

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Meeting Date: May 21, 2013 [X] Consent [] Regular
[] Public Hearing

Department

Submitted By: COUNTY ATTORNEY

Submitted For: COUNTY ATTORNEY

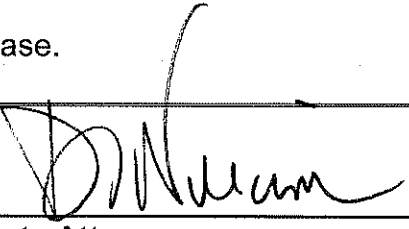
I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: a settlement in the amount of \$50,000, for full satisfaction of four Code Enforcement Liens and eight Water Utility Liens in the foreclosure action styled Private Capital Group, LLC, v. Bayview Loan Servicing, LLC, et al., Case No. 502008CA038017XXXXMBAO.

Summary: The County holds four Code Enforcement Liens in the total amount of \$503,397, and eight Water Utility Liens in the total amount of \$14,092, as of May 20, 2013, against properties owned by Bayview Loan Servicing, LLC ("Bayview"). Bayview inadvertently obtained title to these properties by issuance of a Clerk's Certificate of Title in an earlier foreclosure action in which it was the Plaintiff. The mortgage foreclosed by Bayview in that case contained the legal description of three properties. Bayview did not intend to foreclose the mortgage on the two properties that are the subject of this settlement and have filed a lawsuit to reform the mortgage and vacate the Clerk's Certificate of Title as to these properties. Due to what appears to be a patent mistake on the part of Bayview in foreclosing on these two properties that are dilapidated, uninhabitable, and on which Bayview was a junior mortgagee, County Staff recommends a financial settlement in the amount of \$50,000 as to all outstanding County Liens, which represents 100% collection of the Water Utility Liens and 7% of the Code Enforcement Liens. In addition, and as a part of the settlement, Bayview has entered into a sales contract with a third party builder to fully rehabilitate the subject properties into work force housing, which is needed in the area. The builder has a proven history of rehabilitating property in the area into functional work force housing. Based on the combination of these factors, Staff recommends approval of this settlement. District 3 (PM)

Background and Justification: In the earlier foreclosure action, Bayview acquired three properties by a Certificate of Title issued by the Palm Beach County Clerk and Comptroller. The mortgage being foreclosed by Bayview in that case covered three properties. Bayview was the senior mortgagee on only one of the properties covered by the mortgage. (continued on page 3)

- Attachment:**
- 1. Stipulation of Settlement.
 - 2. Contract for Sale and Purchase.

Recommended by:  5/8/13
County Attorney Date

Approved by: N/A
Date

Background and Justification (continued)

Due to all three properties being covered by the same mortgage document, Bayview inadvertently foreclosed on all three properties, including the two on which it was a junior lien holder, thus taking title to the property subject to the senior lien holder's interest. The two properties to which Bayview inadvertently acquired title are the subject of this settlement and remain dilapidated and uninhabitable. By agreement with the County Attorney's Office pending Board action on this Agenda Item, Bayview has, at its expense, secured the structures on these two properties and is maintaining the lawn and landscape for the benefit of the neighborhood. These two properties are now the subject of a second foreclosure action by the senior mortgagee, Private Capital Bank. The County's Code Enforcement Liens are junior in this new foreclosure case. The County's eight Water Utility Liens will survive the foreclosure due to their statutory priority. The County will receive \$50,000 for payment of all its outstanding liens.

Additionally, as part of this settlement, there is a pending sales contract for the two properties with a local builder to rehabilitate these properties for work force housing. This builder has a history of successfully rehabilitating properties for this express purpose. Specifically, the third property Bayview obtained in the original foreclosure action was rehabilitated by this contractor and remains an aesthetic asset to the work force housing community in this specific area. This factor, in addition to the fact that Bayview has a viable claim to reform the mortgage and vacate the Clerk's Certificate of Title as to these properties, provide the rationale for approval of this settlement.

IN THE CIRCUIT COURT OF THE 15th
JUDICIAL CIRCUIT IN AND FOR PALM
BEACH COUNTY, FLORIDA

CASE NO.: 50 2008 CA 37848 (MB) (AO)
CASE NO.: 50 2008 CA 38017 (MB) (AO)
(Consolidated)

PRIVATE CAPITAL GROUP, LLC,

Plaintiff,

vs.

BAYVIEW LOAN SERVICING, LLC;
JOZEF JAMES VANHANDENHOVE;
MARIA C. PROWS; PALM BEACH
COUNTY, FLORIDA; et al.,

Defendants.

STIPULATION FOR SETTLEMENT

THIS STIPULATION FOR SETTLEMENT ("Stipulation") is made and entered into as of the date stated below, by and between Plaintiff, Private Capital Group LLC and its mortgage loan servicer RoundPoint Mortgage Servicing Corporation (collectively "Private Capital") and Defendants, Bayview Loan Servicing, LLC ("Bayview") and Palm Beach County ("the County"). Private Capital, Bayview and the County may be collectively be referred to as the "Parties."

WHEREAS, Private Capital commenced the above-captioned actions on or about December 1, 2008 seeking to foreclose its mortgages on the following two parcels of real property now owned by Bayview:

Lot "E" BLOCK 107, THE PALM BEACH FARMS CO. PLAT NO. 7 OF SECTION 30, TOWNSHIP 44 SOUTH, RANGE 43 EAST, ACCORDING TO THE PLAT THEREOF, RECORDED IN PLAT BOOK 5, PAGE 72, OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA

and

LOT "C" BLOCK 75, THE PALM BEACH FARMS CO. PLAT NO. 7 OF SECTION 30, TOWNSHIP 44 SOUTH, RANGE 43 EAST, ACCORDING TO

THE PLAT THEREOF, RECORDED IN PLAT BOOK 5, PAGE 72, OF THE
PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA,

collectively, the "Property;" and

WHEREAS, the County is named as a defendant in the above-styled actions as a result of certain liens recorded against the Property and it also holds other liens against the Property; and

WHEREAS, Bayview has entered into a contract to sell the Property (the "Contemplated Sale"); and

WHEREAS, the Parties desire to amicably resolve all issues between them relating to this action so that the Contemplated Sale can be consummated.

NOW, THEREFORE, in consideration of the mutual covenants and considerations set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the following terms and conditions:

1. **Recitals.** The above Recitals are true and correct and are incorporated herein.

2. **Release Price.** In furtherance of the Contemplated Sale, and specifically conditioned upon the closing of the Contemplated Sale occurring on or before June 30, 2013, Private Capital, on its own behalf and on behalf of any successors or assignees, agrees to satisfy or arrange for the satisfaction of the mortgages on the Property in consideration of the sum of Two Hundred Thousand and no/100 Dollars (\$200,000.00) (the "Release Payment"), to be paid to Private Capital at the time of the closing of the Contemplated Sale in accordance with normal and customary real estate transactional practices. If the closing of the Contemplated Sale does not occur on or before June 30, 2013, absent written consent by Private Capital to an extension of the deadline for the closing of the Contemplated Sale, the Parties agree this entire Stipulation shall be of no further force and effect, and no party shall be considered to be in default hereof in that event.

3. **Payment by Bayview to the County.** In furtherance of the Contemplated Sale, Bayview shall pay the County the sum of Fifty Thousand and no/100 Dollars in full settlement of all County liens on the property including, but not limited to, those code enforcement liens and utility liens listed on Exhibit "A" hereto, which Exhibit "A" is incorporated herein and made a material part of this Stipulation (the "Liens"), to be paid at or before closing in accordance with normal and customary real estate transactional practices. In consideration thereof, the County agrees to release or satisfy all of the Liens at or before closing in accordance with normal and customary real estate transactional practices.

4. **County Commission Approval.** The Parties acknowledge that the approval of the Palm Beach County Board of County Commissioners is required before the Contemplated Sale can be consummated. Accordingly, the Parties agree that if the Palm Beach County Board of County Commissioners does not give its approval, this entire Stipulation shall be of no further force and effect and no party shall be considered to be in default hereof in that event. However, in that scenario, nothing shall prevent Bayview and/or Private Capital from entering into the Contemplated Sale or any other transaction involving the Property they may deem in their mutual best interests.

5. **Default.** The Parties agree that in the event Private Capital fails to satisfy its mortgages upon timely receipt of the Release Payment in cleared funds, Bayview will not have an adequate remedy at law for money damages and shall therefore be entitled to specific performance and injunctive relief to enforce this Stipulation, in addition to, and without waiving, any other remedy to which it may be entitled at law or in equity.

6. **Litigation Standstill.** Effective on the date of this Stipulation, the Parties agree to forbear from taking any affirmative steps to progress the above-captioned actions. In the event of a default of the terms of this Stipulation, the agreement described in this paragraph shall be of no further force and effect. Once the Contemplated Sale has closed,

and the Release Payment has been paid to Private Capital and become cleared funds, Private Capital will file a voluntary dismissal with prejudice of each of the above-captioned actions, and Bayview will file a voluntary dismissal with prejudice of its counterclaims filed in each of the above-captioned actions, with all Parties to bear their own costs and attorneys' fees.

