

SELLER FINANCING ADDENDUM

THIS IS A SELLER FINANCING ADDENDUM (the "Addendum") to that PURCHASE AND SALE AGREEMENT FOR COMMERCIAL REAL ESTATE (the "PSA") with a Reference Date of _____, 20____ and affecting the Property located at _____, including all other Addenda and Counteroffers thereto, between Buyer and Seller (as described in the Fundamental Terms) pertaining to the following Property:

1. CREDIT DOCUMENTS. Seller's extension of credit to Buyer shall be evidenced by (check applicable box):

- A Note and Deed of Trust**
- A Note and All-Inclusive Deed of Trust**
- Other:** _____

2. CREDIT TERMS. The terms of the credit documents referred to in Section 1 above are as follows:

- (a) \$ _____ principal amount of the note (the "**Note**");
- (b) Interest at the rate of ____ percent (____%) per annum;
- (c) Amortization Period: _____;
- (d) Installment payments of: interest only or based on a ____ year amortization schedule;
- (e) The entire unpaid balance of principal plus accrued interest shall be due on _____;
- (f) First payment due: _____;
- (g) If the security instrument is an all-inclusive Deed of Trust, the Note shall state the balance of the underlying mortgage (as defined below); and
- (h) The credit documents referenced in Section 1 of this Addendum will contain a due-on-sale clause and a no further encumbrance clause in favor of Seller.

Seller Agrees to provide to Buyer at Settlement, an amortization schedule based on the above terms.

3. TAXES AND ASSESSMENTS. In addition to the payments referenced in Section 2 above, Buyer shall also be responsible for: (a) property taxes; (b) homeowners association dues; (c) special assessments; and (d) premiums for all insurance with respect to the Property. These obligations will be paid: **directly to Seller on a monthly basis**, **directly to Escrow Agent on a monthly basis** or **directly to the applicable county treasurer, association, and insurance company** as required by those entities.

4. ESCROW AGENT. If an Escrow agent is appointed, it will act as Escrow Agent and will be responsible for disbursing payments to the holder of any underlying mortgage or deed of trust (the "**underlying mortgage**") and to the Seller. Cost of setting up the escrow account shall be paid by: **Seller** **split evenly between the Parties.**

5. LATE PAYMENT/PREPAYMENT. Any installment payment not made within five (5) days after the due date thereof shall be subject to a late charge of five percent (5%) of the amount due. All amounts in default shall bear interest at a rate of eighteen percent (18%) per annum. All or part of the principal balance on the Note may be paid in whole or in part at any time prior to maturity without penalty.

6. DUE-ON-SALE. If there is an existing mortgage loan which Buyer and Seller agree will not be paid at Closing, Seller shall provide to Buyer a copy of the underlying mortgage, the note secured thereby, and the amortization schedule as a Seller Disclosure under Section 8 of the PSA. Buyer's obligation to purchase under the PSA is conditioned upon Buyer's approval of the content of those documents. If the holder of the underlying mortgage calls the loan due as a result of this transaction, Buyer agrees to discharge any underlying loan that Buyer has agreed to take subject to, including any prepayment penalty or fee, and the principal paid to the holder shall be credited against the principal balance due under the Note. In such event, the remaining balance due to Seller shall be paid as provided in the Note.

7. BUYER DISCLOSURES. Buyer shall provide to Seller, as a **required** part of this Addendum, a "**Buyer Financial Information Sheet**". Buyer may use the Buyer Financial Information Sheet approved by the Real Estate Commission and the Attorney General's Office, or may provide comparable written information in a different

Seller's Initials _____ Date _____ Buyer's Initials _____ Date _____

format, together with such additional information as Seller may reasonable require. Buyer [] WILL [] WILL NOT provide Seller with copies of federal and state income tax returns for the three preceding tax years. Buyer agrees that Seller may contact Buyer's current employer for verification of employment as represented by Buyer in the Buyer Financial Information Sheet.

8. SELLER APPROVAL. By the Seller Disclosure Deadline referenced in the PSA, Buyer shall provide to Seller, at Buyer's expense, a current credit report on Buyer from a credit reporting agency reasonably acceptable to Seller. Seller may use the credit report and the information referenced in Section 7 of this Addendum ("Buyer Disclosures") to evaluate the credit-worthiness of Buyer.

