lines provided. If Seller does not have any reports that discuss the presence of lead-based paint, then check the box next to “(ii).”

**Article 7 OFAC:** The Purchaser must initial this section.

**Article 8 FIRPTA:** Input the Seller’s Tax ID number on the line provided in subsection (b). The Seller must initial this section.

**Article 11 Residential Disclosure:** This Article only applies to residential real property If Seller (or failed bank) was the mortgagee or beneficiary under a deed of trust who acquired the property through foreclosure or deed in lieu of foreclosure, then check box the first box following section 11.3. If not, then check the second box following section 11.3 and provide the required disclosure information to the Purchaser in a separate document.

ATTACHMENT NO. 1

MICHIGAN STATE-SPECIFIC ADDENDUM TO REAL ESTATE PURCHASE AND SALE CONTRACT

This Addendum is made a part of that certain Real Estate Purchase and Sale Contract dated \_\_\_\_\_, 20\_\_ (the "Contract"), between \_\_\_\_\_ in the [insert FDIC or name of Subsidiary Entity] \_\_\_\_\_, [insert one of the following: 1) as receiver for (Institution Name), (City and ST); 2) in its corporate capacity; or 3) Form of Entity and State of formation of the subsidiary (e.g. a Delaware corporation)] ("Seller"), AND \_\_\_\_\_ [check one] [ ] an individual [ ] a \_\_\_\_\_ [insert purchaser entity, type and state in which is it formed] ("Purchaser"), covering the property located at \_\_\_\_\_ [insert street address if applicable] and more fully described in Exhibit "A" of the Contract. Except as specifically set forth herein, terms defined in the Contract shall have the same meanings herein. IF ANY PROVISION OF THIS ADDENDUM CONFLICTS IN WHOLE OR IN PART WITH THE TERMS OF THE CONTRACT, THE PROVISIONS OF THIS ADDENDUM SHALL CONTROL.

**ARTICLE 1.     MARKETING INFORMATION; PROPERTY SOLD "AS IS;" WAIVER & RELEASE.**

1.1     Marketing Information. While Seller has no reason to believe that any information provided regarding the sale of the Property contains any material inaccuracies, neither Seller or any of its agents, contractors, subcontractors, or representatives make any representations or warranties, express or implied, at law or in equity, as to the validity, accuracy or completeness of the information therein provided or in any advertisements, press releases or promotional materials with respect to the sale of the Property. Purchaser hereby acknowledges and agrees that neither Seller or its agents, contractors, subcontractors, or representatives have made any representation or warranty concerning the accuracy or completeness of any and all such information or the qualifications or competence of the persons providing same.

1.2     Property Sold "As Is." Purchaser hereby acknowledges that (i) in many instances Seller acquired the Property through the receivership of a failed financial institution (and where Seller is a wholly or partially owned FDIC subsidiary, the FDIC acquired its interest in that subsidiary through the receivership of a failed financial institution) and, accordingly, Seller (or, as the case may be, the FDIC) has little or no familiarity with the Property, and (ii) Purchaser is purchasing and Seller is selling the Property in an "AS IS" condition without representations or warranties of any kind or nature. Purchaser hereby further acknowledges for itself and its successors, heirs and assigns that Purchaser has been given a reasonable opportunity to inspect and investigate the Property and all improvements thereon either independently or through agents of Purchaser's choosing, and that in purchasing the Property, Purchaser is not relying on Seller or its agents as to the condition of the Property and/or any improvements thereon, including, but not limited to, the roof, foundation, soils, electrical, plumbing, heating, basement, mechanical systems, water or septic systems, geology, lot size, the existence of termites or other wood destroying insects, the presence of radon or any hazardous substances, or mold, or whether or not the Property is located in a flood zone, or whether the Property conforms to local ordinances or regulations, including zoning or the suitability of the Property for its particular use, or whether or not the Property is in compliance with any city, county, state and/or federal statutes, codes or ordinances. Purchaser is not relying on Seller or its agents as to the condition of the Property and/or any improvements thereon, including, but not limited to, each and all of the foregoing. The Property is accepted without representation or warranty of any kind or nature and in an "AS IS" condition based solely on Purchaser's own inspection thereof. Purchaser hereby acknowledges and agrees that the Purchase Price of the Property reflects the value of the Property "AS IS," including, without limitation, each and all of the foregoing matters set forth in this Section 1.2.