7. **Choice of Law.** This Stipulation shall be construed in accordance with the laws and rules of the State of Florida; substantive, remedial and procedural.

8. **Entire Agreement.** This Stipulation represents the entire understanding and agreement between the Parties, and supersedes any and all other agreements, either oral or in writing, between the Parties with respect to the subject matter hereof. The Parties stipulate and agree that no promise, warranty, representation, inducement or agreement, written or oral, not expressed or referred to in this Stipulation, has been made and/or relied upon.

9. **Modifications.** This Stipulation may not be modified or amended in any respect whatsoever, except by a writing signed by all of the Parties.

10. **Waiver.** No waiver of any provisions of this Stipulation shall be valid unless in writing and signed by the party against whom charged.

11. **Construction and Headings.** In giving meaning to this Stipulation, the singular shall be held to include the plural, the plural shall be held to include the singular. The Parties agree that the section headings contained herein are included for convenience only and are not to be deemed part of this Stipulation.

12. **Representation and Warranties.** The Parties mutually represent and warrant that: (i) they have full power and authority to negotiate, execute and perform the terms and provisions of this Stipulation; (ii) the execution of this Stipulation does not put any of the Parties in violation of any agreements to which they are a party; and (iii) the Stipulation

is duly executed and delivered by the Parties and constitutes a legal, valid, and binding obligation enforceable in accordance with the terms hereof.

13. **No Severability.** If any part of this Stipulation or any of the documents contemplated to be executed hereby is deemed to be invalid in any court of law, the remaining provisions of this Stipulation will thereby also be rendered invalid and of no effect, and may not be enforced and the litigation standstill described herein shall terminate.

14. **Enforcement.** Each party may enforce this Stipulation as a valid contract subject only to the provisions contained in paragraph 5 hereof.

15. **Drafting, Advice of Counsel, and Voluntary Execution.** The Parties acknowledge and agree that (i) each of the Parties has read, fully understands, and agrees to each page of this Stipulation; (ii) each of the Parties has had the benefit of the advice of counsel and has signed the Stipulation only after due consideration and consultation with its respective attorneys; (iii) each of the Parties has participated fully in negotiating and drafting the terms hereof; and (iv) each of the Parties has entered into this Stipulation freely, voluntarily, without duress, coercion or fraudulent inducement, and for valuable consideration. Accordingly, this Stipulation shall not be more strictly construed against either of the Parties than against the other.

16. **Consideration.** The Parties hereto acknowledge and agree that in addition to all consideration specifically recited herein, each is foregoing certain rights and assuming certain duties and obligations, which, but for this Stipulation, would not have been foregone or assumed. Accordingly, the Parties agree that this Stipulation is fully and adequately supported by consideration and is fair and reasonable in all of its terms.

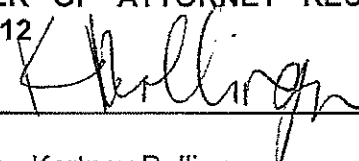
17. **Counterparts.** This Stipulation may be executed in multiple counterparts, all of which when combined shall be considered an original. Additionally, signatures transmitted by facsimile shall be deemed original.

18. Attorneys' Fees and Costs. In the event Private Capital or Bayview brings an action against the other on this Stipulation, the prevailing party shall be entitled to recover its attorneys= fees and costs. In the event of an action brought by or against the County, attorneys= fees will only be recoverable if permitted by statute.

19. Waiver of Jury Trial. EACH OF THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS STIPULATION, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OR OMISSIONS OF ANY PARTY; OR ANY OTHER STIPULATONS EXISTING BETWEEN ANY ONE OR MORE OF THE PARTIES TO THIS STIPULATION. THIS PROVISION IS A MATERIAL INDUCEMENT TO ALL PARTIES ENTERING INTO THIS STIPULATION. FURTHER, ALL PARTIES HEREBY CERTIFY THAT NO REPRESENTATIVE OR AGENT OF ANY OTHER PARTY, INCLUDING COUNSEL, HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH PARTY WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION.

Accepted and Agreed to by:

PRIVATE CAPITAL GROUP, LLC by:
ROUNDPOINT MORTGAGE SERVICING
CORPORATION AS ATTORNEY IN
FACT PURSUANT TO A LIMITED
POWER OF ATTORNEY RECORDED
7/5/2012

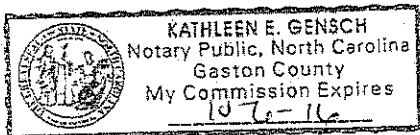
By: 
Name: Kortney Rollinger

Title: Sr. Vice President-Loan Administration

STATE OF NORTH CAROLINA)
) ss:
COUNTY OF MECKLENBURG)

The foregoing instrument was acknowledged before me this 16th day of May, 2013, by Kortney Rollinger the Sr. Vice President-Loan Administration of RoundPoint Mortgage Servicing Corporation as servicer for Private Capital Group, LLC. He/she personally appeared before me, is personally known to me, or produced _____ as identification, and did not take an oath.

My Commission Expires: 10-6-16



Notary: Kathleen E. Gensch

Print Name: Kathleen E. Gensch
Notary Public, State of NC

Accepted and Agreed to by:

ROUNDPOINT MORTGAGE SERVICING CORPORATION

By: Dawn Kernicky

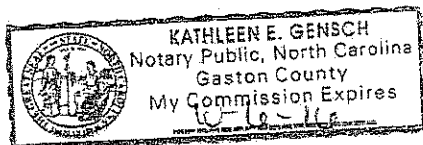
Name: Dawn Kernicky

Title: Vice President-Foreclosure

STATE OF NORTH CAROLINA)
) ss:
COUNTY OF MECKLENBURG)

The foregoing instrument was acknowledged before me this 16th day of May, 2013, by Dawn Kernicky the Vice President-Foreclosure of RoundPoint Mortgage Servicing Corporation. He/she personally appeared before me, is personally known to me, or produced _____ as identification, and did not take an oath.

My Commission Expires: 10-6-16



Notary: Kathleen E. Gensch

Print Name: Kathleen E. Gensch
Notary Public, State of NC

Accepted and Agreed to by:

ROUNDPOINT MORTGAGE SERVICING CORPORATION

By: _____

Name: _____

Title: _____

STATE OF _____)
COUNTY OF _____) ss:

The foregoing instrument was acknowledged before me this _____ day of May, 2013, by _____ the _____ of Roundpoint Mortgage Servicing Corporation. He/she personally appeared before me, is personally known to me, or produced _____ as identification, and did not take an oath.

My Commission Expires:

Notary: _____

Print Name: _____

Notary Public, State of _____

Accepted and Agreed to by:

BAYVIEW LOAN SERVICING, LLC

By: [Signature]

Name: Patricia Joyce

Title: AVP

STATE OF FLORIDA)
COUNTY OF MIAMI-DADE) ss:

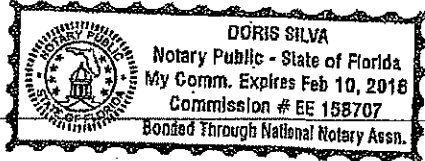
The foregoing instrument was acknowledged before me this 10 day of May, 2013, by Patricia Joyce the AVP of Bayview Loan Servicing, LLC. He/she personally appeared before me, is personally known to me, or produced _____ as identification, and did not take an oath.

My Commission Expires:

Notary: _____

Print Name: _____

Notary Public, State of Florida



Accepted and Agreed to by:

PALM BEACH COUNTY

By: Phillip Murgareno

Name: Phillip Murgareno

Title: Asst. County Attorney

STATE OF FLORIDA

COUNTY OF PALM BEACH

} ss:

The foregoing instrument was acknowledged before me this 16th day of May, 2013, by Phillip Murgareno the Asst. Co. Atty of Palm Beach County. He/she personally appeared before me, is personally known to me, or produced as identification, and did not take an oath.

