

LAND CONTRACT



20 \_\_\_\_\_

THIS CONTRACT, MADE BETWEEN

hereinafter referred to as the "Seller" and

hereinafter referred to as the "Purchaser."

WITNESSETH, That in consideration of the mutual covenants to be performed between the respective parties hereto as hereinafter expressed and the sum hereinafter stated to be duly paid by the Purchaser to the Seller, as hereinafter specified, it is agreed between the parties hereto as follows:

1. Sale. The seller hereby sells and agrees to convey to the Purchaser all that certain piece or parcel of land situated in the \_\_\_\_\_ of \_\_\_\_\_ County of \_\_\_\_\_ and State of Michigan, commonly known as \_\_\_\_\_ and described as follows, to wit:

Together with all easements and rights benefiting the premises, whether or not such easements and rights are of record, and 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, and

\_\_\_\_\_ now on the premises, and the right to make \_\_\_\_\_ division(s) under Section 108 of the Land Division Act, Act No. 288 of Public Acts of 1967, subject to all recorded easements, conditions, encumbrances and limitations and to all applicable building and use restrictions, zoning laws and ordinances, if any, affecting the premises.

2. Price and Terms. Said Purchaser hereby purchases said premises from the Seller and agrees to pay the Seller therefor the sum of \_\_\_\_\_ Dollars in the manner following: \_\_\_\_\_ Dollars on delivery of this contract, the receipt whereof is hereby confessed and acknowledged by said Seller, and the remaining \_\_\_\_\_ Dollars, the sum

which is secured by this contract, together with interest on the whole sum that shall be from time to time unpaid at the rate of \_\_\_\_\_ per cent, per annum, payable as follows: \$ \_\_\_\_\_ on the

\_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_, and the same amount on the same day of each and every month thereafter, until the principal and interest shall be fully paid. Interest to be computed monthly and deducted from payment and balance of payment to be applied on principal, said Purchaser to have the right to pay larger installments than above provided for and to pay the whole or any part of the balance remaining unpaid on this contract at any time before the same, by the terms hereof, becomes due and payable. Interest shall commence to run on the unpaid balance of principal as of \_\_\_\_\_ 19 \_\_\_\_\_, and payments shall be made at

until Purchaser is given written notice to the contrary. Notwithstanding the prepayment of any installments, the Purchaser is not relieved of the requirement that the Purchaser make the monthly payments described above.

**3. Taxes and Insurance.** Said Purchaser shall promptly pay, when due, all taxes and assessments of every nature which shall become a lien on said premises after the date hereof, and any installments of special assessments becoming due after the date hereof, excepting

and shall, during the continuance of this contract, maintain liability insurance on the premises, naming the Seller as an additional insured, keep insured the buildings now on said premises, or which shall hereafter be placed thereon, in the name of said Seller against loss by fire and windstorm, in such company or companies and for such amount as the Seller shall approve, and forthwith deposit all policies of insurance with the Seller, with loss, if any, payable to the Seller, as Seller's interest may appear under this contract. Should the Purchaser fail to pay any tax or assessment, or installment thereof, when due, or keep said buildings insured, the Seller may pay the same and have the buildings insured, and the amounts thus expended shall be a lien on said premises and may be added to the balance then unpaid hereon and be due at once and bear interest until paid at the rate of the per cent per annum above specified in Paragraph 2.

In case of damage as a result of which said insurance proceeds are available, the Purchaser may, within sixty (60) days of said loss or damage, give to the Seller written notice of Purchaser's election to repair or rebuild the damaged parts of the premises, in which event said insurance proceeds shall be used for such purpose. The balance of said proceeds, if any, which remain after completion of said repairing or rebuilding, or all of said insurance proceeds if the Purchaser elects not to repair or rebuild, shall be applied first toward the satisfaction of any existing defaults under the terms of this contract, and then as a prepayment upon the principal balance owing, and without penalty, notwithstanding other terms of paragraph 2 to the contrary. No such prepayment shall defer the time for payment of any remaining payments required by said contract. Any surplus of said proceeds in excess of the balance owing hereon shall be paid to the Purchaser.

(Following paragraph applies unless deleted.)

