



SELLER FINANCING ADDENDUM
TO CONTRACT CONCERNING THE PROPERTY AT

(Street Address and City)

A. CREDIT DOCUMENTATION. Within _____ days after the effective date of this contract, Buyer shall deliver to Seller credit report verification of employment, including salary verification of funds on deposit in financial institutions current financial statement to establish Buyer's creditworthiness and _____.

Buyer hereby authorizes any credit reporting agency to furnish to Seller at Buyer's sole expense copies of Buyer's credit reports.

B. CREDIT APPROVAL. If Buyer's documentation is not delivered within the specified time, Seller may terminate this contract by notice to Buyer within 7 days after expiration of the time for delivery, and the earnest money will be paid to Seller. If the documentation is timely delivered, and Seller determines in Seller's sole discretion that Buyer's credit is unacceptable, Seller may terminate this contract by notice to Buyer within 7 days after expiration of the time for delivery and the earnest money will be refunded to Buyer. If Seller does not terminate this contract, Seller will be deemed to have accepted Buyer's credit.

C. PROMISSORY NOTE. The promissory note (Note) described in Paragraph 4 of this contract payable by Buyer to the order of Seller will be payable at the place designated by Seller. Buyer may prepay the Note in whole or in part at any time without penalty. Any prepayments are to be applied to the payment of the installments of principal last maturing and interest will immediately cease on the prepaid principal. The Note will contain a provision for payment of a late fee of 5% of any installment not paid within 10 days of the due date. The Note will be payable as follows:

- (1) In one payment due _____ after the date of the Note with interest payable _____.
- (2) In _____ installments of \$ _____ including interest plus interest beginning _____ after the date of the Note and continuing at _____ intervals thereafter for _____ when the balance of the Note will be due and payable.
- (3) Interest only in _____ installments for the first _____ month(s) and thereafter in installments of \$ _____ including interest plus interest beginning _____ after the date of the Note and continuing at _____ intervals thereafter for _____ when the balance of the Note will be due and payable.

D. DEED OF TRUST. The deed of trust securing the Note will provide for the following:

- (1) PROPERTY TRANSFERS: (check only one)
 - (a) Consent Not Required: The Property may be sold, conveyed or leased without the consent of Seller, provided any subsequent buyer assumes the Note.
 - (b) Consent Required: If all or any part of the Property is sold, conveyed, leased for a period longer than 3 years, leased with an option to purchase, or otherwise sold (including any contract for deed), without the prior written consent of Seller, Seller may declare the

Initialed for identification by Buyer _____ and Seller _____

(Address of Property)

balance of the Note, to be immediately due and payable. The creation of a subordinate lien, any conveyance under threat or order of condemnation, any deed solely between buyers, the passage of title by reason of the death of a buyer or by operation of law will not entitle Seller to exercise the remedies provided in this paragraph.

(2) TAX AND INSURANCE ESCROW: (check only one)

- (a) Escrow Not Required: Buyer shall furnish Seller annually, before the taxes become delinquent, evidence that all taxes on the Property have been paid. Buyer shall furnish Seller annually evidence of paid-up casualty insurance naming Seller as an additional loss payee.
- (b) Escrow Required: With each installment Buyer shall deposit with Seller in escrow a pro rata part of the estimated annual ad valorem taxes and casualty insurance premiums for the Property. Buyer shall pay any deficiency within 30 days after notice from Seller. Buyer's failure to pay the deficiency constitutes a default under the deed of trust. Buyer is not required to deposit any escrow payments for taxes and insurance that are deposited with a superior lienholder. The casualty insurance must name Seller as an additional loss payee.

(3) PRIOR LIENS: Any default under any lien superior to the lien securing the Note constitutes default under the deed of trust securing the Note.

Buyer

Seller

Buyer

Seller

This form has been approved by the Texas Real Estate Commission for use with similarly approved or promulgated contract forms. Such approval relates to this form only. TREC forms are intended for use only by trained real estate licensees. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not suitable for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, 1-800-250-8732 or (512) 459-6544 (<http://www.trec.state.tx.us>) TREC No. 26-4. This form replaces TREC No. 26-3.