1.3     Waiver and Release. Purchaser, for him/herself and his/her successors, heirs and assigns, tenants, licensees, and on behalf of any and all of Purchaser's minor children, agrees to, and does hereby, fully and forever waive, release, discharge and hold harmless Seller, Seller's agents, representatives, employees, contractors, subcontractors, and auctioneer, from any and all claims, causes of action, injuries, illnesses, damages, losses, costs or expenses of any kind, whether based upon contract, tort or statutory liability, sustained or arising directly or indirectly from, or in connection with any known or unknown condition of the Property.

ARTICLE 2. DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND LEAD-BASED HAZARDS. 42 U.S.C. § 4852d; 40 C.F.R. § 745.107.

**NOTE TO PREPARER AND PURCHASER: Complete this Article, and this Article has application to the transaction contemplated by the Contract, only if the Property contains a residential dwelling that was built prior to 1978.**

2.1 Lead Warning Statement:

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the purchaser with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the purchaser of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

2.2 Seller's Disclosure. Seller discloses the following with regard to the residential dwelling(s) located on the Property (check applicable boxes and initial):

(a) Presence of known lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):

(i)  Known lead-based paint and/or lead-based paint hazards are present (explain)

\_\_\_\_\_  
\_\_\_\_\_

Purchaser's Initials: \_\_\_\_\_

(ii)  Seller has no knowledge of the presence of any lead-based paint and/or lead-based paint hazards.

Purchaser's Initials: \_\_\_\_\_

(b) Lead-based paint hazard evaluation reports or assessments in Seller's possession (check (i) or (ii) below):

(i)  Seller has provided Purchaser with any and all lead-based paint hazard evaluation reports or assessments in Seller's possession pertaining to the presence of lead-based paint and/or lead-based paint hazards (list any such documents)

\_\_\_\_\_  
\_\_\_\_\_

Purchaser's Initials: \_\_\_\_\_

(ii)  Seller has no lead-based paint hazard evaluation reports or assessments in its possession pertaining to the presence of lead-based paint and/or lead-based paint hazards.

Purchaser's Initials: \_\_\_\_\_

2.3 Purchaser's Acknowledgment. Purchaser hereby acknowledges the following (initial):

(a) Purchaser has read the Lead Warning Statement set forth above and understands its contents.

Purchaser's Initials: \_\_\_\_\_

(b) Purchaser has received the lead hazard information pamphlet "Protect Your Family from Lead in Your Home."

Purchaser's Initials: \_\_\_\_\_

**(c) Purchaser will have three (3) days from the date of execution of the Contract and this Addendum to conduct a risk assessment or inspection of the residential dwelling(s) located on the Property for the presence of lead-based paint hazards.** If within that 3-day period Purchaser provides Seller or the Title Company with a copy of a lead-based paint hazard evaluation report or assessment indicating the presence of lead-based paint and/or lead-based paint hazards within the residential dwelling(s) located on the Property, then Purchaser may, at its option, either (i) terminate the Contract by written notice thereof to Seller or the Title Company within said three (3) day period and receive the immediate return of the Earnest Money, and thereafter neither party to the Contract will have any further rights or obligations thereunder; or (ii) proceed to close the transaction contemplated by the Contract in accordance with its terms, including, without limitation, the remaining terms of this Addendum, and there shall be no reduction in the Purchase Price.

Purchaser's Initials: \_\_\_\_\_

**ARTICLE 3. RADON TESTING, MITIGATION.** Radon is a radioactive gas which results from the natural breakdown of uranium in soil, rock and water. It has been found in homes all over the United States and is a carcinogen. Seller has no knowledge as to whether or not the Property has heretofore been tested for radon or whether or not a radon inspection/test has been conducted on the Property. Purchaser hereby acknowledges and agrees that he or she has had or will have sufficient time and opportunity prior to Closing to inspect and investigate the Property and that Purchaser, is satisfied with the level of any radon that may be present on the Property or will take appropriate measures to remediate any radon present on the Property post-Closing. Purchaser hereby agrees that Seller has no obligation under the Contract or otherwise to remediate or to pay for the remediation of any radon that may be present on the Property.

**ARTICLE 4. FLOOD HAZARD AREAS.** Purchaser hereby acknowledges and agrees that (i) he or she has had or will have sufficient time and opportunity prior to Closing to inspect the Property, including, without limitation, any flood hazard or flood plain maps of the area in which the Property is located, (ii) it shall be Purchaser's responsibility to determine whether or not the Property lies in any flood plain or flood hazard areas, and (iii) Purchaser shall obtain (a) for its own review, any information or notices concerning flood hazards or flood plains required by state or local law to be disclosed by a seller to a purchaser of real property, including, without limitation, any such information or notices that may be required prior to transfer or occupancy of the Property, and (b) the same on behalf of and in lieu of Seller in any case where Seller would otherwise have been required to obtain such information or notices.

Purchaser acknowledges and understands that a mortgage lender may require flood insurance in connection with the purchase of this Property. The National Flood Insurance Program provides for the availability of flood insurance and establishes flood insurance policy premiums based on the risk of flooding in the area where properties are located. Recent changes to federal law (The Biggert-Waters Flood Insurance Reform Act of 2012 and the Homeowner Flood Insurance Affordability Act of 2014, in particular) will result in changes to flood insurance premiums that are likely to be higher, and in the future may be substantially higher, than premiums paid for flood insurance prior to or at the time of sale of the Property. As a result, Purchaser acknowledges and agrees that it will not rely on the premiums paid for flood insurance on this Property previously, if any, as an indication of the premiums that will apply after Closing. Purchaser acknowledges that Purchaser has had sufficient time to consult with one or more carriers of flood insurance for a better understanding of flood insurance coverage, current and anticipated future flood insurance premiums, and other matters related to the purchase of flood insurance for the Property. Purchaser also acknowledges that Purchaser has had sufficient opportunity to contact the Federal Emergency Management Agency (FEMA) for more information about flood insurance as it relates to this Property.

**ARTICLE 5. PRIVATE WELL AND/OR PRIVATE SEWAGE SYSTEM.** If the Property is on a private well and/or private septic system or private alternative septic sewage disposal system, Purchaser represents that he or she has caused or will cause prior to Closing the same to be inspected and has obtained or will obtain prior to Closing any required certificates or reports (including, without limitation, any certificate of completion) indicating that the well water is potable and that the septic system is not malfunctioning, is functioning satisfactorily, or is in operating condition. Furthermore, Seller and Purchaser hereby agree that it shall be the responsibility of Purchaser to obtain, prior to Closing, approval from all governmental agencies and authorities in the event a well, septic tank, and/or alternative septic sewage disposal system is needed to be placed on the Property. Because Purchaser is purchasing the Property in its "AS IS" condition, Purchaser hereby acknowledges and agrees that he or she will consequently take appropriate remedial action following Closing to rectify any deficiency in any private well and/or private septic system or private alternative septic sewage disposal system located on the Property.

ARTICLE 6. SMOKE AND CARBON MONOXIDE DETECTORS/CERTIFICATE OF OCCUPANCY. Purchaser hereby acknowledges and agrees that (i) he or she has had or will have sufficient time and opportunity prior to Closing to inspect the Property, including, without limitation, any improvements thereto and any smoke detectors and carbon monoxide detectors therein, (ii) it shall be Purchaser's responsibility to ensure that the Property complies with all laws and regulations concerning the installation and operation of smoke detectors and carbon monoxide detectors, and (iii) Purchaser shall obtain (a) any required certificate of occupancy, certificate of land use compliance and/or certificates or approvals concerning smoke or carbon monoxide detectors required by state or local law, including, without limitation, those that may be required prior to transfer or occupancy of the Property, and (b) the same on behalf of and in lieu of Seller in any case where Seller would otherwise have been required to obtain such certificates and approvals.

ARTICLE 7. PROHIBITED PERSONS BY THE OFFICE OF FOREIGN ASSETS CONTROL ("OFAC").

7.1 OFAC administers and enforces economic sanctions against countries and groups of individuals, such as terrorists and narcotics traffickers. The sanctions can be either comprehensive or selective, using the blocking of assets and trade restrictions to accomplish foreign policy and national security goals. OFAC has designated certain prohibited transactions that U.S. Persons/Entities may not engage in unless authorized by OFAC or expressly exempted by Statute. In order for Seller to comply with OFAC Regulations, including but not limited to Executive Order 13224 issued on September 24, 2001, Purchaser will be required to provide seller with Purchaser's social security number or federal tax identification number. Seller will use the information provided to determine whether Purchaser is listed on the Specially Designated Nationals and/or Blocked Persons list compiled by OFAC (which list may be published from time to time in various mediums including, but not limited to, the OFAC website, <http://www.treas.gov/offices/enforcement/ofac/sdn/t11sdn.pdf>).

7.2 Purchaser agrees and acknowledges that if Seller, in its sole discretion, determines that Purchaser is listed on the Specially Designated Nationals and/or Blocked Persons list compiled by OFAC, Seller may terminate the Contract, return Purchaser's Earnest Money, and the Contract shall have no further force and effect and, except for those Sections which expressly survive Contract termination, all of Seller's and Purchaser's rights and obligations under the Contract will be forever extinguished.

