

DOWNPAYMENT NOTE SECURED BY OTHER PROPERTY

NOTE: This form is used by a buyer broker as an addendum to a buyer's offer to acquire an interest in real estate when a downpayment note secured by other property is executed to finance a portion of the price paid by the buyer, to state the terms of the note.

DATE: _____, 20_____, at _____, California.

Items left blank or unchecked are not applicable.

FACTS:

1. This is an addendum to the following agreement:

- Purchase agreement
- Counteroffer
- Exchange agreement
- Option to purchase
- Escrow instructions
- _____

1.1 of the same date, or dated _____, 20_____,

1.2 entered into by _____

1.3 regarding real estate referred to as _____

AGREEMENT:

The following terms and conditions are part of the agreement:

2. Buyer to execute a note in favor of Seller for the amount of.....\$ _____ as a down payment through escrow, payable \$_____ monthly, or more, beginning one month after closing, including interest at _____% per annum from closing, due _____, 20_____.

2.1 The note is to be secured by a _____ trust deed on real estate referred to as _____

2.2 The trust deed to be junior to current taxes, CC&Rs and the following encumbrances:

First encumbrance:

Second encumbrance:

Amount	\$ _____	Amount	\$ _____
Monthly payment.....	\$ _____	Monthly payment.....	\$ _____
Interest rate	_____ %	Interest rate	_____ %
Due date _____		Due date _____	
Lender _____		Lender _____	

2.3 The note and trust deed to contain provisions to be provided by Seller for:
 due-on-sale, prepayment penalty, late charges, _____

2.4 The note and trust deed are subject to the purchase money anti-deficiency provisions of California Code of Civil Procedure §580b.

2.5 Buyer to provide a Request for Notice of Default and Notice of Delinquency to senior encumbrancers. [See **RPI** Form 412]

2.6 The trust deed to be insured by a Lender's CLTA, or ALTA, form policy of title insurance paid for by Buyer. When Buyer is unable to deliver the insured trust deed, or when the improvements on the secured real estate are destroyed or materially damaged prior to closing, Seller may terminate this agreement and demand all instruments and funds be returned to the transaction participants depositing them, and Buyer is to pay all reasonable escrow costs and charges.

3. Buyer to hand Seller a completed credit application on acceptance. [See **RPI** Form 302]

a. Within _____ days of receipt of Buyer's credit application, Seller may terminate the agreement based on a reasonable disapproval of Buyer's creditworthiness. [See **RPI** Form 183]

4. _____

I agree to the terms stated above.

See attached Signature Page Addendum. [RPI Form 251]

Date: _____, 20____

Buyer: _____

Buyer: _____

I agree to the terms stated above.

See attached Signature Page Addendum. [RPI Form 251]

Date: _____, 20____

Seller: _____

Seller: _____