

**SELLER'S DISCLOSURES
AND
BUYER'S ACKNOWLEDGEMENTS
REGARDING PROPERTIES IN THE PEPPERTREE DEVELOPMENT**

The undersigned _____ (Buyer) hereby acknowledges having received the following disclosures from Federal Home Loan Mortgage Corporation (Seller) regarding Buyer's purchase of the real property located in the Peppertree Development (Peppertree) described as follows:

___ 887 Curry Drive, Hemet, CA	___ 875 Curry Drive, Hemet, CA
___ 4191 Turmeric Drive, Hemet, CA	___ 4223 Turmeric Drive, Hemet, CA
___ 881 Curry Drive, Hemet, CA	

Seller hereby discloses to Buyer the following:

- The City of Hemet has not issued a final occupancy certificate for the above-referenced properties as the properties were initially not sold for occupancy.
- The City of Hemet has declared each of these homes as uninhabitable and as a substandard dwelling.
- There are mechanics liens on all of the abovementioned properties.
- Eastern Municipal Water District has failed Peppertree's sewer system.
- Peppertree is currently in receivership, with the exception of the abovementioned properties.
- There is ongoing litigation regarding Peppertree in the Superior Court of California, Riverside County (consolidated under C.M.T. Alpine Electric, Inc. vs. Pacific Century Homes, Inc., Case No. RIC 491703).

Buyer acknowledges having the opportunity to review any and all available information regarding the condition of the properties, the pending litigation, the developer's bankruptcy, mechanics liens, and any other outstanding issues regarding the sewer, streets, etc. Buyer further acknowledges conducting his/her own personal inspection of the properties. Buyer agrees that the information appearing in the above disclosures has been provided by independent third parties and that neither the Seller nor its broker nor settlement agent shall be responsible in any manner for any losses incurred by the Buyer as a result of the error or omission of any such third party.

Buyer agrees that he/she is purchasing the subject property "AS IS" and is, therefore, solely responsible for bringing the properties into compliance with the applicable codes of the City of Hemet.

Buyer waives any claims against the Seller for any defects or other damage that may exist at Closing of the Contract and be subsequently discovered by Buyer or anyone claiming by, through, under or against the Buyer. Buyer further acknowledges and agrees that this document shall be considered as an amendment to the contract for sale and purchase entered into by the parties, and that the terms and conditions herein shall prevail and control over any provisions of the contract in conflict herewith.

Buyer agrees to indemnify and hold harmless the Seller, Sheryl Drake and Elite REO, Malcolm & Cisneros, and Trustee Corps from any and all liability arising from the disclosures and facts as set forth above.

Buyer represents that he/she has read and understands the foregoing disclosures and acknowledgements and has signed this document as his/her free and voluntary act.

By: _____ Date: _____, 2010

(Print name and title) _____

WITNESSES:
