

## ADDENDUM TO OFFER TO PURCHASE

For the Property Located at \_\_ Camino del Sol, Madison, WI 53704

- 1) The Madison Area Community Land Trust (MACLT) is only selling the Improvements located at \_\_ Camino del Sol. The MACLT is not selling the land itself. The MACLT is selling all of the following items existing on or under the property on the day of closing: (a) house and everything in it, (b) all landscaping and plant materials (trees, shrubs, grass), (c) driveway, (d) sidewalks, (f) patio, (g) porch, (h) exterior lighting, (i) mailbox, (j) fencing (if any), and (k) all utility equipment whether underground or overground (including water laterals, sanitary sewer laterals, and electric/phone/cable lines, unless they are specifically owned by the utility provider).
- 2) Therefore title will be conveyed only as to the Improvements located at \_\_ Camino del Sol. The land will be leased to the homeowner under a long-term Ground Lease (see *Exhibit A - Outline of MACLT Ground Lease*). Some of the key provisions of the Ground Lease include, but are not limited to:
  - a) Buyer is responsible for upkeep on the entire property, including the land, located at \_\_ Camino del Sol.
  - b) Buyer is responsible for paying all property taxes and special assessments relating to \_\_ Camino del Sol, covering both the land and the improvements.
  - c) Buyer is responsible for paying a ground lease fee to the Madison Area Community Land Trust, at an annual rate equal to 5% of the assessed value of the land only. For calendar 2004, this will result in a monthly ground lease fee \$75.
  - d) Buyer can resell the house under the following conditions:
    - i) The Madison Area Community Land Trust has the first option to repurchase the house.
    - ii) The house can only be resold to an income eligible buyer, as defined by the City of Madison, and as described below.
    - iii) The resale price of the house is the greater of the two following options:
      - (1) Original purchase price, or
      - (2) Original purchase price plus 25% of the appreciation in the appraised value of the house.
- 3) Seller will conduct a walk-through final inspection with the Buyer within five (5) days of closing, to identify any issues needing to be resolved prior to closing.
- 4) Seller will pay for the cost of an initial street tree as required by the City of Madison.
- 5) Seller will provide a two year home construction warranty to the Buyer at time of closing.
- 6) Buyer must review and agree to the terms of the Ground Lease prior to purchase of the house, and return a signed copy of the Letter of Acknowledgement (see attached *Exhibit B*) no later than the time of closing.
- 7) The terms of purchase must be approved by the Buyer's attorney prior to the closing, to ensure that the Buyer clearly understands the terms of the transaction, and the "Attorney's Declaration" (see attached *Exhibit C*) must be signed and returned to the Seller no later than the time of closing.

- 8) The Buyer for \_\_\_ Camino del Sol must comply with the City of Madison financial eligibility requirements for this project, which are described as follows:
- a) Buyer's household income for the 12 months prior to purchase cannot exceed 80% of Dane County Median Income, as described as follows for 2004:
    - i) Household of 1: \$40,600
    - ii) Household of 2: \$46,400
    - iii) Household of 3: \$52,200
    - iv) Household of 4: \$58,000
    - v) Household of 5: \$62,650
    - vi) Household of 6: \$67,300
    - vii) Household of 7: \$71,900
    - viii) Household of 8: \$76,550
  - b) Buyer must be a first-time homeowner, defined as follows:
    - i) An individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This includes a spouse; if either meets the above test, they are considered first-time homebuyers.
    - ii) A single parent who has only owned with a former spouse while married.
    - iii) An individual who is a displaced homemaker and has only owned with a spouse.
    - iv) An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.
    - v) An individual who has only owned a property that was not in compliance with State, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.
  - c) Buyer(s) must complete and sign all financial eligibility information required by the City of Madison (see attached *Exhibit D* and *Exhibit E*) and provide them to Seller within 7 days of acceptance of offer. In addition to filling out and signing these forms, Buyer must provide to Seller copies of
    - i) Buyer's federal income tax return(s) for the previous year, and
    - ii) Wage and other income statements for the past three months (including interest income, self-employment income, AFDC, SSI or SSDI, retirement or pension income, etc.).
- 9) If these terms are not met within the stated timeframes, this offer becomes null and void, and all earnest money will be returned to the Buyer.

Buyer and Seller have each read and understand this document and their signatures attest to their acceptance of its terms.

Buyer: \_\_\_\_\_ Seller: \_\_\_\_\_

Buyer: \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_