

SELLER-CARRIED TRANSACTIONS ADDENDUM

1 Buyer(s) _____
 2 Seller(s) _____
 3 Property Address or Tax ID# _____
 4 _____ (the "Property")

5 If this will be a Seller-Carried Transaction, as defined below, this Addendum, or one agreed upon by the parties or their attorneys, should be used
 6 as an Addendum to the OREF Real Estate Sale Agreement.

7 A "Seller-Carried Transaction" is a transaction for the sale of property where the seller, at closing: (a) Takes back a promissory note and trust deed
 8 or land sale contract for some or all of the purchase price; (b) Enters into an option or rent-to-own transaction in which the financial terms have
 9 been negotiated between Seller and Buyer; or (c) Enters into any similar arrangement, however designated, in which Buyer agrees to pay Seller
 10 some, or all, of the purchase price over time, and the property serves as security for repayment of that debt. Seller and Buyer confirm this
 11 transaction is intended to become a Seller-Carried Transaction in accordance with the following terms, covenants, and conditions.

12 *Where applicable, all provisions marked with an asterisk (*) must be completed for insertion in the Security Agreement selected in Section 8
 13 below.

14 **1. REAL ESTATE AGENTS:** Seller and Buyer understand and acknowledge: (a) Their respective real estate Agents are not experts in real
 15 estate finance or law; (b) They have not permitted, instructed, or authorized said Agents to advertise, offer or negotiate any of the financial terms of
 16 this Seller-Carried Transaction, except in their representative capacity as real estate agents acting upon the express instructions and directions of
 17 Seller and/or Buyer, as principals in this transaction; (c) While real estate Agents may be qualified in providing basic information regarding current
 18 interest rates and amortization terms, etc., they are not permitted to advise or recommend financial terms specific to this transaction; (d) Seller and
 19 Buyer are responsible for securing assistance from their own third-party professionals and/or experts regarding all legal and financial terms of this
 20 transaction; and (e) Acting solely as scriveners, said Agents are only authorized to reduce the financial and legal terms of this transaction provided
 21 by Seller or Buyer to written or electronic form and transmit the same to the other party's Agent, or other authorized third party.

22 **2. ADVISORY REGARDING SELLER-CARRIED TRANSACTIONS:** Seller and Buyer acknowledge reading OREF 032 Advisory Regarding
 23 Seller-Carried Transactions ("Advisory"), and confirm they understand, unless exempted, Oregon and federal law requires Sellers offering or
 24 negotiating financial terms in this transaction must be conducted by a licensed mortgage loan originator ("MLO") such as a mortgage broker or
 25 mortgage banker.

26 **3. BUYER REPRESENTATION:** Buyer represents to Seller and all Agents the Property, the subject of this transaction, is being acquired for the
 27 following purpose (*select all that apply*):

- 28 For occupancy as a primary residence by Buyer or Buyer's spouse, parent, or child;
- 29 For business/investment purposes, for example, as a rental property;
- 30 The Property is being purchased to construct one or more one-to-four-family dwellings.
- 31 For other purposes.

32 Buyer represents that Buyer has read and understands this Section 3 and that the statement outlined in the above-selected box is true and correct:

33 **Buyers Initials:** _____

34 **4. FINANCING TERMS:** Seller and Buyer agree the Balance of the Purchase Price \$ _____ (see Financing Section of Sale
 35 Agreement) will be repaid as follows (*select all that apply*):

36 * Interest Rate on the Balance of the Purchase Price shall be (*select only one*):

- 37 Fixed rate of interest at ____% per annum; or
- 38 Adjustable rate of interest

39 Note: By selecting an adjustable rate of interest, Seller and Buyer agree to complete and sign a written Addendum setting forth: (a) Reasonable
 40 annual rate increases; (b) Reasonable lifetime rate increases subject to a minimum floor and maximum ceiling, which ceiling shall not exceed the
 41 applicable "high-cost mortgage rate" – (See, Advisory); and (c) Adjustments to the interest rate will be determined by adding the margin rate to an
 42 indexed rate published from a widely available index, such as U.S. Treasury securities or LIBOR. Seller and Buyer shall reach written mutual
 43 agreement on (a), (b), and (c) within ____ Business Days (two [2] if not filled in) after the Sale Agreement has been signed and accepted
 44 (hereinafter, the "Deadline.")

