

**FINANCING ADDENDUM
CONTRACT FOR DEED**

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1. Date _____
2. Page _____

3. Addendum to Purchase Agreement between parties dated _____, 20_____ pertaining to the
4. purchase and sale of the property at _____

5. _____ ;
6. **TYPE OF CONTRACT:**
7. Contract for Deed Contract for Deed with Assumption of Financing (See attached Assumption Addendum)

8. **CONTRACT TERMS:**
9. **Contract for Deed**
10. \$ _____ by Minnesota Uniform Contract for Deed Blank, (a partial copy of standard clauses are on the reverse
11. side) between Seller and Buyer, payable in installments of \$ _____ per month or more at the option of the Buyer,
12. including interest at the rate of _____ per cent per annum computed on unpaid balances. Interest shall begin on
13. _____. First payment shall be due and payable on _____
14. and subsequent payments shall be due and payable on _____ day of each succeeding month. Payments shall be credited
15. first to interest and remainder to principal. The entire balance of this contract shall be due and payable in full no later than
16. _____. The final payment **IS / IS NOT** a balloon payment.
------(Circle One)-----

17. **Existing Mortgage(s)/Contract(s) for Deed Not Being Assumed by Buyer and Not Being Paid Off:** (If not applicable, Strike line 17-24.)
18. It is understood there is now a **Mortgage(s) and/or Contract(s) For Deed** encumbering said property which **DOES / DOES NOT** have a
------(Circle One)-----

19. due on sale clause, with an unpaid balance of approximately
20. \$ _____ by Mortgage(s)
21. \$ _____ by Contract(s) for Deed

NOTE: If answer is **DOES**, seek competent legal advice

22. which Mortgage(s) and/or Contract(s) for Deed Buyer does not assume nor agree to pay but which is to be paid according to its terms
23. by Seller. In the event Seller fails to make the required payments thereunder, Buyer shall have the right to make said payments
24. and deduct all amounts paid from payments next due under this Contract for Deed.

25. **Credit Approval:**
26. Buyer shall furnish to Seller, for Seller's approval, a signed financial statement within 5 business days after acceptance of this Purchase
27. Agreement. Buyer authorizes Seller to conduct credit checks at Seller's expense. Buyer further agrees to sign documents necessary
28. for Seller to obtain the financial information. Seller has _____ days after receipt of the financial statement from Buyer to approve
29. Buyer. In the event Seller does not approve Buyer, Seller shall immediately notify Buyer in writing and this agreement shall be null and
30. void and earnest money shall be returned to Buyer; Buyer and Seller shall immediately sign cancellation of Purchase Agreement.

31. **ADDITIONAL TERMS:**
32. *The Minnesota Uniform Contract for Deed shall contain the following additional provisions which are preceded by initials of the*
33. *undersigned Buyer and Seller*

34. **Taxes and Insurance** (select option(s) a-d):
35.

Buyer	Buyer	Seller	Seller
_____	_____	_____	_____

 a. Buyer to pay 1/12 taxes and insurance premiums to Seller each month in addition to the principal and interest payments.
36. Seller agrees to pay the real estate taxes and insurance premium as they become due.
37.

Buyer	Buyer	Seller	Seller
_____	_____	_____	_____

 b. Buyer shall pay real estate taxes and hazard insurance premiums directly as they become due and furnish Seller with
38. paid receipt of same.
39.

Buyer	Buyer	Seller	Seller
_____	_____	_____	_____

 c. Tax and insurance escrow: If the real estate taxes and hazard insurance premiums are included in the assumed Mortgage
40. payments, the Buyer shall pay said tax and insurance escrows to the Mortgagee.
41.

Buyer	Buyer	Seller	Seller
_____	_____	_____	_____

 d. Monies paid for non-homestead tax differential shall be held in escrow by _____ until
42. payable to county treasurer.

43. **Sale of Contract:**
44.

Buyer	Seller
_____	_____

 This agreement is contingent upon the sale of the Seller's interest in the above proposed Contract for Deed at no more than
45. a _____% discount on or before _____. If no written offer to purchase said Contract for Deed at the
46. above discount is received by Seller on or before the above date, Seller may declare this Purchase Agreement null and void by
47. written notice to Buyer and all earnest money shall be refunded to Buyer; Buyer and Seller shall immediately sign a cancellation of
48. Purchase Agreement. Seller, however, reserves the right to retain Contract for Deed whether or not a bona fide offer to
49. purchase is made and thereafter the closing shall proceed provided herein.

