

Land Contract

WITH ALTERNATIVE TAX AND INSURANCE PROVISIONS

This Contract, Made this _____ day of _____, 20____,

Between: _____, hereinafter referred to as the "Seller(s)."

whose address is: _____

and _____, hereinafter referred to as the "Purchaser(s)."

whose address is _____

Witnesseth:

1. THE SELLER AGREES AS FOLLOWS:

- (a) To sell and convey to the Purchaser land in the _____ of _____ County, Michigan, described as:

Commonly known as:

together with all tenements, hereditaments, improvements and appurtenances, including all lighting fixtures, plumbing fixtures, shades, Venetian blinds, curtain rods, storm windows, storm doors, screens, awnings, if any, now on the premises, and subject to all applicable building and use restrictions, and easements, if any, affecting the premises.

- (b) That the consideration for the sale of the above described premises to the Purchaser is: \$ _____, of which the sum of \$ _____ has heretofore been paid to the Seller, the receipt of which is hereby acknowledged, and the balance of \$ _____ is to be paid to the Seller, with interest on any part thereof at any time unpaid at the rate of _____ (_____ %) percent per annum. This balance of purchase money and interest shall be paid in monthly installments of \$ _____ each, or more at Purchaser's option, on the _____ day of each month, beginning _____, said payment to be applied first upon interest and the balance on the principal; PROVIDED, the entire purchase money and interest shall be fully paid within _____ months from the date hereof, anything herein to the contrary notwithstanding.
- (c) Upon receiving payment in full of all sums owing herein, less the amount then due on any existing mortgage or mortgages, and the surrender of the duplicate of this contract, to execute and deliver to the Purchaser or the Purchaser's assigns, a good and sufficient Warranty Deed conveying title to said land, subject to aforesaid restrictions and easements and subject to any then existing mortgage or mortgages, and free from all other encumbrances, except such as may be herein set forth, and except such encumbrances as shall have accrued or attached since the date hereof through the acts or omissions of persons other than the Seller or his assigns.
- (d) To deliver to the Purchaser as evidence of title, at the Seller's option, either a Policy of Title Insurance insuring Purchaser or Abstract of Title, the effective date of the policy or certification date of Abstract to be approximately the date of this contract. If the evidence of title is an Abstract of Title, the Seller shall have the right to retain possession of the Abstract of Title during the life of this contract and upon demand, shall lend it to Purchaser upon the pledging of a reasonable security.

2. THE PURCHASER AGREES AS FOLLOWS:

- (a) To purchase said land and pay the Seller the sum aforesaid, with the interest thereon as above provided.
- (b) To use, maintain and occupy said premises in accordance with any and all restrictions thereon.
- (c) To keep the premises in accordance with all policy, sanitary and other regulations imposed by any governmental authority.
- (d) To pay all taxes and assessments hereafter levied on said premises before any penalty for non-payment attaches thereto, and submit receipts to Seller upon request, as evidence of payment thereof; also at all times to keep the buildings now or hereafter on the premises insured against loss and damage, in manner and to an amount approved by the Seller, and to deliver the policies as issued to the Seller with premiums fully paid.

If the amount of the estimated monthly cost of Taxes, Assessments and Insurance is inserted in the following Paragraph 2(e), then the method of the payment of these items as therein indicated shall be adopted. If this amount is not inserted, then Paragraph 2(e) shall be of no effect and the method of payment provided in the preceding Paragraph 2(d) shall be effective.