My Commission Expires:

Notary: Sherry C. Ingram

Print Name: Sherry C. Ingram

Notary Public, State of Florida

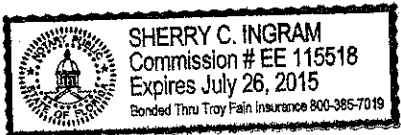


EXHIBIT "A"

Planning, Zoning & Building (code enforcement) Liens

- a. Recorded in the Public Records of Palm Beach County, Florida, Official Records Book 24121 Page 335 on October 6, 2010; Case # C-2008-12040015-A
- b. Recorded in the Public Records of Palm Beach County, Florida, Official Records Book 24121 Page 347 on October 6, 2010; Case #C-2008-12040015-C
- c. Recorded in the Public Records of Palm Beach County, Florida, Official Records Book 24121 Page 341 on October 6, 2010; Case #C-2008-12040015-B
- d. Recorded in the Public Records of Palm Beach County, Florida, Official Records Book 23408 Page 1402 on August 25, 2009; Case #C-2008-08070035

Water Utilities Liens

- e. Recorded in the Public Records of Palm Beach County, Florida, Official Records Book 23665 Page 377 on January 28, 2010; CS#5249
- f. Recorded in the Public Records of Palm Beach County, Florida, Official Records Book 23702 Page 1306 on February 19, 2010; CS#5253
- g. Recorded in the Public Records of Palm Beach County, Florida, Official Records Book 23880 Page 501 on June 3, 2010; CS#7280
- h. Recorded in the Public Records of Palm Beach County, Florida, Official Records Book 23880 Page 502 on June 3, 2010; CS#7281
- i. Recorded in the Public Records of Palm Beach County, Florida, Official Records Book 23880 Page 503 on June 3, 2010; CS#7282
- j. Recorded in the Public Records of Palm Beach County, Florida, Official Records Book 23687 Page 452 On February 10, 2010; CS#5607
- k. Recorded in the Public Records of Palm Beach County, Florida, Official Records Book 23756 Page 1908 on March 23, 2010; CS#6217
- l. Recorded in the Public Records of Palm Beach County, Florida, Official Records Book 23687 Page 450 on February 10, 2010; CS#5596

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PAGECON



Commercial Contract

1. PARTIES AND PROPERTY: God is Faithful LLC ("Buyer")
 agrees to buy and Bayview Loan Servicing ("Seller")
 agrees to sell the property as: Street Address: 4557 - 4567 & 4933 Coconut Rd, Lake Worth, FL 33461
 Legal Description: Parcel #00-43-44-30-01-075-0040 and Parcel #00-43-44-30-01-107-0050
 and the following Personal Property:
 (all collectively referred to as the "Property") on the terms and conditions set forth below.

2. PURCHASE PRICE: \$ 205,000
 (a) Deposit held in escrow by TBA ("Escrow Agent") (checks are subject to actual and final collection) \$ 5,000
 Escrow Agent's address: _____ Phone: _____
 (b) Additional deposit to be made to Escrow Agent within NA days after Effective Date \$ _____
 (c) Additional deposit to be made to Escrow Agent within _____ days after Effective Date \$ _____
 (d) Total financing (see Paragraph 5) \$ _____
 (e) Other \$ _____
 (f) All deposits will be credited to the purchase price at closing. Balance to close, subject to adjustments and prorations, to be paid with locally drawn cashier's or official bank check(s) or wire transfer. \$ 200,000

3. TIME FOR ACCEPTANCE; EFFECTIVE DATE; COMPLETION OF TIME: Unless this offer is signed by Seller and Buyer and an executed copy delivered to all parties on or before May 9, 2013, this offer will be withdrawn and the Buyer's deposit, if any, will be returned. The time for acceptance of any counter offer will be 3 days from the date the counter offer is delivered. The "Effective Date" of this Contract is the date on which the last one of the Seller and Buyer has signed or initialed and delivered this offer or the final counter offer. Calendar days will be used when computing time periods, except time periods of 5 days or less. Time periods of 5 days or less will be computed without including Saturday, Sunday, or national legal holidays. Any time period ending on a Saturday, Sunday, or national legal holiday will extend until 6:00 p.m. of the next business day. Time is of the essence in this Contract.

4. CLOSING DATE AND LOCATION: or before June 15, 2013
 (a) Closing Date: This transaction will be closed on May 10, 2013 (Closing Date), unless specifically extended by other provisions of this Contract. The Closing Date will prevail over all other time periods including, but not limited to, Financing and Due Diligence periods. In the event insurance underwriting is suspended on Closing Date and Buyer is unable to obtain property insurance, Buyer may postpone closing up to 5 days after the insurance underwriting suspension is lifted.

Buyer and Seller acknowledge receipt of a copy of this page, which is Page 1 of 6 Pages.

37 (b) Location: Closing will take place in Palm Beach County, Florida. (If left blank, closing
38 will take place in the county where the property is located.) Closing may be conducted by mail or electronic means.

39 **5. THIRD PARTY FINANCING:**

40 BUYER'S OBLIGATION: Within NA days (5 days if left blank) after Effective Date, Buyer will apply for third party
41 financing in an amount not to exceed % of the purchase price or \$, with a fixed interest rate
42 not to exceed % per year with an initial variable interest rate not to exceed %, with points or commitment
43 or loan fees not to exceed % of the principal amount, for a term of years, and amortized over
44 years, with additional terms as follows:

45 Buyer will timely provide any and all credit, employment, financial and other information reasonably required by any
46 lender. Buyer will use good faith and reasonable diligence to (i) obtain Loan Approval within days (45 days if
47 left blank) from Effective Date (Loan Approval Date), (ii) satisfy terms and conditions of the Loan Approval, and
48 (iii) close the loan. Buyer will keep Seller and Broker fully informed about loan application status and authorize the
49 mortgage broker and lender to disclose all such information to Seller and Broker. Buyer will notify Seller immediately
50 upon obtaining financing or being rejected by a lender. CANCELLATION: If Buyer, after using good faith and
51 reasonable diligence, fails to obtain Loan Approval by Loan Approval Date, Buyer may within days (3 days if left
52 blank) deliver written notice to Seller stating Buyer either waives this financing contingency or cancels this Contract.
53 If Buyer does neither, then Seller may cancel this Contract by delivering written notice to Buyer at any time
54 thereafter. Unless this financing contingency has been waived, this Contract shall remain subject to the
55 satisfaction, by closing, of those conditions of Loan Approval related to the Property. DEPOSIT(S) (for purposes
56 of Paragraph 5 only): If Buyer has used good faith and reasonable diligence but does not obtain Loan
57 Approval by Loan Approval Date and thereafter either party elects to cancel this Contract as set forth above or the
58 lender fails or refuses to close on or before the Closing Date without fault on Buyer's part, the Deposit(s) shall be
59 returned to Buyer, whereupon both parties will be released from all further obligations under this Contract, except for
60 obligations stated herein as surviving the termination of this Contract. If neither party elects to terminate this Contract
61 as set forth above or Buyer fails to use good faith or reasonable diligence as set forth above, Seller will be entitled to
62 retain the Deposit(s) if the transaction does not close.
63

64 **6. TITLE:** Seller has the legal capacity to and will convey marketable title to the Property by statutory warranty
65 deed other Special Warranty Deed free of liens, easements and encumbrances of record or
66 known to Seller, but subject to property taxes for the year of closing, covenants, restrictions and public utility
67 easements of record, existing zoning and governmental regulations; and ~~(for any other matters to which title will be~~
68 ~~subject)~~

69 provided there exists at closing no violation of the foregoing and none of them prevents Buyer's intended use of the
70 Property as

71
72 (a) Evidence of Title: The party who pays the premium for the title insurance policy will select the closing agent
73 and pay for the title search and closing services. Seller will, at (check one) Seller's Buyer's expense and
74 within days after Effective Date or at least 3 days before Closing Date deliver to Buyer (check one)
75 (i) a title insurance commitment by a Florida licensed title insurer setting forth those matters to be
76 discharged by Seller at or before Closing and, upon Buyer recording the deed, an owner's policy in the amount
77 of the purchase price for fee simple title subject only to exceptions stated above. If Buyer is paying for the
78 evidence of title and Seller has an owner's policy, Seller will deliver a copy to Buyer within 15 days after
79 Effective Date.
80 (ii) an abstract of title, prepared or brought current by an existing abstract firm or certified as correct by an
81 existing firm. However, if such an abstract is not available to Seller, then a prior owner's title policy acceptable
82 to the proposed insurer as a base for reinsurance of coverage may be used. The prior policy will include copies
83 of all policy exceptions and an update in a format acceptable to Buyer from the policy effective date and
84 certified to Buyer by Buyer's closing agent together with copies of all documents recited in the prior policy and
85 in the update. If such an abstract or prior policy is not available to Seller then (i) above will be the evidence of
86 title.

87 (b) Title Examination: Buyer will, within 15 days from receipt of the evidence of title deliver written notice to Seller
88 of title defects. Title will be deemed acceptable to Buyer if (1) Buyer fails to deliver proper notice of defects or

89 Buyer (Signature) and Seller (Signature) acknowledge receipt of a copy of this page, which is Page 2 of 8 Pages.

90* (2) Buyer delivers proper written notice and Seller cures the defects within ___ days from receipt of the notice
 91 ("Cure Period"). If the defects are cured within the Cure Period, closing will occur within 10 days from receipt
 92 by Buyer of notice of such curing. Seller may elect not to cure defects if Seller reasonably believes any defect
 93 cannot be cured within the Cure Period. If the defects are not cured within the Cure Period, Buyer will have
 94 10 days from receipt of notice of Seller's inability to cure the defects to elect whether to terminate this Contract or
 95 accept title subject to existing defects and close the transaction without reduction in purchase price.

96 (c) Survey: (check applicable provisions below)

97* (1) Seller will, within ___ days from Effective Date, deliver to Buyer copies of prior surveys, plans,
 98 specifications, and engineering documents, if any, and the following documents relevant to this transaction:

99* _____
 100 prepared for Seller or in Seller's possession, which show all currently existing structures. In the event if is
 101 transaction does not close, all documents provided by Seller will be returned to Seller within 10 days from the
 102 date this Contract is terminated.