8.1 Seller Review. At least five (5) Business Days prior to the Due Diligence Deadline (the "Seller Notice Date"), Seller shall review the credit report and the Buyer Disclosures to determine if the content of the credit report and the Buyer Disclosures is acceptable. If the content of the credit report or the Buyer Disclosures is not acceptable to Seller, Seller may elect to either: (a) provide written objections to Buyer as provided in Section 8.2 of this Addendum; or (b) immediately cancel the PSA by providing written notice to Buyer by the Seller Notice Date. The Brokerage or the Escrow Agent, as applicable, upon receipt of a copy of Seller's written notice of cancellation, shall return to Buyer the Earnest Money Deposit unless Buyer waives Seller financing prior to the Due Diligence Deadline.

8.2 Seller Objections. If Seller does not timely cancel the PSA as provided above, Seller may, by the Due Diligence Deadline referenced in the PSA, provide Buyer with written objections. Buyer and Seller shall have five (5) Business Days after Buyer's receipt of the objections (the "Response Period") in which to resolve Seller's objections in writing. Buyer may, but shall not be required to, resolve Seller's objections. If Seller and Buyer do not timely resolve Seller's objections, Seller may cancel the PSA by providing written notice to Buyer no later than five (5) Business Days after expiration of the Response Period. The Brokerage or the Escrow Agent, as applicable, upon receipt of a copy of Seller's written notice of cancellation, shall return to Buyer the Earnest Money Deposit.

8.3 Failure to Object. If Seller does not deliver a written objection to Buyer regarding the credit report or a Buyer Disclosure by the Due Diligence Deadline, or cancels the PSA as provided in Sections 8.1 or 8.2 of this Addendum, the credit report and Buyer Disclosures will be deemed approved by Seller.

9. TITLE INSURANCE. Buyer [] SHALL [] SHALL NOT provide to Seller a lender's policy of title insurance in the amount of the indebtedness to the Seller, and shall pay for such policy at Settlement.

10. DISCLOSURE OF TAX IDENTIFICATION NUMBERS. Not later than Settlement, Buyer and Seller shall disclose to each other their respective Social Security Numbers or other applicable tax identification numbers so that they may comply with federal laws on reporting mortgage interest and other required items in filings with the Internal Revenue Service.

11. PROHIBITION ON ASSIGNMENT. Notwithstanding any provision of the PSA or any Addenda or Counteroffer, Buyer shall not transfer or assign its rights under the PSA whether voluntarily, involuntarily or by operation of law, and any purported assignment or transfer of Buyer's rights under the PSA shall be null and void.

To the extent the provisions of this Addendum modify or conflict with any provisions of the PSA or any other prior Addenda or Counteroffer, the provisions of this Addendum shall control. All other provisions of the PSA and all other Addenda and Counteroffers not modified by this Addendum shall remain in full force and effect; provided, however, that to the extent the provisions of any Addendum conflict with the provisions of any other Addendum, the Addendum most recently executed by all of the parties will control.

Buyer or Seller, as applicable, shall have until 5:00 P.M. Mountain Time on _____, 20__ to accept or reject this Addendum.

(Signature of Authorized Signer)

(Print Name of Authorized Signer)

(Date)

(Signature of Authorized Signer)

(Print Name of Authorized Signer)

(Date)

Seller's Initials _____ Date _____

Buyer's Initials _____ Date _____

ACCEPT / REJECTION / COUNTER OFFER

CHECK ONE

ACCEPTANCE: Seller Buyer **ACCEPTS** the foregoing **ADDENDUM**.

COUNTER OFFER: Seller Buyer presents as a **COUNTER OFFER** the terms of attached Addendum No. ____.

REJECTION: Seller Buyer **REJECTS** the foregoing **ADDENDUM**.

(Signature of Authorized Signer)

(Print Name of Authorized Signer)

(Date)

(Signature of Authorized Signer)

(Print Name of Authorized Signer)

(Date)

Seller's Initials _____ Date _____

Buyer's Initials _____ Date _____