- (e) To pay monthly in additions to the monthly payments herein before stipulated, the sum of \$ _____ DOLLARS, which is an estimate of the monthly cost of the taxes, assessments and insurance premiums for said premises, which shall be credited by the seller on the unpaid principal balance due on the contract. If the Purchaser is not in default under the terms of this contract, the Seller shall pay for the Purchaser's account, the taxes, assessments and insurance premiums mentioned in Paragraph 2(d) above when due and before any penalty attaches, and submit receipts therefor to the Purchaser upon demand. The amounts so paid shall be added to the principal balance of this contract. The amount of the estimated monthly payment, under this paragraph, may be adjusted from time to time so that the amount received shall approximate the total sum required annually for taxes, assessments and insurance. This adjustment shall be made on demand of either of the parties and any deficiencies shall be paid by the Purchaser upon the Seller's demand.
- (f) That he has examined a title commitment issued by Colonial Title Company covering the above described premises, and is satisfied with the marketability of the title shown thereby, and has examined the above described premises and is satisfied with the physical condition of any structure thereon.
- (g) To keep and maintain the premises and the buildings thereon in as good condition as they are at the date hereof, reasonable wear and tear excepted, and not to commit waste, remove or demolish any improvements thereon, or otherwise diminish the value of the Seller's security, without the written consent of the Seller.

3. THE SELLER AND PURCHASER MUTUALLY AGREE AS FOLLOWS:

- (a) That the Seller may, at any time during the continuance of this contract encumber said land by mortgage or mortgages to secure not more than the unpaid balance of this contract at the time such mortgage or mortgages are executed. Such mortgage or mortgages shall provide for payment of principal and interest in monthly installments which do not exceed such installments provided for in this contract; shall provide for a rate of interest on the unpaid balance of the mortgage debt which does not exceed the rate of interest provided in Paragraph a(b); or on such other terms as may be agreed upon by the seller and Purchaser and shall be a first lien upon the land superior to the rights of the Purchaser herein; provided notice of the execution of said mortgage or mortgages containing the name and address of the mortgagee or his agent, the amount of such mortgage or mortgages, the rate of interest and maturity of the principal and interest shall be sent to the Purchaser by registered mail promptly after execution thereof. Purchaser will, on demand, execute any instruments demanded by the Seller, necessary or requisite to subordinate the rights of the Purchaser hereunder to the lien of any such mortgage or mortgages. In event said Purchaser shall refuse to execute any instruments demanded by said Seller and shall refuse to accept such registered mail hereinbefore provided, or said registered mail shall be returned unclaimed, then the Seller may post such notice in two conspicuous places on said premises, and upon making affidavit duly sworn to of such posting, this proceeding shall operate the same as if said Purchaser had consented to the execution of said mortgage or mortgages, and Purchaser's rights shall be subordinate to said mortgage or mortgages as hereinbefore provided. The consent obtained, or subordination as otherwise herein provided, under or by virtue of the foregoing power, shall extend to any and all renewals or extensions or amendments of said mortgage or mortgages, after Seller has given notice to the Purchaser as above provided for giving notice of the execution of said mortgage or mortgages.
- (b) That if the Seller's interest be that of land contract, or now or hereafter be encumbered by mortgage, the Seller shall meet the payments of principal and interest thereon as they mature and produce evidence thereof to the Purchaser on demand, and in default of the Seller said Purchaser may pay the same. Such payments by Purchaser shall be credited on the sums first maturing hereon, with interest at the rate provided in Paragraph 1(b) on payments so made. If proceedings are commenced to recover possession or to enforce the payment of such contract or mortgage because of the Seller's default, the Purchaser may at any time thereafter, while such proceedings are pending, encumber said land by mortgage, securing such sum as can be obtained, upon such terms as may be required, and with the proceeds pay and discharge such mortgage, or purchase money lien. Any mortgage so given shall be a first lien upon the land superior to the rights of the Seller therein, and thereafter the Purchaser shall pay the principal and interest on such mortgage so given as they mature, which payments shall be credited on the sums matured or first maturing hereon. When the sum owing hereon is reduced to the amount owing upon such contract or mortgage or owing on any mortgage executed under either of the powers in this contract contained, a conveyance shall be made in the form above provided containing a covenant by the grantee to assume and agree to pay the same.
- (c) That if default is made by the Purchaser in the payment of any taxes, assessments or insurance premiums, or in the payment of the sums provided for in Paragraphs 2(e), or in the delivery of any policy as hereinbefore provided, the Seller may pay such taxes or premiums or procure such insurance and pay the premium or premiums thereon, and any sum or sums so paid shall be a further lien on the land and premises, payable by the Purchaser to the Seller forthwith with interest at the rate as set forth in Paragraph 1(b) hereof.
- (d) That during the existence of this contract, any proceeds received from a hazard insurance policy covering the land shall first be used to repair the damage and restore the property with the balance of such proceeds, if any, being distributed to Seller and Purchaser, as their interest may appear.
- (e) No assignment or conveyance by the Purchaser shall create any liability whatsoever against the Seller until a duplicate thereof, duly witnessed and acknowledged, together with the residence address of such assignee, shall be delivered to the Seller. Purchaser's liability hereunder shall not be released or affected in any way by delivery of such assignment, or by Seller's endorsement of receipt and/or acceptance thereon.