103* Buyer will, at Seller's Buyer's expense and within the time period allowed to Buyer and examine title
 104 evidence, obtain a current certified survey of the Property from a registered surveyor. If the survey reveals
 105 encroachments on the Property or that the improvements encroach on the lands of another, Buyer will
 106 accept the Property with existing encroachments such encroachments will constitute a title defect to be
 107 cured within the Cure Period.

108 (d) Ingress and Egress: Seller warrants that the Property presently has ingress and egress.

109 7. PROPERTY CONDITION: Seller will deliver the Property to Buyer at the time agreed in its present "as is"
 110 condition, ordinary wear and tear excepted, and will maintain the landscaping and grounds in a comparable condition.
 111 Seller makes no warranties other than marketability of title. In the event that the condition of the Property has
 112 materially changed since the expiration of the Due Diligence Period, Buyer may elect to terminate the Contract and
 113 receive a refund of any and all deposits paid, plus interest, if applicable. By accepting the Property "as is", Buyer
 114 waives all claims against Seller for any defects in the Property. (Check (a) or (b))

115* (a) As is: Buyer has inspected the Property or waives any right to inspect and accepts the Property in its "as is"
 116 condition.

117* (b) Due Diligence Period: Buyer will, at Buyer's expense and within 7 days from Effective Date ("Due
 118 Diligence Period"), determine whether the Property is suitable, in Buyer's sole and absolute discretion, for Buyer's
 119 intended use and development of the Property as specified in Paragraph 6. During the Due Diligence Period,
 120 Buyer may conduct any tests, analyses, surveys and investigations ("inspections") which Buyer deems necessary
 121 to determine to Buyer's satisfaction the Property's engineering, architectural, environmental properties, zoning and
 122 zoning restrictions; flood zone designation and restrictions; subdivision regulations; soil and grade; availability of
 123 access to public roads, water, and other utilities; consistency with local, state and regional growth management and
 124 comprehensive land use plans; availability of permits, government approvals and licenses; compliance with
 125 American with Disabilities Act; absence of asbestos, soil and ground water contamination; and other inspections
 126 that Buyer deems appropriate to determine the suitability of the Property for Buyer's intended use and
 127 development. Buyer will deliver written notice to Seller prior to the expiration of the Due Diligence Period of
 128 Buyer's determination of whether or not the Property is acceptable. Buyer's failure to comply with the notice
 129 requirement will constitute acceptance of the Property in its present "as is" condition. Seller grants to Buyer, its
 130 agents, contractors and assigns, the right to enter the Property at any time during the Due Diligence Period for the
 131 purpose of conducting inspections; provided, however, that Buyer, its agents, contractors and assigns enter the
 132 Property and conduct inspections at their own risk. Buyer will indemnify and hold Seller harmless from losses,
 133 damages, costs, claims and expenses of any nature, including attorneys' fees at all levels, and from liability to any
 134 person, arising from the conduct of any and all inspections or any work authorized by Buyer. Buyer will not engage
 135 in any activity that could result in a mechanic's lien being filed against the Property without Seller's prior written
 136 consent. In the event this transaction does not close, (1) Buyer will repair all damages to the Property resulting
 137 from the inspections and return the Property to the condition it was in prior to conduct of the inspections, and
 138 (2) Buyer will, at Buyer's expense release to Seller all reports and other work generated as a result of the
 139 inspections. Should Buyer deliver timely notice that the Property is not acceptable, Seller agrees that Buyer's
 140 deposit will be immediately returned to Buyer and the Contract terminated.


141 (c) Walk-through Inspection: Buyer may, on the day prior to closing or any other time mutually agreeable to the

142* Buyer () and Seller () acknowledge receipt of a copy of this page, which is Page 3 of 5 Pages.


143 parties, conduct a final "walk-through" inspection of the Property to determine compliance with this paragraph. 
144 ~~to ensure that all Property obligations are satisfied.~~

145 **8. OPERATION OF PROPERTY DURING CONTRACT PERIOD:** Seller will continue to operate the Property and any
146 business conducted on the Property in the manner operated prior to Contract and will take no action that would
147 adversely impact the Property, tenants, lenders or business, if any. Any changes, such as renting vacant space, that
148 materially affect the Property or Buyer's intended use of the Property will be permitted only with Buyer's consent
149 without Buyer's consent.

150 **9. CLOSING PROCEDURE:** Unless otherwise agreed or stated herein, closing procedure shall be in accordance with
151 the norms where the Property is located.

152 (a) **Possession and Occupancy:** Seller will deliver possession and occupancy of the Property to Buyer at
153 closing. ~~Seller will provide keys, remote controls, and access to all systems needed to operate all in-home~~
154 ~~mechanical and security systems.~~ 

155 (b) **Costs:** Buyer will pay Buyer's attorneys' fees, taxes and recording fees on notes, mortgages and financing
156 statements and recording fees for the deed. Seller will pay Seller's attorneys' fees, taxes on the deed and
157 recording fees for documents needed to cure title defects, if Seller is obligated to discharge any encumbrance at or
158 prior to closing and fails to do so, Buyer may use purchase proceeds to satisfy the encumbrances.

159 (c) **Documents:** Seller will provide the deed; bill of sale; mechanic's lien affidavit; originals of those assignable
160 service and maintenance contracts that will be assumed by Buyer after the Closing Date and letters to each
161 service contractor from Seller advising each of them of the sale of the Property and, if applicable, the transfer of its
162 contract, and any assignable warranties or guarantees received or held by Seller from any manufacturer,
163 contractor, subcontractor, or material supplier in connection with the Property; current copies of the condominium
164 documents, if applicable; assignments of leases, updated rent roll; tenant and lender estoppel letters; tenant
165 subordination, non-disturbance and attornment agreements (SNDAs) required by the Buyer or Buyer's lender;
166 assignments of permits and licenses; corrective instruments; and letters notifying tenants of the change in
167 ownership/rental agent. If any tenant refuses to execute an estoppel letter, Seller will certify that information
168 regarding the tenant's lease is correct. ~~Whether or not Seller delivers possession of the Property, Seller will~~
169 ~~acknowledge the Seller's delivery of the deed and occupancy of the Property by providing the appropriate~~
170 ~~selling and closing documents and the necessary information to the Buyer's attorney. The Seller's attorney will~~
171 ~~prepare the closing statement, mortgages and notes, security agreements, and~~
172 ~~financing statements.~~ 

173 (d) **Taxes and Prorations:** Real estate taxes, personal property taxes on any tangible personal property, bond
174 payments assumed by Buyer, interest, rents (based on actual collected rents), association dues, insurance
175 premiums acceptable to Buyer, and operating expenses will be prorated through the day before closing. If the
176 amount of taxes for the current year cannot be ascertained, rates for the previous year will be used with due
177 allowance being made for improvements and exemptions. Any tax proration based on an estimate will, at request
178 of other party, be readjusted upon receipt of current year's tax bill; this provision will survive closing.

179 (e) **Special Assessment Liens:** Certified, confirmed, and ratified special assessment liens as of the Closing Date
180 will be paid by Seller. If a certified, confirmed, and ratified special assessment is payable in installments, Seller will
181 pay all installments due and payable on or before the Closing Date, with any installment for any period extending
182 beyond the Closing Date prorated, and Buyer will assume all installments that become due and payable after the
183 Closing Date. Buyer will be responsible for all assessments of any kind which become due and owing after Closing
184 Date, unless an improvement is substantially completed as of Closing Date. If an improvement is substantially
185 completed as of the Closing Date but has not resulted in a lien before closing, Seller will pay the amount of the last
186 estimate of the assessment. This subsection applies to special assessment liens imposed by a public body and
187 does not apply to condominium association special assessments.

188 (f) **Foreign Investment in Real Property Tax Act (FIRPTA):** If Seller is a "foreign person" as defined by FIRPTA,
189 Seller and Buyer agree to comply with Section 1445 of the Internal Revenue Code. Seller and Buyer will
190 complete, execute, and deliver as directed any instrument, affidavit, or statement reasonably necessary to comply
191 with the FIRPTA requirements, including delivery of their respective federal taxpayer identification numbers or

192 Buyer  and Seller  acknowledge receipt of a copy of this page, which is Page 4 of 6 Pages.


193 Social Security Numbers to the closing agent. If Buyer does not pay sufficient cash at closing to meet the
 194 withholding requirement, Seller will deliver to Buyer at closing the additional cash necessary to satisfy the
 195 requirement.

196 **10. ESCROW AGENT:** Seller and Buyer authorize Escrow Agent or Closing Agent (collectively "Agent") to
 197 receive, deposit, and hold funds and other property in escrow and, subject to collection, disburse them in accordance
 198 with the terms of this Contract. The parties agree that Agent will not be liable to any person for misdelivery of
 199 escrowed items to Seller or Buyer, unless the misdelivery is due to Agent's willful breach of this Contract or gross
 200 negligence. If Agent has doubt as to Agent's duties or obligations under this Contract, Agent may, at Agent's option,
 201 (a) hold the escrowed items until the parties mutually agree to its disbursement or until a court of competent
 202 jurisdiction or arbitrator determines the rights of the parties or (b) deposit the escrowed items with the clerk of
 203 the court having jurisdiction over the matter and file an action in interpleader. Upon notifying the parties of such action,
 204 Agent will be released from all liability except for the duty to account for items previously delivered out of escrow. If
 205 Agent is a licensed real estate broker, Agent will comply with Chapter 476, Florida Statutes. In any suit in which Agent
 206 interpleads the escrowed items or is made a party because of acting as Agent hereunder, Agent will recover
 207 reasonable attorney's fees and costs incurred, with these amounts to be paid from and out of the escrowed items and
 208 charged and awarded as court costs in favor of the prevailing party.

