

**SELLER FINANCING ADDENDUM
SECOND LIEN MORTGAGE TERMS**

**ADDENDUM TO EARNEST MONEY CONTRACT BETWEEN THE UNDERSIGNED
PARTIES CONCERNING PROPERTY AT**

(Street Address and City)

In addition to the terms specified in the Earnest Money Contract and the Seller Financing Addendum, the financing provided by Seller to Buyer shall contain the following:

- A. **PROMISSORY NOTE.** The promissory note (Note) shall contain the following terms:
- G** (1) If Buyer tenders payment with checks which are refused payment by Buyer's bank more than ____ time(s) during the term of the loan payable to Seller, Seller may require all future payments to be made by cash, certified funds or wire transfer.
 - G** (2) If a check tendered by Buyer to make a required Note payment is not honored by Buyer's bank other than an endorsement error by Buyer, Seller shall be required to pay a returned check charge of \$35 for each dishonored check.
 - G** (3) Buyer shall have no personal liability for payment of the Note or performance of the covenants under the Deed of Trust. If there is a default in payment of the Note, the sole remedy of the Seller shall be foreclosure of the liens securing payment of the Note and Seller shall neither seek nor take a deficiency judgment against the Buyer.
 - G** (4) Payment of the Note shall be guaranteed by _____. The form of the guaranty shall be determined by Seller.
- B. **DEED OF TRUST.** The deed of trust securing the Note (Deed of Trust) shall contain the following terms:
- (1) If there is a default under any notes secured by liens which are superior (Superior Note, whether one or more) or under the deed of trust securing the Superior Note, such default shall be considered a default under the Note and shall entitle the holder of the Note to pursue any available remedies.
 - G** (2) The Buyer shall provide the Seller with a loan number and all other information required to monitor the loan status of any notes secured by liens which are superior (Superior Note, whether one or more) to any liens securing the Note as well as any other information required to allow the Seller to directly monitor the payment status of Superior Note. Buyer shall also provide Seller with written permission to monitor the Superior Note.
 - G** (3) To allow Seller to monitor payments on the Superior Note Buyer and Seller shall open a checking account to be used only for payment of the Note and the Superior Note. The checking account will be established in the Buyer's name, but will use the seller's address. The checking account will require the signature of both Buyer and Seller to withdraw funds or change the account status. Automatic drafts will be established for payment of both the Note and Superior Note. Buyer and

Seller will each be given the personal identification number for the checking account. The Buyer will make a deposit into the account not less than 3 days prior to the due date of payments on the Note and Superior Note in an amount not less than the next maturing payment on the Note or Superior Note. Automatic drafts will be established to pay both the Note and the Superior Note. No changes will be made to this checking account without the written consent of both Buyer and Seller.

Buyer

Seller

Buyer

Seller