- (f) The Purchaser shall have the right to possession of the premises from and after the date hereof, unless otherwise herein provided, and be entitled to retain possession thereof only so long as there is no default on his part in carrying out the terms and conditions hereof. In the event the premises hereinabove described are vacant or unimproved, the Purchaser shall be deemed to be in constructive possession only, which possessory right shall cease and terminate after service of a notice of forfeiture of this contract. Erection of signs by Purchaser on vacant or unimproved property shall not constitute actual possession by him.
- (g) If the Purchaser shall fail to perform this contract or any part thereof, the Seller immediately after such default shall have the right to declare the same forfeited and void, and retain whatever may have been paid hereon, and all improvements that may have been made upon the premises, together with additions and accretions thereto, and consider and treat the Purchaser as his tenant holding over without permission and may take immediate possession of the premises, and the Purchaser and each and every other occupant remove and put out. In all cases where a notice of forfeiture is relied upon by the Seller to terminate rights hereunder, such notice shall specify all unpaid moneys and other breaches of this contract and shall declare forfeiture of this contract effective in fifteen days after service unless such money is paid and any other breaches of this contract are cured within that time.
- (h) If default is made by the Purchaser and such default continues for a period of forty-five days or more, and the Seller desires to foreclose this contract in equity, then the Seller shall have at his option the right to declare the entire unpaid balance hereunder to be due and payable forthwith, notwithstanding anything herein contained to the contrary.
- (i) The wife of the Seller, for a valuable consideration, joins herein and agrees to join in the execution of the Deed to be made in fulfillment hereof.
- (j) Time shall be deemed to be of the essence of this contract.
- (k) The individual parties hereto represent themselves to be of full age, and the corporate parties hereto represent themselves to be valid existing corporations with their charters in full force and effect.
- (l) Any declarations, notices or papers necessary or proper to terminate, accelerate or enforce this contract shall be presumed conclusively to have been served upon the Purchaser if such instrument is enclosed in an envelope with first class postage fully prepaid, if said envelope is addressed to the Purchaser at the address set forth in the heading of this contract or at the latest other address which may have been specified by the Purchaser and receipted for in writing by the Seller, and if said envelope is deposited in a United States Post Office Box.

ADDITIONAL CONDITIONS.

- (a) A late fee of \$50.00 shall be added to any payment received ten days or more past the monthly due date.**
- (b) Purchasers to pay all taxes. There shall be no tax prorations.**
- (c) Purchasers to pay all transfer taxes.**

The pronouns and relative words herein are written in the masculine and singular only. If more than one join in the execution hereof as Seller or Purchaser, or either be of the feminine sex or a corporation, such words shall be read as if written in plural, feminine or neuter, respectively. The covenants herein used shall bind the heirs, devisees, legatees, assigns and successors of the respective parties.

In Witness Whereof, the parties hereto have executed this contract in duplicate the day and year first above written.

Dated: _____
Signed by:

STATE OF MICHIGAN}
COUNTY OF _____}ss.

The foregoing was acknowledged before me this _____, by

_____.

Notary Public: _____

Drafted by:

Return to: