

ADDENDUM TO LAND PURCHASE AGREEMENT

To Agreement dated _____, between _____, Seller and _____ Buyer, concerning property located at _____ ("Property").

The provisions initialed below by Buyer are included in the Offer to Purchase.

[_____] [_____] (Buyers' Initials) **SUBORDINATION.** Seller agrees to subordinate the lien of the mortgage or deed of trust securing the note payable to Seller to a new loan to be obtained by Buyer to be secured by a mortgage or deed of trust on the property **upon the following Terms and Conditions:**

1. The principal amount of the new loan will not exceed \$_____.
2. The interest rate will not exceed _____% per annum.
3. The new loan will be payable in equal monthly installments, including interest, sufficient to amortize the loan principal over a period of **not less than _____ years from date of recordation.**
4. Not more than \$_____ of the loan proceeds may be used by the Buyer as cash down payment to the Seller. The balance of the loan proceeds will be used exclusively for the improvement of the property, including the payment of a customary loan fee, title insurance premiums, interest and taxes during the period of construction of improvements, fees of architect, engineers, and surveyors, and labor and materials for improvement of the property.
5. Other terms of subordination:

NOTE: In the event Buyer defaults in the payment of the loan to which Seller has subordinated, it may be necessary for Seller to pay all or a portion of such loan in order to protect his or her purchase money loan, or other security interest in the property. Seller has been advised by Broker that Seller should consider consulting his or her attorney prior to agreeing to subordination.

[_____] [_____] (Buyers' Initials) **PARTIAL RECONVEYANCES.** Buyer intends to subdivide the property and improve the property in stages over a period of time. The mortgage and deed of trust securing Seller's note will contain provisions for partial reconveyances. The location of the portions of the property to be reconveyed will be the subject of an agreement between Buyer and Seller to be prepared by their respective attorneys. In the event the parties are unable to reach an agreement with respect to such provision **within _____ days from acceptance of this Offer,** this Agreement, at the option of either party, may be terminated and all deposits will be returned to Buyer .

Buyer _____ Date _____ Time _____

Buyer _____ Date _____ Time _____

The above provisions, if initialed by Buyer, are accepted and made a part of the Purchase Agreement.

Seller _____ Date _____ Time _____

Seller _____ Date _____ Time _____

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