

**SELLER FINANCING ADDENDUM AND
DISCLOSURE STATEMENT
NEVADA STANDARD FORM**



To Agreement Dated 2-19-2002 Between Beverly Alan Tomasino
 Seller, and Mike and Patricia Buttles, Buyer, Concerning Property Located At
1512 Highway 395 Gardnerville NV 89410

This ADDENDUM constitutes joint escrow instructions to the escrow holder and supersedes any inconsistent provisions in the Purchase Agreement.

A. CREDIT DOCUMENTS AND TERMS:

1. **Documents.** Extension of credit by Seller will be evidenced by note and deed of trust, all inclusive note and deed of trust, installment land sale contract, other Promissory Note
2. **Terms.** Copies of the credit documents (e.g., note and deed of trust) referred to in Item 1 above are attached; OR the terms of the credit documents will be: fixed rate amortized loan; interest only loan; other 8% interest first 6 months interest only-- then 8% fully amortized for 24 months, with an original principal balance of \$ 10,000. Initial payments of approximately \$ 66.66 per Mo Then 452.27 for 24 months, a total of 30 months not including taxes or insurance. Interest at 8 % per annum fixed, ARM. Due 2 years from close of escrow.
3. **Late Charge.** The credit documents WILL, WILL NOT provide for a late charge of 6% of the installment due or \$5.00, whichever is greater, if payment is received 10 days after the due date.
4. **Prepayment Penalty.** The credit documents WILL, WILL NOT provide for a prepayment penalty equal to 6 months advance interest on the amount prepaid, voluntarily or involuntarily, in any 12 month period in excess of 20% of the original principal amount. There will be no prepayment penalty after the 60th month of the note, or after na, whichever occurs first.
5. **Due On Sale.** The credit documents WILL, WILL NOT provide for an acceleration and due on sale clause if any interest in the property securing the obligation to Seller is sold or otherwise transferred. Under such clause, Seller has the option to require immediate payment of the entire unpaid balance and accrued interest.
6. **Security.** The real property which will serve as security for this extension of credit is: subject property, or the real property commonly known as: (ADDRESS) na (CITY) na (STATE) na

CAUTION: It is understood that the Brokers have not and will not make any representations concerning the value of the property securing the seller financing.

B. DESCRIPTION OF SENIOR LIENS. Insofar as available, the terms and conditions of liens which will be senior to the financing being arranged are as follows (Copies of senior lien documents attached):

	1st Loan	2nd Loan
1. Original Balance	\$ _____	\$ _____
2. Current Balance	\$ _____	\$ _____
3. Periodic Payment (e.g., monthly payment)	\$ _____	\$ _____
4. Amount of Balloon Payment	\$ _____	\$ _____
5. Date of Balloon Payment	_____	_____
6. Interest Rate (per annum)	_____	_____
7. Fixed or Variable Rate	_____	_____
8. Maturity Date	_____	_____
9. Is Payment Current?	_____	_____

Buyer [Signature] and Seller [Signature] have read this page.

*Beverly Tomasino
1768 Fishsprings Rd
Gardnerville, NV 89410*

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C. ADDITIONAL DISCLOSURES. PLEASE MARK (a) OR (b) OF THE FOLLOWING PARAGRAPHS:

1. Deferred Interest. ("Deferred interest" results when Buyer's periodic payments are less than the amount of interest due on the obligation, sometimes referred to as "negative amortization," or when the obligation does not require periodic payments. This accrued interest will be paid by Buyer at a later time and may result in Buyer owing more at the time of payoff than at the time the loan originated.)

- (a) The credit documents WILL NOT provide for deferred interest; **OR**
- (b) The credit documents WILL provide for deferred interest as follows: (1) All deferred interest will be due and payable with the principal at maturity (simple interest); or (2) the deferred interest will be added to the principal monthly, annually and thereafter will bear interest at the specified rate (compound interest); or (3) other na

2. Cash Proceeds.

- (a) Buyer WILL NOT receive cash proceeds from escrow; **OR**
- (b) Buyer will receive approximately \$ na from na (payor). Buyer represents that the purpose for such cash disbursement is as follows: na

3. Balloon Payment. CAUTION: If refinancing is required as a result of lack of full amortization under the terms of any existing or proposed loans, such refinancing might be difficult or impossible in the conventional mortgage marketplace. Each party acknowledges that he or she has not relied upon any representations by Broker or the other party regarding availability of funds, or rate of interest at which funds might be available, when the balloon payment becomes due.

- (a) The credit documents WILL NOT provide for a balloon payment; **OR**
- (b) The credit documents WILL provide for a balloon payment.

4. Payment of Prior Liens.

- (a) The credit documents WILL NOT involve an all-inclusive deed of trust or installment land sale contract; **OR**
- (b) The credit documents WILL involve an all-inclusive deed of trust, or installment land sale contract which provides as follows:
 - (1) If a senior lien is accelerated, the responsibility for payment or for legal defense will be with Buyer, Seller.
 - (2) If a senior lien is accelerated, the responsibilities and rights arising regarding refinancing, prepayment penalties, and any prepayment discounts are with Buyer, Seller.
 - (3) The credit documents provide that Buyer's periodic payments will be made to Seller, na (designate third party). This person will be responsible for making the payments to the senior lienholder and to Seller. **CAUTION: If this person is not a neutral third party, the parties are advised to consider designating a neutral third party such as a bank or savings and loan association for this purpose.**

5. Buyer's Credit. CAUTION: Seller's rights in the event of a default by the Buyer in the financing by the Buyer are governed by Nevada Revised Statutes Chapter 107, and said Chapter provides for a deficiency judgment against Buyer under certain circumstance. It is recommended that Seller and Buyer consult with an attorney concerning foreclosure rights and remedies and Buyer's exposure to a deficiency judgment.

- (a) No representations as to the Buyer's credit-worthiness has been made by the Arranger of Credit; **OR**
- (b) Buyer will furnish Seller, **within seven (7) days after acceptance**, a customary financial statement for the sole purpose of credit approval. Buyer authorizes Seller to engage the services of a reputable credit reporting agency to obtain a credit report at Buyer's expense. Seller will notify Buyer, **within ten (10) days after receipt** of financial statement, of approval or disapproval of Buyer's credit. Approval will not be unreasonably withheld.

6. Insurance. CAUTION: Seller should consider securing adequate insurance on the property to protect Seller's interest.

- (a) The parties instruct the escrow holder to direct the insurance carrier to add a loss payee endorsement to the insurance on the property protecting the interests of Seller; **OR**
- (b) No provision has been made for adding a loss payee clause to the property insurance protecting Seller.

7. Request for Notice.

- (a) A Request for Notice of Default will be recorded by the escrow holder, and paid for by Buyer, Seller; **OR**
- (b) No provision for recording a Request for Notice of Default has been made. **Seller is advised to consider recording such a request.**

Buyer [Signature] and Seller [Signature] have read this page.

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COPY

REQUESTED BY
Alan Tomasi
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2002 OCT 11 PM 3: 16

LINDA SLATER
RECORDER

\$ 17⁵⁰ PAID KJ DEPUTY

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