

**ADDENDUM TO PURCHASE AGREEMENT:  
CONVENTIONAL MORTGAGE FINANCING**

This form approved by the Minnesota Association of REALTORS®, which disclaims any liability arising out of use or misuse of this form. © 2016 Minnesota Association of REALTORS®, Edina, MN

1. Date 2/25/2017

2. Page \_\_\_\_\_

3. Addendum to Purchase Agreement between parties, dated Feb 25, 2017, pertaining to the  
4. purchase and sale of the Property at 2936-2940 Harriet Ave S  
5. Minneapolis MN 55408.

6. Financing will be a  **FIRST MORTGAGE only**  **FIRST MORTGAGE AND SUBORDINATE FINANCING.**  
------(Check one.)-----

7. Buyer shall apply for and secure, at Buyer's expense, a: *(Check all that apply.)*

8.  **CONVENTIONAL**

9.  **PRIVATELY INSURED CONVENTIONAL** \_\_\_\_\_ (e.g., fixed, ARM)

10.  **USDA RURAL DEVELOPMENT**

11.  **MINNESOTA HOUSING FINANCE AGENCY**

12.  **OTHER** \_\_\_\_\_

13. first mortgage amortized monthly over a period of not more than 30 years, with an initial mortgage interest rate  
14. at no more than market percent (%) per annum.

15. The mortgage application **IS TO BE MADE WITHIN FIVE (5) BUSINESS DAYS** after the Final Acceptance Date of this  
16. Purchase Agreement. Buyer agrees to use best efforts to secure a commitment for such financing and to execute all  
17. documents required to consummate said financing.

18. **SELLER'S CONTRIBUTIONS TO BUYER'S COSTS:** Seller  **IS**  **IS NOT** contributing to Buyer's costs. If **IS**, see  
------(Check one.)-----  
19. attached *Addendum to Purchase Agreement: Seller's Contributions to Buyer's Costs.*

20. **FINANCING CONTINGENCY:** This Purchase Agreement is contingent upon the following and applies to the first  
21. mortgage and any subordinate financing. *(Check one.)*

22.  If Buyer cannot secure the financing specified in this Purchase Agreement, and this Purchase Agreement does not  
23. close on the closing date specified, this Purchase Agreement is canceled. Buyer and Seller shall immediately  
24. sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid here to be

25.  **REFUNDED TO BUYER**  **FORFEITED TO SELLER.**  
------(Check one.)-----

26.  Buyer shall provide Seller, or licensee representing or assisting Seller, with the Written Statement, on  
27. or before \_\_\_\_\_, 20\_\_\_\_.

28. For purposes of this Contingency, "**Written Statement**" means a Written Statement prepared by Buyer's mortgage  
29. originator(s) or lender(s) after the Final Acceptance Date that Buyer is approved for the loan(s) specified in this  
30. Purchase Agreement, including both the first mortgage and any subordinate financing, if any, and stating that an  
31. appraisal, satisfactory to the lender(s), has been completed and stating conditions required by lender(s) to close  
32. the loan.

33. Upon delivery of the Written Statement to Seller, or licensee representing or assisting Seller, the obligation for  
34. satisfying all conditions required by mortgage originator(s) or lender(s), except those conditions specified below,  
35. are deemed accepted by Buyer:

36. (a) work orders agreed to be completed by Seller;

37. (b) any other financing terms agreed to be completed by Seller here; and

38. (c) any contingency for the sale and closing of Buyer's property pursuant to this Purchase Agreement.

39. Upon delivery of the Written Statement, if this Purchase Agreement does not close on the stated closing date for  
40. ANY REASON relating to financing, including, but not limited to interest rate and discount points, if any, then Seller  
41. may, at Seller's option, declare this Purchase Agreement canceled, in which case this Purchase Agreement is  
42. canceled. If Seller declares this Purchase Agreement canceled, Buyer and Seller shall immediately sign a  
43. *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid here to be  
44. forfeited to Seller as liquidated damages. In the alternative, Seller may seek all other remedies allowed by law.

**ADDENDUM TO PURCHASE AGREEMENT:  
CONVENTIONAL MORTGAGE FINANCING**

45. Page \_\_\_\_\_

46. Property located at 2936-2940 Harriet Ave S Minneapolis MN 55408

47. Notwithstanding the language in the preceding paragraph, Seller may not declare this Purchase Agreement canceled  
48. if the reason this Purchase Agreement does not close was due to:  
49. (a) Seller's failure to complete work orders to the extent required by this Purchase Agreement;  
50. (b) Seller's failure to complete any other financing terms agreed to be completed by Seller here; or  
51. (c) any contingency for the sale and closing of Buyer's property pursuant to this Purchase Agreement, except as  
52. specified in the contingency for sale and closing of Buyer's property.

53. If the Written Statement is not provided by the date specified on line 27, Seller may, at Seller's option, declare this  
54. Purchase Agreement canceled by written notice to Buyer at any time prior to Seller receiving the Written Statement,  
55. in which case this Purchase Agreement is canceled. In the event Seller declares this Purchase Agreement canceled,  
56. Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and  
57. directing all earnest money paid here to be refunded to Buyer.

58. If the Written Statement is not provided, and Seller has not previously canceled this Purchase Agreement, this  
59. Purchase Agreement is canceled as of the closing date specified in this Purchase Agreement. Buyer and Seller  
60. shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest  
61. money paid here to be refunded to Buyer.

62. **PRIVATE MORTGAGE INSURANCE ("PMI"):** PMI may be required by the lending institution(s). Buyer agrees to pay  
63. all subsequent years' mortgage insurance premiums as required by the lending institution(s). The said mortgage  
64. insurance premiums will increase the mortgage amount unless paid in cash at closing.

65. **LOCKING OF MORTGAGE INTEREST RATE ("RATE"):** The Rate shall be locked with the lender(s) by Buyer:  
66. *(Check one.)*

67.  **WITHIN FIVE (5) BUSINESS DAYS OF FINAL ACCEPTANCE DATE OF THIS PURCHASE AGREEMENT; OR**  
68.  **AT ANY TIME PRIOR TO CLOSING OR AS REQUIRED BY LENDER(S).**

69. **LENDER COMMITMENT WORK ORDERS:** Nothing in this Purchase Agreement shall be construed as a warranty  
70. that Seller shall make repairs required by the lender commitment. However, Seller agrees to pay up to

71. \$ 100.00 to make repairs as required by the lender commitment. If the lender commitment  
72. is subject to any work orders for which the cost of making said repairs shall exceed this amount, Seller shall have the  
73. following options:

74. (a) making the necessary repairs; or  
75. (b) negotiating the cost of making said repairs with Buyer; or  
76. (c) declaring this Purchase Agreement canceled, in which case this Purchase Agreement is canceled. Buyer and Seller  
77. shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest  
78. money paid here to be refunded to Buyer, unless Buyer provides for payment of the cost of said repairs or escrow  
79. amounts related thereto above the amount specified on line 71 of this Addendum.

80.  **SELLER**  **BUYER** agrees to pay any reinspection fee required by Buyer's lender(s).  
-----*(Check one.)*-----

81. **OTHER:**

82.

83.

84. \_\_\_\_\_ (Seller) \_\_\_\_\_ (Date) \_\_\_\_\_ (Buyer) **Balance Properties III, LLC** \_\_\_\_\_ (Date)

85. \_\_\_\_\_ (Seller) \_\_\_\_\_ (Date) \_\_\_\_\_ (Buyer) \_\_\_\_\_ (Date)

86. **THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYER(S) AND SELLER(S).**  
87. **IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.**