50. **Contract for Deed-Assumable with Seller Approval:**
51.

Buyer	Seller
_____	_____

 Buyer's interest in the property is not transferable without first obtaining the written consent of Seller. Seller shall not
52. unreasonably withhold consent. In the event Buyer violates this provision, Contract for Deed shall be immediately due and
53. payable in full together with accrued interest. This provision does not apply to leases, transfers by devise, decent, divorce or by
54. operation of law upon the death of a joint tenant.

55. **Seller Refinance:**
56.

Buyer	Seller
_____	_____

 Seller reserves the right to refinance at any time at Seller's sole expense which shall not by its terms exceed the contract
57. balance at any time and Buyer agrees to sign the necessary papers.

58. **Furnishing of Labor or Materials:**
59.

Buyer	Seller
_____	_____

 Buyer shall not during the term of this contract, cause any material to be delivered or labor to be performed upon any part
60. of the property covered by this contract which exceeds the cost of \$ _____.
61. unless Buyer first obtains the written consent of Seller. Buyer further agrees to indemnify and hold harmless Seller against all
62. claims for labor and materials or services made against the property covered by this contract and for the costs of enforcing this
63. indemnification including reasonable attorneys' fees.

64. **For further terms, use attached addendum.**
65. _____ (Seller) _____ (Date) _____ (Buyer) _____ (Date)

66. _____ (Seller) _____ (Date) _____ (Buyer) _____ (Date)

67. **THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYERS AND SELLERS.**
68. **IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.**

**FOR INFORMATIONAL PURPOSES ONLY THIS IS A PARTIAL REPRINT OF MINNESOTA UNIFORM
CONTRACT FOR DEED BLANK WHICH WILL BE USED AT CLOSING**

69. 5. PREPAYMENT. Unless otherwise provided in this contract, Purchasers shall have the right to fully or partially prepay this contract at any
70. time without penalty. Any partial prepayment shall be applied first to payment of amounts then due under this contract, including unpaid
71. accrued interest, and the balance shall be applied to the principal installments to be paid in the inverse order of their maturity. Partial
72. prepayment shall not postpone the due date of the installments to be paid pursuant to this contract or change the amount of such installments.

73. 7. PROPERTY INSURANCE.

74. (a) INSURED RISKS AND AMOUNT. Purchasers shall keep all buildings, improvements and fixtures now or later located on or a part of the
75. Property insured against loss by fire, extended coverage perils, vandalism, malicious mischief and, if applicable, steam boiler explosion
76. for at least the amount of _____. If any of the buildings, improvements or fixtures are located in a federally designated flood prone
77. area, and if flood insurance is available for that area, Purchasers shall procure and maintain flood insurance in amounts reasonably
78. satisfactory to Seller

79. (b) OTHER TERMS. The insurance policy shall contain a loss payable clause in favor of Seller which provides that Seller's right to recover
80. under the insurance shall not be impaired by any acts or omissions of Purchasers or Seller, and that Seller shall otherwise be afforded all
81. rights and privileges customarily provided a mortgagee under the so-called standard mortgage clause.

82. (c) NOTICE OF DAMAGE. In the event of damage to the Property by fire or other casualty, Purchasers shall promptly give notice of such
83. damage to Seller and the insurance company.

84. 8. DAMAGE TO THE PROPERTY

85. (a) APPLICATION OF INSURANCE PROCEEDS. If the Property is damaged by fire or other casualty, the insurance proceeds paid on
86. account of such damage shall be applied to payment of the amounts payable by Purchasers under this contract, even if such amounts
87. are not then due to be paid, unless Purchasers make a permitted election described in the next paragraph. Such amounts shall be first
88. applied to unpaid accrued interest and next to the installments to be paid as provided in this contract in the inverse order of their
89. maturity. Such payment shall not postpone the due date of the installments to be paid pursuant to this contract or change the amount of
90. such installments. The balance of insurance proceeds, if any, shall be the property of Purchasers.

