

**FINANCING ADDENDUM
CONTRACT FOR DEED**

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1. Date _____

2. Page _____

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

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

8. **CONTRACT TERMS:**

9. **Contract for Deed**

10. \$ _____ by *Minnesota Uniform Contract for Deed Blank*, (a partial copy of standard clauses are
11. on the reverse side) between Seller and Buyer, payable in installments of \$ _____ per month
12. or more at the option of the Buyer, including interest at the rate of _____ percent (%) per annum computed
13. on unpaid balances. Interest shall begin on _____, 20 _____. First payment shall be due and payable
14. on _____, 20 _____, and subsequent payments shall be due and payable on _____ day of each
15. succeeding month. Payments shall be credited first to interest and remainder to principal. The entire balance of this
16. contract shall be due and payable in full no later than _____, 20 _____. The final payment **IS** **IS NOT** a
17. balloon payment. -----*(Check one.)*-----

18. **Existing Mortgage(s)/Contract(s) for Deed Not Being Assumed by Buyer and Not Being Paid Off:**

19. *(If not applicable, strike lines 20-26.)*

20. It is understood there is now a **Mortgage(s) and/or Contract(s) For Deed** encumbering said property which
21. **DOES** **DOES NOT** have a due-on-sale clause, with an unpaid balance of approximately
-----*(Check one.)*-----

22. \$ _____ by Mortgage(s)

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

23. \$ _____ by Contract(s) for Deed

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

27. **Credit Approval:** Buyer shall furnish to Seller, for Seller's approval, a signed financial statement within five (5)
28. Business Days after Final Acceptance of this Purchase Agreement. Buyer authorizes Seller to conduct credit checks at
29. Seller's expense. Buyer further agrees to sign documents necessary for Seller to obtain the financial information. Seller
30. has _____ **days** after receipt of the financial statement from Buyer to approve Buyer. In the event Seller does
31. not approve Buyer, Seller shall immediately notify Buyer in writing and this Purchase Agreement is canceled. Buyer
32. and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing
33. all earnest money paid hereunder to be refunded to Buyer.

34. **THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYER(S) AND SELLER(S).**
35. **IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.**

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37. Property located at _____.

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

40. **Taxes and Insurance:**
41. *(Select option(s) a-d.)*

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

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

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

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

52. **Sale of Contract:**

53. Buyers Sellers This Purchase Agreement is contingent upon the sale of Seller's interest in the above
54. proposed Contract for Deed at no more than a _____ percent (%) discount on or before
55. _____, 20 _____. If no written offer to purchase said Contract for Deed at the
56. above discount is received by Seller on or before the above date, Seller may, at Seller's option,
57. declare this Purchase Agreement cancelled by written notice to Buyer or licensee
58. representing or assisting Buyer, in which case this Purchase Agreement is cancelled. In the event
59. Seller declares this Purchase Agreement cancelled, Buyer and Seller shall immediately sign a
60. *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money
61. paid hereunder to be refunded to Buyer. Seller, however, reserves the right to retain Contract for
62. Deed, whether or not a bona fide offer to purchase is made, and thereafter the closing shall proceed
63. provided herein.

64. **Contract for Deed—Assumable with Seller Approval:**

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

70. **THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYER(S) AND SELLER(S).**
71. **IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.**

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72. Page _____

73. Property located at _____.

74. **Seller Refinance:**

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

78. **Furnishing of Labor or Materials:**

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

85. **For further terms, use attached addendum.**

86. _____ (Seller) _____ (Date) _____ (Buyer) _____ (Date)

87. _____ (Seller) _____ (Date) _____ (Buyer) _____ (Date)

88. **THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYER(S) AND SELLER(S).**
89. **IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.**

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

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

97. 7. PROPERTY INSURANCE.

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

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

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

109. 8. DAMAGE TO THE PROPERTY

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

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

136. 9. INJURY OR DAMAGE OCCURRING ON THE PROPERTY

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

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

145. Property located at _____.

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

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

159. 12. **WASTE, REPAIR AND LIENS.** Purchasers shall not remove or demolish any buildings, improvements or fixtures
160. now or later located on or a part of the Property, nor shall Purchasers commit or allow waste of the Property. Purchasers
161. shall maintain the Property in good condition and repair. Purchasers shall not create or permit to accrue liens or adverse
162. claims against the Property which constitute a lien or claim against Seller's interest in the Property. Purchasers shall
163. pay to Seller all amounts, costs and expenses, including reasonable attorneys' fees, incurred by Seller to remove any
164. such liens or adverse claims.

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

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

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

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

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

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

196. 19. ASSESSMENTS BY OWNER'S ASSOCIATION. If the Property is subject to a recorded declaration providing for
197. assessments to be levied against the Property by any owners' association, which assessments may become a lien
198. against the Property if not paid, then:
199. (a) Purchasers shall promptly pay, when due, all assessments imposed by the owners' association or other
200. governing body as required by the provisions of the declaration or other related documents; and
201. (b) So long as the owners' association maintains a master or blanket policy of insurance against fire, extended
202. coverage perils and such other hazards and in such amounts as are required by this contract, then:
203. (i) Purchasers' obligation in this contract to maintain hazard insurance coverage on the Property is satisfied;
204. and
205. (ii) The provisions in paragraph 8 of this contract regarding application of insurance proceeds shall be
206. superceded by the provisions of the declaration or other related documents; and
207. (iii) In the event of a distribution of insurance proceeds in lieu of restoration or repair following an insured
208. casualty loss to the Property, any such proceeds payable to Purchasers are hereby assigned and shall
209. be paid to Seller for application to the sum secured by this contract, with the excess, if any, paid to
210. Purchasers.