ADDENDUM TO
PURCHASE AGREEMENT

This form approved by the Minnesota Association of REALTORS, which disclaims any liability arising out of use or misuse of this form.

1. Date _____

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3. Addendum to Purchase Agreement between parties dated _____ pertaining to the
4. purchase and sale of the property at _____ St. Paul, MN 55103.
5.
6. Buyer understands that there is a soft, "silent" second mortgage with the City of St. Paul. This soft
7. second mortgage acts as a guarantee that the property will be homesteaded and sold to a buyer
8. whose total household income is at or below 80% of the area median income, based on household
9. size. The soft second mortgage will be filed in the amount of $15,000. THESE FUNDS ARE **NOT**
10. LIQUID FUNDS. THEY ARE **NOT** FUNDS THAT WILL BE USED TO PURCHASE, WRITE DOWN THE
11. COST, USE FOR CLOSING COSTS, OR ANY OTHER TYPE OF BUYER ASSISTANCE. These funds sit
12. silent and are forgiven at the end of 10 years as long as the home is owner occupied. If the buyer
13. chooses to sell within the 10 year period they can either: 1) sell to another buyer who will owner
14. occupy or 2) pay the $15,000 back to the city. This mortgage does not show up on the HUD
15. settlement statement at closing. A copy of the mortgage, promissory note, and homestead affidavit
16. are part of this purchase agreement. Buyer must verify and receive approval from the lender that
17. the lender's underwriter: understands, does not have issue, and will not hold up closing due to the
18. City's soft second mortgage. This approval must be received by GFCDC at least 3 weeks prior to
19. closing, _____, 2010.
20.
21. The following documents are also part of this purchase agreement: information consent form, data
22. privacy statement & authorization to release information form, copy of the City's; promissory note, 2nd
23. mortgage, homestead affidavit, and income affidavit
24.
25. Buyer agrees to cooperate w/ Greater Frogtown Community Development Corporation (GFCDC)
26. in providing income verification and other necessary information to secure financial assistance/
27. resources and to verify income eligibility (at or below **80%** of Area Median Income, based on
28. household size). This purchase agreement will become null and void if buyer is no longer eligible
29. for GFCDC programs, at or before closing. If buyer is no longer eligible for GFCDC programs, both
30. parties agree to sign a Cancellation of Purchase Agreement & earnest money returned to buyer.
31.
32. Buyer and seller agree to use EnTitle for closing both ends of the transaction.

_____ (Seller) (Date)

_____ (Buyer) (Date)

on behalf of: Greater Frogtown Community Development Corporation

_____ (Buyer) (Date)

THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYERS AND SELLERS.
IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.