

**Special Provisions Addendum**

Seller: \_\_\_\_\_ (“Seller”)

Buyer: \_\_\_\_\_ (“Buyer”)

Lender: Peoples Home Equity, INC \_\_\_\_\_ (“Lender”)

Property: \_\_\_\_\_ (“Property”)

Contract: Contract between Seller and Buyer for the sale and purchase of the Property (“Contract”)

**RECITALS**

A. Seller and Buyer have entered into the Contract for Buyer to purchase the Property from Seller;

B. Lender has pre-approved Buyer for the loan to purchase the Property; and

C. As an added incentive to Seller, Lender desires to enter into this agreement with Seller, whereby, under the terms and conditions stated herein, if the loan is declined after the Effective Date of this Agreement, Lender shall pay to Seller \$2,500.00.

**AGREEMENT**

For good and valuable consideration, the receipt of which is hereby acknowledged and agreed, Seller, Buyer and Lender (collectively referred to as the “Parties”) agree as follows:

1. Lender shall pay to Seller \$2,500.00 if the loan to Buyer is declined after the Effective Date of this Agreement for any reason other than the following:

a. Matters revealed from a home inspection;

b. Appraisal of the Property;

c. Seller’s failure to perform under the Contract

d. Title and survey matters; and/or

E. Acts of God (fire, flood, tornado, earthquake, etc.)

F. Any contingencies listed in the purchase and sale agreement (sale of a home)

2. This Agreement does not apply to a delayed or extended closing date due to loan/mortgage related issues and is separate and apart from any and all agreements between Seller and Buyer. Lender shall have no liability whatsoever under the terms and conditions of the Contract between Seller and Buyer.

3. This Agreement constitutes the entire understanding and agreement of the Parties with respect to the matters contained herein, supersedes all prior agreements on this subject matter, whether oral or written, and contains all of the covenants and agreements of the Parties with respect thereto. Further, in

regard to the subject matter herein, the Parties each acknowledge that no representations, inducements, promises, or agreements, oral or written, have been made by the Parties, or anyone acting on behalf of the Parties, which are not contained herein, and any prior agreements, promises, negotiations, or representations regarding the subject matter herein not expressly set forth in this Agreement are of no force or effect. This Agreement may not be altered, changed or amended except by an instrument in writing signed by all parties executing this Agreement.

4. **ALTERNATIVE DISPUTE RESOLUTION (“ADR”)**: Seller, Buyer, and Lender agree that, except as required by law:

a. **Mediation**: If a Dispute, as defined below, arises related to this agreement, the Parties will, in good faith, submit the Dispute to mediation prior to binding arbitration as detailed below. “Dispute” means any unresolved disagreement between any of the parties to this Agreement regarding this Agreement; Each participant in mediation will bear its own costs and expenses in connection with same and its pro rata share of the costs and expenses of the mediator. **In no circumstances whatsoever will Lender’s liability to Seller or Buyer ever exceed \$2,500.**

b. **Binding Arbitration**: If any of the Parties have a Dispute relating to this Agreement and they are unable to resolve such dispute through mediation, then upon the demand by any party to the Dispute, the Dispute will be resolved by individual, binding arbitration (“Arbitration”). If any party to the Dispute fails to submit to Arbitration following a lawful demand for same, the party failing to do so will bear all reasonable costs and expenses, including attorneys’ fees, paid by the other to compel Arbitration. Any party to a Dispute may demand and submit same to Arbitration at any time, regardless of whether a lawsuit or other proceeding has been commenced in connection with the Dispute. Any arbitration proceeding will occur in Chattanooga, Tennessee. Each Arbitration will be administered by one arbitrator (the “Arbitrator”). The Parties to the Dispute may by mutual agreement appoint the Arbitrator; or, if they cannot agree, then the arbitration administrator – American Arbitration Association or its successor (“AAA”) – will do so. Each Arbitrator will be an active member of the State Bar of Tennessee, a retired state or federal judge or magistrate, and maintain his or her principal office in Brentwood, Tennessee. The Arbitrator will resolve all matters in connection with the arbitration. Each arbitration will be administered by the Arbitrator and AAA according to then-current Commercial Arbitration Rules and Mediation Procedures, as modified by any AAA rules and procedures for the conduct of an expedited or streamlined arbitration (the “AAA Rules”). To the extent there is any variance between the AAA Rules and the terms and conditions of this ADR provision, this ADR provision will control. Further, each participant in an arbitration will bear its own costs and expenses in connection with same and its pro rata share of the costs and expenses of the Arbitrator and AAA. Should Seller or Buyer prevail at arbitration, **Lender’s liability to Seller or Buyer shall in no circumstances, exceed \$2,500.00.** No Party to a Dispute will be entitled to (1) include in such Party’s Arbitration Disputes by, between, or against others, (2) include in such Party’s Arbitration any Dispute as a representative or member of a class, or (3) act in such Party’s Arbitration in the interest of the general public or in a private attorney general capacity. The Parties are participating in transactions involving interstate commerce; further, this ADR provision and any resulting arbitration proceedings will be governed by the Federal Arbitration Act (Title 9 of the United States Code (the “Act”)), and, to the extent any provision of the Act is inapplicable, unenforceable, or invalid, then the laws of the State of Tennessee will govern the

disposition of the Arbitration and all issues in connection with same. Except as required by law, all matters in connection with an Arbitration, including, without limitation, the participants in, claims and defenses in, and outcome of same, will be strictly confidential. No Party will in any way or at any time disclose same except to his or her spouse, legal advisors, and consulting and testifying experts, each of whom must first agree to be bound by this confidentiality provision.

c. This ADR provision will survive the amendment or termination of this Agreement;

d. The Parties waive the right to a trial in a public court before a judge or jury for any matters, claims disputes or damages relating to this agreement; and

e. All statutes of limitations applicable to any Dispute will apply to any Arbitration in connection with such Dispute.

EXECUTED and EFFECTIVE as of the Effective Date of the Contract.

SELLER: \_\_\_\_\_

Printed: \_\_\_\_\_

Printed: \_\_\_\_\_

BUYER: \_\_\_\_\_

SELLER: \_\_\_\_\_

Printed: \_\_\_\_\_

Printed: \_\_\_\_\_

BUYER: \_\_\_\_\_

LENDER: Peoples Home Equity, INC.

By: \_\_\_\_\_

Printed: \_\_\_\_\_

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