209 **11. CURE PERIOD:** Prior to any claim for default being made, a party will have an opportunity to cure any alleged
 210 default. If a party fails to comply with any provision of this Contract, the other party will deliver written notice to the non-
 211 complying party specifying the non-compliance. The non-complying party will have ___ days (5 days if left blank) after
 212 delivery of such notice to cure the non-compliance. Notice and cure shall not apply to failure to close.

213 **12. RETURN OF DEPOSIT:** Unless otherwise specified in the Contract, in the event any condition of this Contract is
 214 not met and Buyer has timely given any required notice regarding the condition having not been met, Buyer's deposit
 215 will be returned in accordance with applicable Florida Laws and regulations.

216 **13. DEFAULT:**

217 (a) In the event the sale is not closed due to any default or failure on the part of Seller other than failure to make
 218 the title marketable after diligent effort, Buyer may ~~either~~ receive a refund of Buyer's deposit(s) ~~or~~ ~~specific~~
 219 ~~specific performance~~. If Buyer elects a deposit refund, Seller will be liable to Broker for the full amount of the
 220 brokerage fee. 

221 (b) In the event the sale is not closed due to any default or failure on the part of Buyer, Seller may either (1) retain
 222 all deposit(s) paid or agreed to be paid by Buyer as agreed upon liquidated damages, consideration for the
 223 execution of this Contract, and in full settlement of any claims, upon which this Contract will terminate or (2) seek
 224 specific performance. If Seller retains the deposit, Seller will pay the Brokers named in Paragraph 20 fifty percent
 225 of all forfeited deposits retained by Seller (to be split equally among the Brokers) up to the full amount of the
 226 brokerage fee. If Buyer fails to timely place a deposit as required by this Contract, Seller may either (1) termi-
 227 nate the Contract and seek the remedy outlined in this subparagraph or (2) proceed with the Contract without waiting
 228 any remedy for Buyer's default.

229 **14. ATTORNEY'S FEES AND COSTS:** In any claim or controversy arising out of or relating to this Contract, the
 230 prevailing party, which for purposes of this provision will include Buyer, Seller and Broker, will be awarded reasonable
 231 attorneys' fees, costs, and expenses.

232 **15. NOTICES:** All notices will be in writing and may be delivered by mail, overnight courier, personal delivery, or
 233 electronic means. Parties agree to send all notices to addresses specified on the signature page(s). Any notice,
 234 document, or item given by or delivered to an attorney or real estate licensee (including a transaction broker)
 235 representing a party will be as effective as if given by or delivered to that party.

236 **16. DISCLOSURES:**

237 (a) **Commercial Real Estate Sales Commission Lien Act:** The Florida Commercial Real Estate Sales
 238 Commission Lien Act provides that a broker has a lien upon the owner's net proceeds from the sale of commercial
 239 real estate for any commission earned by the broker under a brokerage agreement. The lien upon the owner's net

240 Buyer  and Seller  acknowledge receipt of a copy of this page, which is Page 5 of 6 Pages.

241 proceeds is a lien upon personal property which attaches to the owner's net proceeds and does not attach to any
242 interest in real property. This lien right cannot be waived before the commission is earned.

243 (b) Special Assessment Liens Imposed by Public Body: The Property may be subject to unpaid special
244 assessment lien(s) imposed by a public body. (A public body includes a Community Development District.) Such
245 liens, if any, shall be paid as set forth in Paragraph 9(e).


246 (c) Radon Gas: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in
247 sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that
248 exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon
249 and radon testing may be obtained from your county public health unit.

250 (d) Energy-Efficiency Rating Information: Buyer acknowledges receipt of the information brochure required by
251 Section 553.996, Florida Statutes.

252 17. RISK OF LOSS:

253 (a) If, after the Effective Date and before closing, the Property is damaged by fire or other casualty, Seller will bear
254 the risk of loss and Buyer may cancel this Contract without liability and the deposit(s) will be returned to Buyer.
255 Alternatively, Buyer will have the option of purchasing the Property at the agreed upon purchase price and Seller
256 will credit the deductible, if any and transfer to Buyer at closing any insurance proceeds, or Seller's claim to any
257 insurance proceeds payable for the damage. Seller will cooperate with and assist Buyer in collecting any such
258 proceeds. Seller shall not settle any insurance claim for damage caused by casualty without the consent of the
259 Buyer.

260 (b) If, after the Effective Date and before closing, any part of the Property is taken in condemnation or under the
261 right of eminent domain, or proceedings for such taking will be pending or threatened, Buyer may cancel this
262 Contract without liability and the deposit(s) will be returned to Buyer. Alternatively, Buyer will have the option of
263 purchasing what is left of the Property at the agreed upon purchase price and Seller will transfer to the Buyer at
264 closing the proceeds of any award, or Seller's claim to any award payable for the taking. Seller will cooperate with
265 and assist Buyer in collecting any such award.

only if J. Pace is a majority shareholder thereof 

266 18. ASSIGNABILITY; PERSONS BOUND: This Contract may be assigned to a related entity and otherwise is
267 not assignable is assignable. If this Contract may be assigned, Buyer shall deliver a copy of the assignment
268 agreement to the Seller at least 5 days prior to Closing. The terms "Buyer," "Seller" and "Broker" may be singular or
269 plural. This Contract is binding upon Buyer, Seller and their heirs, personal representatives, successors and assigns
270 (if assignment is permitted).

and the Addendum "A" attached here to 

271 19. MISCELLANEOUS: The terms of this Contract constitute the entire agreement between Buyer and Seller.
272 Modifications of this Contract will not be binding unless in writing, signed and delivered by the party to be bound.
273 Signatures, initials, documents referenced in this Contract, counterparts and written modifications communicated
274 electronically or on paper will be acceptable for all purposes, including delivery, and will be binding. Handwritten or
275 typewritten terms inserted in or attached to this Contract prevail over preprinted terms. If any provision of this Contract
276 is or becomes invalid or unenforceable, all remaining provisions will continue to be fully effective. This Contract will be
277 construed under Florida law and will not be recorded in any public records.

278 20. BROKERS: Neither Seller nor Buyer has used the services of, or for any other reason owes compensation to,
279 a licensed real estate Broker other than:

280 (a) Seller's Broker: Quantum Realty Associates Don Poyner
281 (Company Name) (Licensee)
282 4440 PGA Blvd, suite 408 561-307-1900
283 (Address, Telephone, Fax, E-mail)

284 who is a single agent is a transaction broker has no brokerage relationship and who will be compensated
285 by Seller Buyer both parties pursuant to a listing agreement other (specify) _____
286 _____

287 Buyer  and Seller  acknowledge receipt of a copy of this page, which is Page 5 of 8 Pages.

255 (b) Buyer's Broker: Quantum Realty Associates Don Poyner
256 (Company Name) (Licensee)

257 (Address, Telephone, Fax, Email)

258 who is a single agent is a transaction broker has no brokerage relationship and who will be compensated
259 by Seller's Broker Seller Buyer both parties pursuant to an MLS offer of compensation other (specify)

260 (collectively referred to as "Broker") in connection with any act relating to the Property, including but not limited to
261 inquiries, introductions, consultations, and negotiations resulting in this transaction. Seller and Buyer agree to
262 indemnify and hold Broker harmless from and against losses, damages, costs and expenses of any kind, including
263 reasonable attorneys' fees at all levels, and from liability to any person, arising from (1) compensation claimed which is
264 inconsistent with the representation in this Paragraph, (2) enforcement action to collect a brokerage fee pursuant to
265 Paragraph 10, (3) any duty accepted by Broker at the request of Seller or Buyer, which is beyond the scope of
266 services regulated by Chapter 475, Florida Statutes, as amended, or (4) recommendations of or services provided and
267 expenses incurred by any third party whom Broker refers, recommends, or retains for or on behalf of Seller or Buyer.

268 21. OPTIONAL CLAUSES: (Check if any of the following clauses are applicable and are attached as an addendum to
269 this Contract):

- 270 Arbitration
- 271 Section 1031 Exchange
- 272 Property Inspection and Repair
- 273 Seller Representations
- 274 Seller Warranty
- 275 Coastal Construction Control Line
- 276 Flood Area Hazard Zone
- 277 Seller Financing
- 278 Existing Mortgage
- 279 Buyer's Attorney Approval
- 280 Seller's Attorney Approval
- 281 Other _____

282 22. ADDITIONAL TERMS:

283 Buyer to receive property Free and Clear of all liens and ~~other encumbrances~~

284 This contract will terminate if the Palm Beach County Board of

285 Commissioners does not approve the settlement agreement to be

286 executed in connection with Palm Beach County Circuit Court Case Nos.