Notwithstanding the provisions of the foregoing paragraph, the Seller herein shall, while this contract is not in default, pay all taxes (but not special assessments) levied on the above described premises and premiums on insurance on the buildings on said premises and the amounts so paid shall be added to the principal then unpaid thereon. It is understood that \$ is included in each monthly payment as a credit to cover taxes and insurance premiums as they mature. The monthly payment required shall be increased from time to time, as necessary, to cover any increase in cost of taxes and insurance incurred over such costs as of the time of execution of this contract.

**4. Maintenance.** All buildings, trees or other improvements now on said premises, or hereafter made or placed thereon, shall be a part of the security for the performance of this contract and may not be removed therefrom. Purchaser shall not commit, or suffer any other person to commit, any waste or damage to said premises or the appurtenances and shall keep the said premises and all improvements in as good condition as they are now.

**5. Enforcement on Default.** If the Purchaser shall fail to perform any of the covenants or conditions contained in this contract on or before the date on which the performance is required, the Seller may:

(a) give the Purchaser a written notice specifying the default and informing the Purchaser that if the default continues for a period of fifteen days after service of the notice that the Seller will without further notice declare the entire balance due and payable, and proceed according to the common law or the statutes of the State of Michigan; or

(b) not declare the entire balance due and payable, and proceed according to the common law or the statutes of the State of Michigan including but not limited to the right of Seller to declare a forfeiture in consequence of the nonpayment of any money required to be paid under the contract or any other breach of the contract, but in the event the Seller elects to proceed under this sub-paragraph the Seller shall give the Purchaser a written notice of forfeiture specifying the default which has occurred and shall give the Purchaser a period of fifteen days after service of the notice of forfeiture to cure the default.

**6. Deed and Evidence of Title.** If the Purchaser shall, in the time and manner above specified, make all the payments herein provided for, and shall observe and perform all the conditions and agreements herein made, the Seller shall thereupon by good and sufficient warranty deed, convey the premises to the Purchaser on the conditions herein agreed upon. Seller shall deliver with said deed a complete abstract of title and tax history of the premises certified to date of conveyance and showing a marketable title, subject to easements, conditions, encumbrances and limitations of record, in the Seller, or a fee simple title insurance policy guaranteeing title to the premises in the name of Purchaser; provided, however, that the warranty deed, the abstract and the tax history shall be limited so as to except acts or negligence of parties other than the Seller subsequent to the date of this contract.

In the event that evidence of title in the Seller, by abstract of title or title insurance, has been furnished the Purchaser current with the date of this contract, Purchaser agrees that except for costs resulting from acts, negligence, or death of the Seller, the cost of additional evidence of title shall be the obligation of the Purchaser.

**7. Possession.** Possession of said premises may be taken by said Purchaser on and retained for so long as no default is made by said Purchaser in any terms or conditions hereof.

**8. Assignment or Sale.** Purchaser further agrees that, notwithstanding any other provision herein contained, this land contract shall become immediately due and payable in the event Purchaser shall sell, assign, transfer or convey his interest or any part of his interest in the subject property by assignment, sub-land contract, or any other manner, without first securing the written consent of the Seller.

**9. Conveyance or Mortgage by Seller.** The Seller reserves the right to convey, his interest in the above described land and his conveyance hereof shall not be a cause for rescission.

The Seller may, during the lifetime of this contract, place a mortgage on the premises above described, which shall be a lien on the premises, superior to the rights of the Purchaser herein, or may continue and renew any existing mortgage thereon, provided that the aggregate amount due on all outstanding mortgages shall not at any time be greater than the unpaid balance of the contract, and provided that the aggregate payments of principal and interest, whether periodic or final, required in any one month in such new or renewal mortgage shall not exceed those named in this contract; nor shall said new or renewal mortgage restrict the time of payments

thereon to a date later than is provided for similar payments in this contract. To secure the priority of lien granted to a new or renewal mortgage as provided for in this paragraph, written notice shall be given to the Purchaser within fifteen (15) days of the execution of all such new mortgages and renewals containing the name and address of the mortgagee, the rate of interest of such mortgage, the amount and due date of payments and maturity of principal.

If the Seller's interest be that of land contract Purchaser or is now or hereafter encumbered by mortgage, the Seller covenants that he will meet the payments of principal and interest thereon as they mature and produce evidence thereof to the Purchaser upon demand. In the event the Seller shall default upon any such mortgage or land contract, the Purchaser shall have the right to do the acts or make the payments necessary to cure such default and shall be reimbursed for so doing by receiving, automatically, credit on this contract to apply on the payments due or to become due hereon.