91. (b) PURCHASERS' ELECTION TO REBUILD. If Purchasers are not in default under this contract, or after curing any such default, and if
92. the mortgagees in any prior mortgages and sellers in any prior contracts for deed do not require otherwise, Purchasers may elect to
93. have that portion of such insurance proceeds necessary to repair, replace or restore the damaged Property (the repair work) deposited
94. in escrow with a bank or title insurance company qualified to do business in the State of Minnesota, or such other party as may be
95. mutually agreeable to Seller and Purchasers. The election may only be made by written notice to Seller within sixty days after the
96. damage occurs. Also, the election will only be permitted if the plans and specifications and contracts for the repair work are approved by
97. Seller, which approval Seller shall not unreasonably withhold or delay. If such a permitted election is made by Purchasers, Seller and
98. Purchasers shall jointly deposit, when paid, such insurance proceeds into such escrow. If such insurance proceeds are insufficient for
99. the repair work, Purchasers shall, before the commencement of the repair work, deposit into such escrow sufficient additional money to
100. insure the full payment for the repair work. Even if the insurance proceeds are unavailable or are insufficient to pay the cost of the
101. repair work, Purchasers shall at all times be responsible to pay the full cost of the repair work. All escrowed funds shall be disbursed
102. by the escrowee in accordance with generally accepted sound construction disbursement procedures. The costs incurred or to be
103. incurred on account of such escrow shall be deposited by Purchasers into such escrow before the commencement of the repair work.
104. Purchasers shall complete the repair work as soon as reasonably possible and in a good and workmanlike manner, and in any event the
105. repair work shall be completed by Purchasers within one year after the damage occurs. If, following the completion of and payment for
106. the repair work, there remain any undisbursed escrow funds, such funds shall be applied to payment of the amounts payable by
107. Purchasers under this contract in accordance with paragraph 8(a) above.

108. 9. INJURY OR DAMAGE OCCURRING ON THE PROPERTY

109. (a) LIABILITY. Seller shall be free from liability and claims for damages by reason of injuries occurring on or after the date of this
110. contract to any person or persons or property while on or about the Property. Purchasers shall defend and indemnify Seller from all
111. liability loss, costs and obligations, including reasonable attorneys' fees, on account of or arising out of any such injuries. However,
112. Purchasers shall have no liability or obligation to Seller for such injuries which are caused by the negligence or intentional wrongful
113. acts or omissions of Seller.

114. (b) LIABILITY INSURANCE. Purchasers shall, at their own expense, procure and maintain liability insurance against claims for bodily
115. injury, death and property damage occurring on or about the Property in amounts reasonably satisfactory to Seller and naming Seller
116. as an additional insured.

117. 10. INSURANCE GENERALLY. The insurance which Purchasers are required to procure and maintain pursuant to paragraphs 7 and 9 of
118. this contract shall be issued by an insurance company or companies licensed to do business in the State of Minnesota and acceptable to
119. Seller. The insurance shall be maintained by Purchasers at all times while any amount remains unpaid under this contract. The insurance
120. policies shall provide for not less than ten days written notice to Seller before cancellation, non-renewal, termination or change in
121. coverage, and Purchasers shall deliver to Seller a duplicate original or certificate of such insurance policy or policies.

122. 11. CONDEMNATION. If all or any part of the Property is taken in condemnation proceedings instituted under the power of eminent
123. domain or is conveyed in lieu thereof under threat of condemnation, the money paid pursuant to such condemnation or conveyance in
124. lieu thereof shall be applied to payment of the amounts payable by Purchasers under this contract, even if such amounts are not then
125. due to be paid. Such amounts shall be applied first to unpaid accrued interest and next to the installments to be paid as provided in
126. this contract in the inverse order of their maturity. Such payment shall not postpone the due date of the installments to be paid
127. pursuant to this contract or change the amount of such installments. The balance, if any, shall be the property of Purchasers.

128. 12. WASTE, REPAIR AND LIENS. Purchasers shall not remove or demolish any buildings, improvements or fixtures now or later located
129. on or a part of the Property, nor shall Purchasers commit or allow waste of the Property. Purchasers shall maintain the Property in good
130. condition and repair. Purchasers shall not create or permit to accrue liens or adverse claims against the Property which constitute a
131. lien or claim against Seller's interest in the Property. Purchasers shall pay to Seller all amounts, costs and expenses, including reason-
132. able attorneys' fees, incurred by Seller to remove any such liens or adverse claims.