287 08-37248 and 08-38017. In that event buyer will be entitled to

288 return of the deposit.

289 _____

290 _____

291 _____

292 _____

293 _____

294 _____

295 THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT. IF NOT FULLY UNDERSTOOD, SEEK THE
296 ADVICE OF AN ATTORNEY PRIOR TO SIGNING. BROKER ADVISES BUYER AND SELLER TO VERIFY ALL
297 FACTS AND REPRESENTATIONS THAT ARE IMPORTANT TO THEM AND TO CONSULT AN APPROPRIATE
298 PROFESSIONAL FOR LEGAL ADVICE (FOR EXAMPLE, INTERPRETING CONTRACTS, DETERMINING THE
299 EFFECT OF LAWS ON THE PROPERTY AND TRANSACTION, STATUS OF TITLE, FOREIGN INVESTOR
300 REPORTING REQUIREMENTS, ETC.) AND FOR TAX, PROPERTY CONDITION, ENVIRONMENTAL AND OTHER
301 ADVICE. BUYER ACKNOWLEDGES THAT BROKER DOES NOT OCCUPY THE PROPERTY AND THAT ALL
302 REPRESENTATIONS (ORAL, WRITTEN OR OTHERWISE) BY BROKER ARE BASED ON SELLER
303 REPRESENTATIONS OR PUBLIC RECORDS UNLESS BROKER INDICATES PERSONAL VERIFICATION OF
304 THE REPRESENTATION. BUYER AGREES TO RELY SOLELY ON SELLER, PROFESSIONAL INSPECTORS
305 AND GOVERNMENTAL AGENCIES FOR VERIFICATION OF THE PROPERTY CONDITION, SQUARE FOOTAGE
306 AND FACTS THAT MATERIALLY AFFECT PROPERTY VALUE.

307 Buyer (_____) and Seller (_____) acknowledge receipt of a copy of this page, which is Page 7 of 8 Pages.

334 Each person signing this Contract on behalf of a party that is a business entity represents and warrants to the other
335 party that such signatory has full power and authority to enter into and perform this Contract in accordance with its
336 terms and each person executing this Contract and other documents on behalf of such party has been duly authorized
337 to do so.

338 Jonathan Pace
339

Date: 5/9/13

340 Jonathan Pace
341 (Typed or Printed Name of Buyer)

Tax ID No: 26-2978837

342 Title: Mr God's Faithful, LLC

Telephone: 561 827-7223

343 _____
344

Date: _____

345 _____
346 (Typed or Printed Name of Buyer)

Tax ID No: _____

347 Title: _____

Telephone: _____

348 Buyer's Address for purpose of notice: 129 Turnberry Dr. Atlanta, FL 33862

349 Facsimile: 561 304-1185

Email: conpaceinc@aol.com

350 _____
351

Date: _____

352 _____
353 (Typed or Printed Name of Seller)

Tax ID No: _____

354 Title: _____

Telephone: _____

355 _____
356

Date: _____

357 _____
358 (Typed or Printed Name of Seller)

Tax ID No: _____

359 Title: _____

Telephone: _____

360 Seller's Address for purpose of notice: _____
361 Facsimile: _____ Email: _____

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362 Buyer [Signature] and Seller [Signature] acknowledge receipt of a copy of this page, which is Page 8 of 8 Pages.



BAYVIEW LOAN SERVICING, LLC**ADDENDUM "A"**
FIRST ADDENDUM TO CONTRACT**BAYVIEW LOAN SERVICING****ASSET NUMBER:** 200035028**Seller:** Bayview Loan Servicing LLC **Buyer(s):** God Is Faithful LLC**Street Address:** 4557-4557 & 4563 Coconut Rd **City/State:** Lake Worth, FL

In the event any provision of this First Addendum To Contract dated 4/3/13 ("First Addendum") conflicts in whole or in part with any of the terms of the contract between Buyer and Seller, as identified therein, ("the Contract"), the provisions of this First Addendum will control. Buyer shall neither assign its rights nor delegate its obligations hereunder without obtaining Seller's prior written consent, which may be withheld in Seller's sole discretion. In no event shall any assignment relieve Buyer from its obligations under this Contract. Any other purported or attempted assignment or delegation without obtaining Seller's prior written consent shall be void and of no effect.

BUYER AND SELLER AGREE AS FOLLOWS:

(A) **NO REPRESENTATION OR WARRANTIES: PROPERTY SOLD "AS IS."** Buyer acknowledges and understands that the Property (Property is herein defined to be the property and improvements, if any, which are the subject of the Contract) is being sold as-is, and with all faults. Buyer further acknowledges and understands that the Property was acquired by the Seller through a foreclosure action or loan liquidation procedure, and, therefore, the Seller was not an owner-occupant and its information concerning the Property and its condition is limited. Buyer is hereby informed that Seller is unaware of any latent defects in the Property or any appurtenant systems, including but not limited to plumbing, heating, air conditioning and electrical systems, fixtures, appliances, roof, sewers, septic, soil conditions, foundation, structural integrity, environmental condition, pool or related equipment. Seller makes no representations or warranties as to any of the above, the condition of the Property, the Property's systems, the serviceability or fitness for a particular use of the Property, or any component of the Property. Buyer agrees that in contracting to buy the Property, Buyer has not relied upon any representation or warranty made by the Seller, any parent, subsidiary or affiliate thereof, or any of its officers, directors, employees, agents or representatives. Buyer has been afforded the opportunity to undertake its own investigations and inspections of the Property.

(B) **PURCHASE PRICE.** Sale Price to be \$205,000, Earnest Money Deposit to be \$5,000 at the signing of contract and an additional deposit of \$0 upon the removal of all inspection contingencies at which time all deposit monies are considered to be non-refundable, with the exception of the financing contingency, if applicable. Time is of the essence with reference to the payment(s) of all escrow deposits. Balance of the purchase price in the amount of \$200,000 to be paid by wire transfer of readily available funds at closing.

(C) FINANCING CONTINGENCY. (PLEASE INITIAL ONLY ONE PARAGRAPH, AS APPLICABLE)

(1) Sale Contingent on Mortgage Financing

(a) This contract is subject to the condition that on or before NA, Buyer shall secure, or there shall be available to Buyer, a written commitment for a loan to be secured by a mortgage or deed of trust on the property in the amount of \$ _____, or such lesser sum as Buyer accepts.

(b) If, after the Buyer has submitted a true loan application and otherwise made every reasonable effort to procure a loan commitment from any source made available to Buyer within five (5) days from the date hereof and the Buyer has been unable to do so, and after serving written notice thereof upon Seller within one (1) business day of the time specified in subsection (C)(1)(a) above for securing such commitment, this Contract shall become null and void, and all moneys paid by Buyer hereunder shall be refunded. In the event Buyer does not serve notice of Buyer's failure to procure said loan commitment upon Seller as herein provided, then this contract shall continue in full force and effect without any loan contingencies.

(c) Buyer shall, at Buyer's expense, execute all documents necessary to procure a mortgage loan from any source. Any delays caused by Buyer's Lender shall not constitute a default by Seller.

(d) Mortgage interest rates, lender fees, and discount points vary with financial institutions and the marketplace on a daily basis. The Buyer has the right to select the Lender and the right to negotiate the financial terms and conditions of the loan. This may be subject to Seller's approval and/or Lender's requirements.

[Handwritten initials] **All Cash Transaction.** This is an all-cash sale and purchase, and is NOT contingent upon Buyer's obtaining Financing for the purchase of the Property regardless of any mortgage loan application made by the Buyer to any lending institution. Buyer understands and agrees that neither delivery of a commitment for a mortgage loan from any lending institution nor the Buyer's acceptance of such a commitment will in any way be a condition of Buyer's obligation under this Contract. Buyer represents to Seller that Buyer has sufficient readily available funds to complete the purchase of the Property.

(D) CLOSING COSTS. Buyer agrees to pay all allowable closing costs on behalf of the Seller and Buyer, including the cost of a lender's title insurance policy, if applicable. Buyer understands that Buyer may also have to pay certain pre-payable expenses, including, but not limited to, adjustments for short-term interest, taxes, water and sewer charges, insurance, MIP or PMI. Buyer understands that if Buyer obtains an FHA or PMI mortgage, the MIP or PMI premium will be added to the mortgage amount and increase their monthly payment. Buyer shall also pay for the following: _____

~~(E) **INSPECTIONS.** Buyer, at Buyer's sole cost and expense, and after Seller's written acceptance of this offer, shall have the opportunity to inspect the Property including, but not limited to, environmental, asbestos, radon gas, lead paint, physical defects including structural defects, roof, basement, mechanical systems such as heating and air conditioning, electrical systems, sewage and septic systems, plumbing, exterior site drainage, termites and other types of pest and insect infestation or damage caused by such infestation, and review and/or order a boundary survey. If Buyer does not give to Seller written notice of cancellation, for any reason Buyer deems appropriate, within seven (7) calendar days of acceptance of this offer as outlined in paragraph (R), Buyer shall conclusively be deemed to have: (1) completed all inspections, investigations, review of applicable documents and disclosures and removed all contingencies; (2) elected to proceed with the transaction; and (3) assumed all liability, responsibility, and expense for repairs or corrections other than for items which Seller has otherwise agreed in writing to repair or correct. If Buyer objects to the condition of the Property within the specified time period, Buyer, as their sole option may terminate this contract and neither party shall have any further obligations hereto. As a condition to termination under the inspection period, Buyer agrees to submit to Seller any and all written reports as to such inspections within three (3) calendar days following the expiration of an inspection period, after which time Seller will immediately refund the earnest money deposit.~~

(F) **REPAIRS.** The Property is being sold "as-is" and any repairs to the Property identified by Buyer or which may be any required by any lending institution to which Buyer may have applied ("Repairs") shall be the responsibility of the Buyer. The Seller will be under no obligation whatsoever to make any Repairs to the Property. Buyer agrees not to enter the Property prior to Closing for the purpose of making any repairs or alterations without Seller's express written consent.

