

**“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\_\_\_\_\_