133. 13. DEED AND MORTGAGE REGISTRY TAXES. Seller shall, upon Purchasers' full performance of this contract, pay the deed tax due
134. upon the recording or filing of the deed to be delivered by Seller to Purchasers. The mortgage registry tax due upon the recording or
135. filing of this contract shall be paid by the party who records or files this contract; however, this provision shall not impair the right of
136. Seller to collect from Purchasers the amount of such tax actually paid by Seller as provided in the applicable law governing default
137. and service of notice of termination of this contract.

138. 14. NOTICE OF ASSIGNMENT. If either Seller or Purchasers assign their interest in the Property, a copy of such assignment shall
139. promptly be furnished to the non-assigning party.

140. 15. PROTECTION OF INTERESTS. If Purchasers fail to pay any sum of money required under the terms of this contract or fail to
141. perform any of their obligations as set forth in this contract, Seller may, at Seller's option, pay the same or cause the same to be
142. performed, or both, and the amounts so paid by Seller and the cost of such performance shall be payable at once, with interest at the
143. rate stated in paragraph 4 of this contract, as an additional amount due Seller under this contract. If there now exists, or if Seller
144. hereafter creates suffers or permits to accrue, any mortgage, contract for deed, lien or encumbrance against the Property which is not
145. herein expressly assumed by Purchasers, and provided Purchasers are not in default under this contract, Seller shall timely pay all
146. amounts due thereon, and if Seller fails to do so, Purchasers may, at their option, pay any such delinquent amounts and deduct the
147. amounts paid from the installment(s) next coming due under this contract.

148. 16. DEFAULT. The time of performance by Purchasers of the terms of this contract is an essential part of this contract. Should Purchasers
149. fail to timely perform any of the terms of this contract, Seller may, at Seller's option, elect to declare this contract cancelled and
150. terminated by notice to Purchasers in accordance with applicable law. All right, title and interest acquired under this contract by
151. Purchasers shall then cease and terminate, and all improvements made upon the Property and all payments made by Purchasers
152. pursuant to this contract shall belong to Seller as liquidated damages for breach of this contract. Neither the extension of the time for
153. payment of any sum of money to be paid hereunder nor any waiver by Seller of Seller's rights to declare this contract forfeited by
154. reason of any breach shall in any manner affect Seller's right to cancel this contract because of defaults subsequently occurring, and
155. no extension of time shall be valid unless agreed to in writing. After service of notice of default and failure to cure such default within
156. the period allowed by law, Purchasers shall, upon demand, surrender possession of the Property to Seller, but Purchasers shall be
157. entitled to possession of the Property until the expiration of such period.

158. 17. BINDING EFFECT. The terms of this contract shall run with the land and bind the parties hereto and their successors in interest.

159. 18. HEADINGS. Headings of the paragraphs of this contract are for convenience only and do not define, limit or construe the contents of
160. such paragraphs.

161. 19. ASSESSMENTS BY OWNER'S ASSOCIATION. If the Property is subject to a recorded declaration providing for assessments to be levied
162. against the Property by any owners' association, which assessments may become a lien against the Property if not paid, then:

163. (a) Purchasers shall promptly pay, when due, all assessments imposed by the owners' association or other governing body as required
164. by the provisions of the declaration or other related documents; and

165. (b) So long as the owners' association maintains a master or blanket policy of insurance against fire, extended coverage perils and
166. such other hazards and in such amounts as are required by this contract, then:

167. (i) Purchasers' obligation in this contract to maintain hazard insurance coverage on the Property is satisfied; and

168. (ii) The provisions in paragraph 8 of this contract regarding application of insurance proceeds shall be superceded by the provisions
169. of the declaration or other related documents; and

170. (iii) In the event of a distribution of insurance proceeds in lieu of restoration or repair following an insured casualty loss to the
171. Property, any such proceeds payable to Purchasers are hereby assigned and shall be paid to Seller for application to the sum secured
172. by this contract, with the excess, if any, paid to Purchasers.