(G) **LIQUIDATED DAMAGES DEPOSIT.** NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THE CONTRACT, IF BUYER HAS NOT TERMINATED THE CONTRACT AND IF THE SALE OF THE PROPERTY TO BUYER HAS NOT BEEN CONSUMMATED FOR ANY REASON OTHER THAN SELLER'S DEFAULT UNDER THE CONTRACT, SELLER SHALL BE ENTITLED TO RETAIN THE DEPOSIT AS SELLER'S LIQUIDATED DAMAGES. THE PARTIES AGREE THAT IT WOULD BE IMPRACTICABLE AND EXTREMELY DIFFICULT TO ASCERTAIN THE ACTUAL DAMAGES SUFFERED BY SELLER AS A RESULT OF BUYER'S FAILURE TO COMPLETE THE PURCHASE OF THE PROPERTY PURSUANT TO THE CONTRACT, AND THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THE CONTRACT, THE LIQUIDATED DAMAGES PROVIDED FOR IN THIS SECTION REPRESENTS A REASONABLE ESTIMATE OF THE DAMAGES WHICH SELLER WILL INCUR AS A RESULT OF SUCH FAILURE, PROVIDED, HOWEVER, THAT THIS PROVISION SHALL NOT LIMIT SELLER'S RIGHT TO RECEIVE REIMBURSEMENT FOR ATTORNEY'S FEES, NOR WAIVE OR AFFECT SELLER'S RIGHT AND BUYER'S INDEMNITY OBLIGATIONS UNDER OTHER SECTIONS OF THE CONTRACT. THE PARTIES ACKNOWLEDGE THAT THE PAYMENT OF SUCH LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER. NOTWITHSTANDING THE FOREGOING, IF BUYER INTERFERES WITH OR MAKES ANY ATTEMPTS TO INTERFERE WITH SELLER RECEIVING OR RETAINING, AS THE CASE MAY BE, THE LIQUIDATED DAMAGES PROVIDED FOR IN THIS SECTION, INCLUDING WITHOUT LIMITATION, GIVING ANY NOTICE OR INSTRUCTION TO ESCROW HOLDER NOT TO DELIVER THE DEPOSIT TO SELLER, SELLER SHALL HAVE THE RIGHT TO ELECT TO RECOVER THE GREATER OF ITS ACTUAL DAMAGES OR THE LIQUIDATED DAMAGES BY GIVING WRITTEN NOTICE TO BUYER, AND SELLER SHALL HAVE ALL OTHER RIGHTS AND REMEDIES AGAINST BUYER PROVIDED AT LAW AND IN EQUITY. THE PARTIES HAVE SET FORTH THEIR INITIALS BELOW TO INDICATE THEIR AGREEMENT WITH THE DAMAGES PROVISION CONTAINED IN THIS SECTION.

SELLER'S INITIALS

BUYER'S INITIALS

(1) **No Specific Performance.** As material consideration to Seller's entering into the Contract with Buyer, Buyer expressly waives the (a) remedy of specific performance on account of Seller's default under the Contract, and (b) any right otherwise to record or file a *lis pendens* or a notice of pendency of action or similar notice against all or any portion of this Property.

(2) **No Contesting Liquidated Damages.** As material consideration to each party's agreement to the liquidated damages provisions stated above, each party hereby agrees to waive any and all rights, whatsoever, to contest the validity of the liquidated damage provisions for any reason whatsoever, including, but not limited to, that such provision was unreasonable under circumstances existing at the time the Contract was made.

(H) **SELLERS CLOSING COSTS AND BROKERAGE COMMISSION. (APPLICABLE ONLY IF COMPLETED)** If necessary to complete a transaction, Seller will make the following contributions if the Property is single-family residential: (1) \$ 0 to Buyers non-recurring closing costs and discount points; (2) \$ 0 as a credit to Buyers at closing for a Buyer to purchase Home Protection Plan; (3) \$ 0 maximum of Buyer's Non-allowable FHA/VA costs; and (4) \$ 0 towards termite report. Any amount over Seller's contribution under this Section (1) or (2) are to be at the expense of the Buyer. Seller will pay a maximum commission of \$ 0 or 0 % to be split between Broker and Co-Broker, if applicable. The total commission earned will be based on a percentage of the Sales Price.

(I) **TRANSFER OF TITLE.** Seller will transfer title by means of a special or limited warranty deed, or an equivalent thereof (the "Deed"), which will warrant against acts of the grantor only. The acceptance of the Deed by the Buyer will be deemed to constitute full compliance by the Seller with all of the terms and conditions of the Contract and this First Addendum. None of the provisions of the Contract or the First Addendum will survive the delivery of the Deed.

(J) **INSURANCE POLICIES.** Seller's insurance policies are not transferable, and will not be prorated at Closing.

(K) **TITLE DEFECTS.** Seller shall have a minimum of thirty (30) days from the date upon which Seller receives a copy of a title insurance commitment or a title report within which to resolve any title exceptions or defects or other title issues which in any way impede or impair Seller's ability to convey title as required herein. If, within such thirty (30) day period, Seller determines that it is unable or unwilling, at its sole discretion, to resolve such matters then the Buyer (1) may take title in its then existing state, thereby waiving any title objections, or (2) terminate the Contract and receive a refund of any deposit as Buyer's sole and exclusive remedy. Seller's exercise of its right hereunder shall not require further notice thereof to the Buyer. In the event Seller fails to resolve such issues within the aforesaid thirty (30) day period, it shall be presumed that Seller has determined that it is unable or unwilling to resolve such issues.

(L) **() LEAD-BASED PAINT CONTINGENCY. (APPLICABLE IF INITIALED AND ONLY WITH REGARD TO SINGLE FAMILY RESIDENTIAL PROPERTY)** Buyer's obligation to close this transaction is contingent upon Buyer conducting a risk assessment or inspection of the Property for the presence of lead-based paint and/or lead-based paint hazards, at the Buyer's sole cost and expense, on or before 5 PM EST/EDT on that date ten (10) days from the Execution or Effective Date (the "LBP Test Period"). Intact lead-based paint that is in good condition is not necessarily a hazard (see the EPA pamphlet "Protect Your Family From Lead in Your Home" for more information). This contingency will terminate at the expiration of the LBP Test Period unless Buyer delivers to Seller written notice listing the specific existing deficiencies and corrections needed, together with a copy of the inspection and/or risk assessment report. Seller may, at Seller's sole discretion, within ten (10) days after delivery of the notice, elect in writing whether to correct the condition(s) prior to settlement. If Seller elects to correct the condition, Seller shall, upon completion of the correction(s), furnish to Buyer certification from a risk assessor or inspector demonstrating that the condition has been remedied. If Seller does not elect to make the repairs, or if Seller counter-offers, Buyer shall have five (5) days to respond to the counter-offer or remove this contingency and take the Property in "as is" condition or the Contract shall become void. Buyer may remove this contingency at any time without cause.

(H) WAIVER OF LEAD-BASED PAINT INSPECTION PERIOD: SELLER'S REPRESENTATION'S (APPLICABLE IF INITIALED AND ONLY WITH REGARD TO SINGLE FAMILY RESIDENTIAL PROPERTY) Buyer acknowledges that it has had the opportunity to undertake studies, inspections or investigations of the Property as Buyer deemed necessary to evaluate the presence of lead-based paint and/or lead-based paint hazards on the Property. To the extent that Buyer has waived or otherwise declined the opportunity to undertake such inspections and investigations as a condition to the completion of the Closing under the terms of Paragraph (D), Buyer has knowingly and voluntarily done so. Buyer understands and acknowledges that the Property may have been built prior to 1978 and lead-based paint and/or lead-based paint hazards may be present on the Property. In accordance with Section 1018 of Title X, the Residential Lead-Based Paint Hazard Reduction Act of 1992, attached to this First Addendum as Exhibit "H" and made part hereof, Seller attaches the Disclosure of Information on Lead Based Paint and/or Lead-Based Paint Hazard Lead Warning Statement. Seller shall have no responsibility or liability with respect to any such occurrence of lead-based paint. It is understood by the parties that Seller does not make any representation or Warranty, express or implied, as to the accuracy or completeness of any information contained in Seller's files or in the documents produced by Seller or its agents, including, without limitation, any environmental audit or report. Buyer acknowledges that Seller and Seller's affiliates shall have no responsibility for the contents and accuracy of such disclosures, and Buyer agrees that the obligations of Seller in connection with the purchase of the Property shall be governed by the Contract irrespective of the contents of any such disclosures or the timing or delivery thereof.