When payments on this contract have reduced the amount due hereon to the amount due by Seller on any such mortgage or land contract indebtedness, thereafter the Purchaser shall be entitled to make payments due on this contract directly to the mortgagee or land contract vendor for credit on such mortgage or land contract indebtedness and the Purchaser shall be reimbursed for doing so by receiving, automatically, credit on this contract to apply on the payments due or become due hereon.

**10. Notices.** Until endorsed on this contract to the contrary, each of the parties hereto agrees that notices required hereunder may be sent to:

Seller at  
Purchaser at

and when mailed, postage prepaid, to said address, shall be binding and conclusively presumed to be served upon said parties respectively. Notice of forfeiture of this contract shall be served as provided by law.

**11. Pronouns.** If more than one joins in the execution hereof as Seller or Purchaser, or either be of the feminine sex, or a corporation, the pronouns and relative words herein used shall be read as if written in plural, feminine or neuter respectively.

**12. Time of Essence.** It is expressly understood and agreed by the parties hereto that time shall be deemed as of the very essence of this contract and all stipulations and agreements herein contained shall apply to and bind the heirs, executors, administrators, successors, executors, administrators, successors and assigns of the parties hereto.

**13. Condition of Premises.** Purchaser agrees that the Seller has made no representations or warranties and makes no representations or warranties as to the condition of the premises, the condition of the buildings, appurtenances and fixtures locate thereon, and/or the location of the boundaries.

**14. Rents and Profits.** Notwithstanding any other provision herein contained or any provision of law, the parties expressly agree that in the event of default not cured by the Purchaser within fifteen (15) days after notice of intent to forfeit the contract is served upon Purchaser, Seller shall have the right to possession of the subject property, and to receive all rents and profits relative to the subject property from and after the date set in said notice for curing such default and such right of Seller shall continue during any period that forfeiture or foreclosure proceedings may be pending and during any period of redemption. Purchaser further agrees that Seller shall have the right to the appointment of a receiver to receive such rents and profits and such receiver may be Seller or an agent of Seller.

**15. Attorney Fees.** In the event of default, in addition to any remedies or rights of Seller, Purchaser shall pay to Seller, Seller's reasonable and actual attorneys' fees and expenses incurred by Seller in enforcement of any rights of Seller hereunder, which sums shall be payable prior to Purchaser's being deemed to have corrected any such default.

**16. Late Payment Charge.** If Purchaser shall fail to pay, within ten (10) days after due date, any installment due hereunder, Purchaser shall be required to pay an additional charge of five (5%) percent of the late installment. Such charge shall be paid to Seller at the time of payment of the past due installment. The charge is deemed by the parties to cover Seller's administrative costs resulting from Purchaser's delinquency.

**17. Other Provisions.**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Balloon Payment (Optional).** Notwithstanding any provision to the contrary contained herein. Purchaser shall pay the entire balance of principal and interest due hereunder on or before the expiration of \_\_\_\_\_ years from the date hereof.

**In Witness Whereof,** the parties hereto have executed this Land Contract on the day and year first above written.

Witnesses: \_\_\_\_\_ (L.S.)  
\*

\_\_\_\_\_ (L.S.)  
\*

\_\_\_\_\_ (L.S.)  
\*

Witnesses: \_\_\_\_\_ (L.S.)  
\*

\_\_\_\_\_ (L.S.)  
\*

\_\_\_\_\_ (L.S.)  
\*

NOTE Land Contracts by statute, must be executed in the presence of two witnesses.

STATE OF MICHIGAN

COUNTY OF \_\_\_\_\_

} ss.

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,

by \_\_\_\_\_

\*

\_\_\_\_\_  
Notary Public,  
\_\_\_\_\_  
County, Michigan

My Commission expires \_\_\_\_\_,

STATE OF MICHIGAN

COUNTY OF \_\_\_\_\_

} ss.

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_

by \_\_\_\_\_

The Name and Business Address of the Person  
Who Drafted this Instrument:

\*

\_\_\_\_\_  
Notary Public,  
\_\_\_\_\_  
County, Michigan

My Commission expires \_\_\_\_\_,

**NOTES**

\* If this Contract is to be recorded, PRINT, TYPEWRITE OR STAMP Names of Persons executing this Instrument, also Names of Witnesses and Notary Public immediately underneath such signatures. In addition, the parties addresses should be printed in the recitals of this contract.