Purchaser's Initials: \_\_\_\_\_

ARTICLE 8. FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT OF 1980 (FIRPTA). Section 1445 of the Internal Revenue Code of 1986, as amended (the "Code"), provides that a transferee of a United States real property interest must withhold tax if the transferor is a foreign person. To inform the transferee [Purchaser] that withholding of tax is not required upon the disposition of a U.S. real property interest by the transferor [Seller], the undersigned hereby certifies, under penalty of perjury, the following on behalf of the transferor:

- (a) The Transferor is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Code and treasury regulations promulgated pursuant thereto);
- (b) The Transferor's U.S. employer identification number is \_\_\_\_\_; and
- (c) The Transferor's office address is 1601 Bryan Street, Dallas, Texas 75201.

Seller's Initials: \_\_\_\_\_

ARTICLE 9. LOCAL PROVISIONS. Purchaser is responsible, at its sole cost and expense, for complying with any and all county and municipal requirements and the requirements of any political subdivision, agency, department, commission, board, bureau or instrumentality of any county or municipality in connection with the conveyance of the Property from Seller to Purchaser, including without limitation obtaining any property inspections, meter readings, transfer stamps, and governmental approvals, and submitting any documents applicable to the Property. Seller shall reasonably cooperate with Purchaser in connection with satisfying these requirements, including by making the Property available for inspection, but Seller shall not be required to incur any out-of-pocket expense in connection therewith.

ARTICLE 10. MICHIGAN LAND DIVISION ACT (M.C.L.A. §§ 560.101-.109b, the “Land Division Act”).

**NOTE TO PREPARER AND PURCHASER: This Article 10 has application to the transaction contemplated by the Contract only if the Property is comprised of a parcel or parcels of “unplatted land.”**

10.1 Under the Land Division Act, M.C.L.A. § 560.109(3), “[a] person shall not sell a parcel of unplatted land unless the deed contains a statement as to whether the right to make further divisions exempt from the platting requirements of this act under this section and section 108 is proposed to be conveyed. The statement shall be in substantially the following form: “The grantor grants to the grantee the right to make [insert number] division(s) under section 108 of the land division act, Act No. 288 of the Public Acts of 1967.” Accordingly, **if the Property is comprised of unplatted land, the following statement shall be included in the Deed of the Property from Seller to Purchaser:**

**”The grantor grants to the grantee the right to make zero (-0-) division(s) under section 108 of the land division act, Act No. 288 of the Public Acts of 1967.”**

10.2 Under the Land Division Act, M.C.L.A. § 560.109(4), “[a]ll deeds for parcels of unplatted land within the state of Michigan . . . shall contain the following statement: “This property may be located within the vicinity of farm land or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan right to farm act.” Accordingly, **if the Property is comprised of unplatted land, the following statement shall be included in the Deed of the Property from Seller to Purchaser:**

**“This property may be located within the vicinity of farm land or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan right to farm act.”**

ARTICLE 11. MICHIGAN SELLER DISCLOSURE ACT (M.C.L.A. §§ 565.951-.966, the “Act”).

**NOTE TO PREPARER AND PURCHASER: Complete this Article 11, and this section has application to the transaction contemplated by the Contract, only if the Property consists of not less than 1 or more than 4 residential dwelling units.**

11.1 The seller disclosure requirements of the Act “apply to the transfer of any interest in real estate consisting of not less than 1 or more than 4 residential dwelling units.” M.C.L.A. § 565.952. The seller disclosure requirements of the Act do **NOT** apply to, among other types of transfers, a transfer “by a mortgagee or a beneficiary under a deed of trust who has acquired the real property at a sale conducted pursuant to a power of sale under a mortgage or deed of trust or a sale pursuant to a decree of foreclosure or has acquired the real property by a deed in lieu of foreclosure.” M.C.L.A. § 565.953(c). Moreover, and as a matter of federal law, 12 U.S.C. § 1821(d)(2)(A)(i), if Seller is the FDIC in either capacity named in the Contract, it succeeded to all of the rights, titles, powers, and privileges of a failed insured depository institution who acquired the Property at a sale conducted pursuant to a power of sale under a mortgage or deed of trust or a sale pursuant to a decree of foreclosure or by a deed in lieu of foreclosure, including, without limitation, the benefit of the exemption set forth in M.C.L.A. § 565.953(c).