(N) CLOSING DATE/TIME OF THE ESSENCE. It is agreed that time is of the essence with respect to all dates specified in the Contract and any addenda, riders or amendments thereto. This means that all deadlines are intended to be strict and absolute. In the event Buyer fails to close on the scheduled closing date through no fault of the Seller, Seller may, in its discretion, agree to extend the closing date. In the event Seller agrees to extend the closing date, Buyer shall pay, in addition to the Sale Price, a (1) \$300.00 fee for the extension, and (2) a per diem penalty of \$100.00 (\$150.00 per diem if this is a cash offer or the property is commercial property) for each day that the closing day is extended. In addition, there shall be a per diem penalty of \$20.00 deducted from the selling Broker's commission for each day that the closing is extended beyond the scheduled closing date. For Sale Prices greater than or equal to \$200,000.00, the fees are as follows: (1) \$500.00 fee for the extension, and (2) a per diem penalty of \$200.00 (\$300.00 per diem if this is a cash offer or the property is a commercial property) for each day that the closing day is extended. In addition, if the Sales Price is greater than or equal to \$200,000.00, there shall be a per diem penalty of \$40.00 deducted from the selling Broker's commission for each day that the closing is extended beyond the scheduled closing date.

Buyer assumes all liability in providing all necessary information to their Lender. Furthermore, Buyer shall instruct their Lender and attorney to work in conjunction with the brokers to ensure a timely close of escrow. The Broker and Co-Broker, if applicable, shall assume all responsibility for follow-up with the Buyer, any lender or mortgage representative involved in financing this transaction, and either party's attorney and/or title company to ensure that there is no delay in closing. Buyer will not be given possession, or may not occupy the premises prior to closing and disbursement of sale proceeds. Buyer shall be considered in default of the Contract in the event Buyer occupies or alters the Property or permits it to be altered unless provided for in the Contract.

(O) TERMINATION OF CONTRACT. In the event the Contract is terminated by Seller pursuant to any provision of the Contract, this First Addendum, any other addendum, or in the event Seller is otherwise unable to perform this Contract, Seller's sole liability to Buyer will be to return Buyer's deposit, at which time the Contract shall cease and terminate and Seller and Buyer shall have no further obligations, liabilities or responsibilities to one another.

(P) REVIEW PERIOD. Buyer and Seller agree that Seller shall require a forty-eight (48) hour review period for all closing documents, which shall commence upon Seller's receipt of same.

(G) **SEVERABILITY.** If any provisions of this Addendum shall be prohibited by or invalid under applicable law, such provisions shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Addendum or the Sales Contract.

(R) **ACCEPTANCE OF OFFER.** Buyer is aware of the following: (1) Seller has reserved the right to make multiple counteroffers on this property; (2) Seller reserves the right to continue to offer the Property to other buyers; (3) Seller has not previously accepted an offer; (4) acceptance of this offer or any counter-offers hereto is subject to Seller's Executive Committee's approval; (5) this offer shall expire on 5/9/13 at 6:00 PM EST/EDT. Buyer's acceptance of this offer shall be approved by Seller's Executive Committee on or before 5/9/13 at 6:00 PM EST/EDT. Seller's acceptance or approval of this offer shall revoke this counter-offer. Communication of acceptance of this counter-offer must be received by Seller in writing prior to the expiration of the time frame specified above and may be in the form of a facsimile, e-mail, or hard copy via mail so long as receipt of delivery can be confirmed.

Handwritten signature and date: May 9 2013

(S) **MISCELLANEOUS**

(1) **Limitation of Damages.** BUYER ACKNOWLEDGES, UNDERSTANDS AND AGREES THAT SELLER SHALL UNDER NO CIRCUMSTANCE BE RESPONSIBLE TO BUYER FOR ANY AMOUNT OF DAMAGES IN EXCESS OF THE AMOUNT OF THE DEPOSIT, AND UNDER NO CIRCUMSTANCE SHALL SELLER BE RESPONSIBLE OR LIABLE FOR ANY SECONDARY, CONSEQUENTIAL, COMPENSATORY OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO DAMAGES ASSOCIATED WITH THE INABILITY TO POSSESS THE RESIDENCE, UNINHABITABILITY, INCONVENIENCE OR LOSS OF TIME OR USE AS A RESULT OF DEFECTS. LIKEWISE, BUYER ACKNOWLEDGES, UNDERSTANDS AND AGREES THAT SELLER WILL HAVE NO LIABILITY FOR ANY LOSS OR DAMAGE TO BUYER DUE TO ANY RADON GAS OR OTHER HAZARDOUS MATERIALS OR SUBSTANCES, WHETHER NATURAL OR ARTIFICIAL, WHICH MAY BE LOCATED WITHIN THE SOIL OR SUBSURFACE ROCK WITHIN THE LOT OR WITHIN ANY PART OF _____ (property legal description), ANY AND ALL OF WHICH ARE HEREBY WAIVED AND FORGIVEN BY BUYER TO SELLER, WHETHER THEY NOW EXIST OR HEREAFTER ARISE.

(2) **Waiver of Jury Trial.** BUYER WAIVES THE RIGHT TO A JURY TRIAL IN ANY ACTION OR PROCEEDING BASED UPON OR RELATED TO ANY ASPECT OF THE PROPERTY IN CONNECTION WITH THIS CONTRACT, ANY DOCUMENT EXECUTED OR DELIVERED IN CONNECTION WITH THIS PURCHASE OR FOR ANY OTHER CLAIM RELATING TO OR BETWEEN THE PARTIES TO THIS CONTRACT OF WHATSOEVER KIND OR NATURE, INCLUDING (WITHOUT LIMITING THE GENERALITY OF THE FOREGOING) ANY AND ALL CLAIMS ARISING FROM, RELATED TO OR IN CONNECTION WITH INJURIES SUSTAINED IN CONNECTION WITH THE PROPERTY. BUYER MAKES THIS WAIVER KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY AND BUYER ACKNOWLEDGES THAT NO ONE HAS MADE ANY REPRESENTATION OF FACT TO INDUCE BUYER TO MAKE THIS JURY TRIAL WAIVER OR IN ANY MANNER OR IN ANY WAY TO MODIFY OR NULLIFY ITS EFFECT. BUYER FURTHER ACKNOWLEDGES HAVING HAD THE OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT LEGAL COUNSEL IN CONNECTION WITH THE TRANSACTION AND WITH RESPECT TO THIS CONTRACT AND IN THE MAKING OF THIS WAIVER SELECTED BY BUYER'S OWN FREE WILL AND THAT BUYER HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH SUCH COUNSEL. BUYER FURTHER ACKNOWLEDGES HAVING READ AND UNDERSTOOD THE MEANING AND RAMIFICATIONS OF THIS JURY TRIAL WAIVER AND FULLY INTENDS THAT THIS WAIVER SHALL BE READ AS BROADLY AS POSSIBLE AND SHALL EXTEND TO ANY AND ALL CLAIMS, DISPUTES, CAUSES OF ACTION, IN CONNECTION WITH THE PROPERTY, ANY INJURY, DAMAGE, OR ANY OTHER CLAIM ARISING AS A RESULT OF THIS TRANSACTION, THE PURCHASE OF THE PROPERTY, OR ANY MATTER RELATED THERETO.

Handwritten signature

(3) **Binding Nature.** This Contract shall be binding upon the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and, as permitted hereunder, assigns.

(4) **Attorneys' Fees.** Subject to the limitation upon damages recoverable by Buyer as set forth hereinabove, the prevailing party in connection with any litigation arising out of this Contract shall be entitled to recover all fees and costs incurred, including reasonable attorneys' fees, which reasonable attorneys' fees shall include but not be limited to paralegal and legal assistant fees and those reasonable attorneys' fees incurred by such prevailing party for the services of such prevailing party's attorney(s) at all judicial levels.

(5) **No Recording.** Buyer agrees that neither this Contract nor any notice or memorandum hereof shall be recorded in the Public Records of County or State where the Property is located or any other public records. Any such recording by Buyer or anyone acting by, through or under Buyer shall constitute a material breach by Buyer of this Contract and shall entitle Seller to invoke the default provisions hereof.

(6) **Entire Agreement.** This Contract represents the entire agreement of the parties hereto and supersedes any and all agreements and understandings between the parties hereto, whether oral or written. No statement, representation or other inducement made prior hereto, whether written or oral, unless included as a part of this Contract, shall be of any force or effect or may be relied upon by Buyer.

BAYVIEW LOAN SERVICES, LLC

By: [Signature]
Date: 5/10/13

Buyer: Jonathan Pace [Signature]
Date: ~~4/11/13~~ 5/9/13

Buyer: _____
Date: _____

Listing Broker: Don Poyner

Selling Broker: Don Poyner

By: [Signature]
Date: 5-9-13

By: [Signature]
Date: 5-9-13