Buyer Initials _____ / _____ Date _____

Seller Initials _____ / _____ Date _____

SELLER-CARRIED TRANSACTIONS ADDENDUM

45 If written mutual agreement is not reached by 5:00 p.m. on the last day of the Deadline, this transaction shall be automatically terminated, and
46 Buyer's deposit(s) will be promptly refunded.

47 * The Balance of the Purchase Price shall be repaid in monthly installments of principal and interest, based upon the following amortized Term
48 (*select one*):

- 49 30-year amortization.
- 50 25-year amortization.
- 51 15-year amortization.
- 52 Other (*specify*) _____. (amortized Term may not exceed thirty [30] years)

53 * Buyer's monthly principal and interest payments to Seller will be \$ _____ ("Installment" or "Installments") and shall be paid on the first
54 day of each month. Seller and Buyer should consult an amortization table or similar resource to calculate all principal and interest payments
55 throughout the Term, as defined in Section 6, below, and append it to their Security Agreement, as defined in Section 8, below.

56 * Buyer's first Installment shall be made on the first day of the second month following the Closing Date identified in the Closing/Escrow Section of
57 the Sale Agreement. (Example: If closing occurred in March, at that time, Buyer shall prepay a sum equal to the per diem interest for the remaining
58 number of days of that month. Buyer would not pay an Installment in April. Then, on May 1, Buyer would pay Seller the first full Installment of
59 principal and interest accrued during the month of April. Thereafter, Buyer would pay an Installment on the first day of each successive month for
60 the duration of the Term, as defined in Section 6 below.)

61 A late charge of 5.00% of the unpaid Installment will will not be assessed for any Installment not received by Seller or Seller's designee by
62 the 15th day of the month. (If left blank, no late charge will be assessed.)

63 **5. OTHER IMPORTANT TERMS:** The Security Agreement selected in Section 8 below shall include the following terms:

64 (a) The entire remaining Balance of the Purchase Price, plus accrued interest and all other charges or sums due, may be prepaid at any time
65 without penalty;

66 (b) Without Seller's express written consent, Buyer may not sell, assign, transfer, rent, lease or sublease the Property, or any interest
67 therein, during the Term, as defined in Section 6, below;

68 (c) All Installments shall be paid by the first day of each month;

69 A default ("Default") shall be defined as follows: (i) Buyer's failure to pay any sums due after not less than ten (10) days written notice from
70 Seller, or Seller's representative, to Buyer; (ii) Buyer's failure to perform any other terms, covenants or conditions after not less than thirty (30)
71 days written notice from Seller, or Seller's representative (or if the Default cannot reasonably be cured within thirty (30) days, Buyer's failure to
72 make a good faith effort to commence doing so within said thirty [30] days, and completing it within ninety [90] days thereafter); (iii)
73 Immediately upon violation of Section 5 b), above, with no written notice required from Seller or Seller's representative;

74 (d) Subject to ORS 86.705 *et seq.* (Oregon's trust deed law), and ORS 93.905. *et seq.* (Oregon's contract forfeiture law), upon Default,
75 Seller shall have the right to accelerate the entire unpaid principal balance, plus accrued interest, and other sums immediately due and
76 payable;

77 (e) Subject to ORS 86.705 *et seq.* (Oregon's trust deed law), and ORS 93.905. *et seq.* (Oregon's contract forfeiture law) in the event legal
78 action is filed to enforce or interpret the Security Agreement selected in Section 8 below, in arbitration or a court of law, the prevailing party
79 shall be entitled to recover attorney fees, costs, and disbursements from the losing party;

80 (f) The Security Agreement selected in Section 8 below shall constitute a first lien on the Property, and Buyer shall be prohibited, without
81 Seller's express written consent, from placing or permitting, voluntarily or involuntarily, another lien on the Property, excepting only unpaid
82 property taxes or assessments not yet due;

83 (g) Seller and Buyer agree decline to use a collection escrow to receive all funds due under the Security Agreement selected in
84 Section 8 below. If a collection escrow is used, it shall be (*identify*) _____ ("Collection
85 Escrow"), and it shall serve to receive all of Buyer's Installments, payments for property taxes, casualty insurance, HOA or UOA dues,
86 reserves, and all other sums due under the selected Security Agreement, and shall disburse payments to the agreed upon designee. If
87 applicable, Seller and Buyer agree to sign all written instructions necessary or convenient for the Collection Escrow to perform its duties. In the

Buyer Initials ____ / ____ Date _____

Seller Initials ____ / ____ Date _____

SELLER-CARRIED TRANSACTIONS ADDENDUM

88 event of a conflict between the terms of the Security Instrument selected in Section 8 below and the terms of the signed instructions of the
89 Collection Escrow, the latter shall prevail;

90 (h) If the parties select a Contract of Sale ("Contract") as their Security Agreement in Section 8 below, at the time of closing, Seller will, at
91 Seller's cost, place a duly signed and notarized statutory warranty deed with a neutral escrow identified at Section 9, below (or the Collection
92 Escrow identified at Section 5 g) above), with instructions to record the same when Buyer has made all payments and performed all other
93 conditions required under the Contract; and

94 (i) Additional Provisions. (Caveat: Seller and Buyer are advised to secure the assistance of an MLO, attorney, or other expert qualified
95 under ORS 86A.203 regarding additions or deletions to the standard pre-printed text of this Addendum, as doing so could result in unexpected
96 legal or financial consequences. Your Agents are not qualified to advise on the legal or financial consequences of such changes.)

97 _____
98 _____ (Use Addendum if necessary)

99 **6. FINAL PAYMENT:** The period of time during which all Installments have been made under the Security Agreement selected in Section 8,
100 below, to the date scheduled for the final payment of all sums due thereunder shall constitute the "Term" of said Security Agreement. Seller and
101 Buyer agree that (*select only one*):

102 Balloon Payment. The entire unpaid principal balance, together with all accrued interest and all other sums remaining due from Buyer to
103 Seller, shall be paid in advance of the fully amortized Term (See Section 4 (above)). This means all such sums shall be due and owing on or
104 before _____.

105 No Balloon Payment. The entire unpaid principal balance, including interest, is fully amortizing (that is, there will be no Balloon Payment);
106 all sums due under the Security Agreement selected in Section 8 below shall be paid in full, on or before _____. (Note: This
107 should be the scheduled payment date for the final Installment at the end of the fully amortized Term.)

108 **7. INSURANCE, PROPERTY TAXES, SALE AGREEMENT PROVISIONS:** For the duration of the Term (*select all that apply*):

109 Casualty/Flood Insurance. Buyer shall secure and maintain a fire and casualty insurance policy with standard extended coverage
110 endorsements on a replacement cost basis reasonably satisfactory to Seller. Additionally, if the Property is located in a designated flood plain,
111 Buyer shall secure a flood insurance policy reasonably satisfactory to Seller. Said policies shall provide coverage and will not be canceled or
112 diminished without a minimum of thirty (30) days written notice to Seller. In the event of loss, Buyer shall give immediate notice to Seller. Seller
113 may make proof of loss if Buyer fails to do so within fifteen (15) days of the casualty. Buyer shall provide Seller with a copy of the policy's
114 Declaration Page within fifteen (15) days of each renewal.

115 Property Taxes. All real property taxes and governmental or other assessments levied against the Property for the current tax year shall be
116 prorated between Seller and Buyer as of the Closing Date. Seller shall be responsible for all taxes and assessments through the Closing Date.
117 Buyer shall pay when due all taxes and assessments levied against the Property after the Closing Date. Buyer may elect to pay taxes and
118 assessments in accordance with any available installment method, but property taxes shall be repaid no less frequently than one-third on
119 November 15, February 15, and May 15 (or the next Business Day) of each fiscal year. Buyer shall provide Seller with written evidence of
120 such payment within ten (10) days after each required payment.

121 HOA/UOA Dues and Assessments. Buyer shall pay when due all dues, assessments, and other levies assessed by the Homeowners or
122 Unit Owners Association and provide Seller with written evidence of such payment within ten (10) days after each required payment.

123 Other: If Casualty/Flood Insurance, Property Taxes, and/or Homeowner or Unit Owner's Association HOA dues and assessments will be
124 paid differently than above, describe the terms here: _____
125 _____
126 _____

127 **8. SECURITY AGREEMENT:** Seller and Buyer agree the terms agreed upon in Sections 4, 5, 6, 7, 8, and 9, together with any other applicable
128 terms contained in the Sale Agreement, shall be included in the following Security Agreement, which will be recorded in a first lien position in the
129 County in which the Property is located. (*select either (a) or (b) below, with associated boxes*):

130 (a) Promissory Note and Deed of Trust (*select only one*):

131 Seller and Buyer agree the Promissory Note and Deed of Trust will be prepared or provided by: _____

Buyer Initials ____ / ____ Date _____

Seller Initials ____ / ____ Date _____

This form has been licensed for use solely by the named user below pursuant to a Forms License Agreement with Oregon Real Estate Forms, LLC.

LINES WITH THIS SYMBOL ← REQUIRE A SIGNATURE AND DATE

Copyright Oregon Real Estate Forms, LLC 2022 | Released 01/2023

www.orefonline.com

No portion may be reproduced without the express permission of Oregon Real Estate Forms, LLC

SELLER-CARRIED TRANSACTIONS ADDENDUM

132 _____ (If this box is selected, Seller and Buyer shall reach agreement on final
 133 terms of said documents within ____ Business Days (five [5] if not filled in) (hereinafter, the "Deadline") after the Sale Agreement
 134 has been signed and accepted. If mutual agreement is not reached on all final terms by 5:00 p.m. on the last day of the Deadline,
 135 this transaction shall be automatically terminated, and Buyer's deposit(s) promptly refunded.

136 Seller and Buyer to use OREF 035 Seller Carried Promissory Note Secured by Deed of Trust and OREF 034 Seller Carried
 137 Deed of Trust. By selecting this box, Seller and Buyer confirm that they have received and reviewed a copy of said forms (or will do
 138 so prior to Closing) and have had an opportunity to have their respective legal counsel do so (or will do so prior to Closing). Buyer
 139 and Sellers respective Agents may not recommend one Security Agreement over another.

140 (b) A Contract of Sale with Memorandum of Contract (*select only one*):

141 Seller and Buyer agree that the Contract of Sale and Memorandum of Contract will be prepared or provided by: _____
 142 _____ If this box is selected, Seller and Buyer shall reach agreement on final
 143 terms of said document within ____ Business Days (five [5] if not filled in) (hereinafter, the "Deadline") after the Sale Agreement has
 144 been signed and accepted. If mutual agreement is not reached on all final terms by 5:00 p.m. on the last day of the Deadline, this
 145 transaction shall be automatically terminated, and Buyer's deposit(s) promptly refunded.

146 Seller and Buyer to use OREF 036 Seller Carried Contract of Sale and OREF 037 Seller Carried Memorandum of Contract of
 147 Sale. By selecting this box, Seller and Buyer confirm that they have received and reviewed a copy of said forms (or will do so prior
 148 to Closing) and have had an opportunity to have their respective legal counsel do so (or will do so prior to Closing). Buyer and
 149 Sellers respective Agents may not recommend one Security Agreement over another.

150 **9. PLACE OF PAYMENTS:** All sums due from Buyer to Seller under the Security Agreement selected in Section 8, above, shall be made to: (If no
 151 selections are made, Buyer and Seller will share all costs equally.) (*select only one*)

152 (a) Seller at: _____

153 (b) Collection Escrow at: _____

154 Set-up fee to be paid by (*select only one*):

155 Seller Buyer Seller and Buyer equally

156 Installment fee to be paid by (*select only one*):

157 Seller Buyer Seller and Buyer equally

158 Close-out fee to be paid by (*select only one*):

159 Seller Buyer Seller and Buyer equally

160 Additional Terms: _____

161 _____

162 _____

163 _____

164 _____ See Addendum _____

165 By signing below, Seller and Buyer acknowledge they have read OREF 032 Advisory Regarding Seller-Carried Transactions and understand their
 166 respective real estate Agent is not qualified to render any advice or recommendations regarding state and federal MLO laws or the legal, financial,
 167 and credit terms involved in this transaction. Without any investigation or verification, agents have the absolute right to rely upon Seller's and
 168 Buyer's certifications and/or representations contained above.

169 Buyer _____ Date _____ a.m. _____ p.m. ←

170 Buyer _____ Date _____ a.m. _____ p.m. ←

171 Seller _____ Date _____ a.m. _____ p.m. ←

172 Seller _____ Date _____ a.m. _____ p.m. ←

173 Buyer's Agent _____ Seller's Agent _____

This form has been licensed for use solely by the named user below pursuant to a Forms License Agreement with Oregon Real Estate Forms, LLC.

LINES WITH THIS SYMBOL ← REQUIRE A SIGNATURE AND DATE

Copyright Oregon Real Estate Forms, LLC 2022 | Released 01/2023

www.orefonline.com

No portion may be reproduced without the express permission of Oregon Real Estate Forms, LLC