

“DUE-ON-SALE” ACKNOWLEDGEMENT AND AGREEMENT

WHEREAS, _____ Seller(s) and _____
_____ Buyer(s) or assigns, personal representatives, heirs,
successors have entered into a certain purchase and sales agreement date herewith, the
parties fully understand, acknowledge and agree on this _____ day of _____,
20____, as follows:

1) Both Seller(s) and Buyer(s) are fully aware that mortgage(s)/deeds of trust securing
the property located at _____ in the County of _____
_____, State of _____ for the approximate amount of
\$_____ will be paid on a monthly basis but will not be assumed by
Buyer(s), assigns, personal representatives, heirs, and successors or paid in full at this
time and that any underlying mortgage(s)/deed(s) of trust will remain in Seller(s) name
and may continue to appear on Seller’s credit report.

2) Buyer(s) agrees not to take any action that will cause lender to discover that title
has been transferred, however the lender may discover that title to property has been
transferred and demand satisfaction of loan(s) in full by “due-on sale” condition of the
loan(s) even though payments on this loan(s) were made on a timely basis.

3) Furthermore, the Seller(s) fully relinquishes all legal ownership for any rights and
privileges connected with the property described herein.

4) Seller(s) agrees to defend, indemnify and hold Buyer(s), assigns, personal
representatives, heirs, and successors harmless from any liability in the event that the
holders of the mortgages and/or deeds of trust on the aforementioned property are called
due and payable.

5) Seller(s) has read and understands fully the provisions contained in this agreement
and will not take action orally or in writing to cause lender to discover transfer of title.

Seller_____

Seller_____