11.2 If Seller acquired the Property at a sale conducted pursuant to a power of sale under a mortgage or deed of trust or a sale pursuant to a decree of foreclosure or by a deed in lieu of foreclosure, or if Seller succeeded to the benefit of the M.C.L.A. § 565.953(c) exemption, under 12 U.S.C. § 1821(d)(2)(A)(i) as set forth above in this Article 8, Seller will **NOT** be providing the Seller’s Disclosure Statement required by the Act but for the M.C.L.A. § 565.953(c) exemption. Notwithstanding the foregoing and, under that circumstance, without any obligation to do so, Seller hereby advises Purchaser of the following:

**PURCHASER SHOULD OBTAIN PROFESSIONAL ADVICE AND INSPECTIONS OF THE PROPERTY TO MORE FULLY DETERMINE THE CONDITION OF THE PROPERTY. THESE INSPECTIONS SHOULD TAKE INDOOR AIR AND WATER QUALITY INTO ACCOUNT, AS WELL AS ANY EVIDENCE OF UNUSUALLY HIGH LEVELS OF POTENTIAL ALLERGENS INCLUDING, BUT NOT LIMITED TO, INSECT INFESTATION, HOUSEHOLD MOLD, MILDEW AND BACTERIA.**

PURCHASER IS ADVISED THAT CERTAIN INFORMATION COMPILED PURSUANT TO THE SEX OFFENDERS REGISTRATION ACT, 1994 PA 295, M.C.L.A. 28.721 TO 28.732, IS AVAILABLE TO THE PUBLIC. PURCHASER SHOULD CONTACT THE APPROPRIATE LOCAL LAW ENFORCEMENT AGENCY OR SHERIFF'S DEPARTMENT DIRECTLY TO OBTAIN SUCH INFORMATION.

PURCHASER IS ADVISED THAT THE STATE EQUALIZED VALUE OF THE PROPERTY, PRINCIPAL RESIDENCE EXEMPTION INFORMATION, AND OTHER REAL PROPERTY TAX INFORMATION IS AVAILABLE FROM THE APPROPRIATE LOCAL ASSESSOR'S OFFICE. **PURCHASER SHOULD NOT ASSUME THAT ITS FUTURE TAX BILLS ON THE PROPERTY WILL BE THE SAME AS THE SELLER'S PRESENT TAX BILLS. UNDER MICHIGAN LAW, REAL PROPERTY TAX OBLIGATIONS CAN CHANGE SIGNIFICANTLY WHEN PROPERTY IS TRANSFERRED.**

11.3 If, however, Seller acquired the Property other than at a sale conducted pursuant to a power of sale under a mortgage or deed of trust or a sale pursuant to a decree of foreclosure or by a deed in lieu of foreclosure, or, if Seller is the FDIC in either capacity named in the Contract and the failed insured depository institution through which it holds title did not acquire the Property at a sale conducted pursuant to a power of sale under a mortgage or deed of trust or a sale pursuant to a decree of foreclosure or by a deed in lieu of foreclosure, then **Seller has delivered the Seller's Disclosure Statement required by the Act prior to or simultaneously with Purchaser's execution of this Addendum, and Purchaser's execution of this Addendum shall evidence Purchaser's receipt thereof. Under M.C.L.A. § 565.954(3)(a), Purchaser may terminate the Contract by delivering written notice thereof to Seller or the Title Company not later than 72 hours from the date of Purchaser's execution of this Addendum. Notwithstanding the foregoing, under M.C.L.A. § 565.954(4), any right of Purchaser to terminate the Contract under the Act expires upon the transfer of the Property by the delivery of the Deed from Seller to Purchaser.**

CHECK ONE OF THE FOLLOWING IN ORDER TO COMPLETE THIS SECTION:

Seller either (i) acquired the Property at a sale conducted pursuant to a power of sale under a mortgage or deed of trust or a sale pursuant to a decree of foreclosure or by a deed in lieu of foreclosure, or (ii) succeeded to the benefit of the M.C.L.A. § 565.953(c) exemption, under 12 U.S.C. § 1821(d)(2)(A)(i), and therefore Section 11.2 above is applicable.

OR

Neither Seller nor, if Seller is the FDIC in either capacity named in the Contract, the failed insured depository institution through which it holds title, acquired the Property at a sale conducted pursuant to a power of sale under a mortgage or deed of trust or a sale pursuant to a decree of foreclosure or by a deed in lieu of foreclosure, and therefore Section 11.3 above is applicable.

[signature page follows]

PURCHASER:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**[if an individual, sign on this first line, print name on second; if husband and wife, have second spouse do likewise on next two lines]**

**[if legal entity, print its name just as set forth in the Contract, including type of entity and state in which it was formed]**

By: \_\_\_\_\_  
[entity's representative signs here]

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

SELLER:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**[print name of Seller just as set forth in the Contract, including, if applicable, type of entity and state in which it was formed]**

By: \_\_\_\_\_  
[entity's representative signs here]

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_