

FORM OF LAND CONTRACT

Parties This Contract, made this _____ day of _____, 19____, between _____ hereinafter referred to as "Seller", whose address is _____ and _____ hereinafter referred to as "Purchaser", whose address is _____

Witnesseth:

Description of Premises

1. Seller Agrees:

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

TAX I.D. #
Commonly known as:

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

Terms of Payment

(b) That the full consideration for the sale of the land to Purchaser is: _____ (\$_____) dollars, of which the sum of (\$_____) dollars has been paid to Seller prior to the delivery hereof, the receipt of which is hereby acknowledged, and the additional sum of _____ (\$_____) dollars, is to be paid to Seller, with interest on any part thereof at any time unpaid at the rate of _____ per cent per annum while Purchaser is not in default, and at the rate of _____ per cent per annum, computed upon the balance of the purchase price then unpaid, during the period of any default in payment. Such additional purchase money and interest is to be paid in monthly installments of (\$_____) dollars each, or more at Purchaser's option, on the _____ day of each month, beginning _____, 19____; such payments to be applied first upon interest and the balance on principal. All of the purchase money and interest shall, however, be fully paid within _____ years from the date hereof, anything herein to the contrary notwithstanding.

Seller's Duty to Convey

(c) To execute and deliver to Purchaser or his assigns, upon _____ payment in full of all sums owing hereon, less the amount then owing on any unpaid mortgage or mortgages, and the surrender of the duplicate of this contract, a good and sufficient warranty deed conveying title to the land, subject to abovementioned restrictions and easements and to any then unpaid mortgage or mortgages, but free from all other encumbrances, except such as may be herein set forth or shall have accrued or attached since the date hereof through the acts or omissions of persons other than Seller or his assigns.

To furnish Title Evidence

(d) To deliver to Purchaser as evidence of title, at Seller's option, either commitment for title insurance followed by a policy pursuant thereto insuring Purchaser or abstract of title covering the land, furnished by _____ {insert Title Company name}. The effective date of the policy or certification date of the abstract is to be approximately the date of this contract. Seller shall have the right to retain possession of such evidence of title during the life of this contract but upon demand shall lend it to Purchaser upon the pledging of a reasonable security.

Purchaser's Duties

2. Purchaser Agrees:

(a) To purchase the land and pay Seller the sum aforesaid, with interest thereon as above provided.

(b) To use, maintain and occupy the land in accordance with any and all building and use restrictions applicable thereto.

(c) To keep the land in accordance with all police, sanitary or other regulations imposed by any governmental authority.

(d) To keep and maintain the land and the buildings in as good condition as they are at the date hereof and not to commit waste, remove or demolish any improvements thereon, or otherwise diminish the value of Seller's security, without the written consent of Seller.

To Pay Taxes and keep Premises Insured

(e) To pay all taxes and special assessments hereafter levied on the land before any penalty for non-payment attaches thereto, and submit receipts to Seller upon request, as evidence of payment thereof; and also at all times to keep the buildings now or hereafter on the land insured against loss and damage, in manner and to an amount approved by Seller, and to deliver the policies as issued to Seller with the premiums fully paid.

Alternate Payment Method

If an amount representing estimated monthly costs of taxes, special assessments and insurance is inserted in Paragraph 2(f), then the method of payment of these items therein indicated shall be adopted. If such an amount is not inserted, then Paragraph 2(f) shall be of no effect and the method of payment provided in Paragraph 2(e) shall apply.

Insert amount if advance monthly installment method of tax and insurance payment is to

(f) To pay monthly in addition to the monthly payment hereinbefore stipulated, the sum of _____ (\$_____) dollars, which is an estimate of the monthly cost of taxes, special assessments, and insurance premiums for the land, which shall be credited by Seller on the unpaid principal balance owing on the contract. If Purchaser is not in default under the terms of this contract, Seller shall pay for Purchaser's account the taxes, special assessments and insurance premiums mentioned in Paragraph 2(e) above when due and before any penalty attaches, and submit receipts therefor to 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

| | |
|-----------------------------------|---|
| be adopted | time to time so that the amount received shall approximate the total sum required annually for taxes, special assessments and insurance. This adjustment shall be made on demand of either of the parties and any deficiencies shall be paid by Purchaser upon Seller's demand. |
| Acceptance of Title and Premises | <p>(g) That he has examined a title insurance commitment/policy dated _____ an abstract of title certified to covering the land, and is satisfied with the marketability of title shown thereby. Delivery of such commitment or an owner's title policy issued pursuant to such commitment, or an abstract, to Purchaser shall constitute fulfillment of Seller's agreement to furnish title evidence herein contained.</p> <p>(h) That he has examined the land and is satisfied with the physical condition of any structure thereon, and hereby waives any and all claims on account of any encroachments on the land or any premises adjacent thereto.</p> |
| Mortgage by Seller | <p>3. Seller and Purchase Mutually Agree:</p> <p>(a) That Seller may at any time encumber the land by mortgage or mortgages to secure not more than the balance owing hereon at the time such mortgage or mortgages are executed, which mortgage or mortgages shall provide for payments of principal and/or interest not in excess of nor sooner than those provided for in this contract, and shall be a first lien upon the land superior to the right of Purchaser therein; provided notice of the execution of such mortgage or mortgages containing the name and address of the mortgagee or his agent, the amount of such mortgage or mortgages and the rate of interest and maturity of the principal and interest shall be sent to Purchaser by certified mail promptly after execution thereof. Purchaser shall, on demand of the Seller, execute any instruments that may be required for the exercise of the foregoing power. If Purchaser shall refuse to execute any such instruments demanded by Seller or to accept such certified mail, or such certified mail shall be returned unclaimed, then Seller may post such notice in two conspicuous places on the land, and make affidavit of such facts and of such posting, after which Purchaser's rights shall be subordinated to such mortgage or mortgages as hereinbefore provided. The consent obtained, or subordination effected as herein provided, under or by virtue of the foregoing power, shall extend to any and all renewals, extensions or amendments of such mortgage or mortgages after Seller has given notice thereof to Purchaser in like manner as is herein provided for giving notice of the execution of such mortgage or mortgages, except as to amendment which would increase the mortgage amount to one in excess of that owing hereon, or provide for a rate of interest in excess of that provided or a maturity date sooner than provided herein.</p> |
| Encumbrances on Seller's Title | <p>(b) That if the title of Seller is evidenced by land contract or now or hereafter encumbered by mortgage, Seller shall meet the payments of principal and interest thereon as they mature and produce evidence thereof to Purchaser on demand. On Seller's default Purchaser may pay the same, which payments shall be credited on the sums matured or first maturing hereon with interest at _____% per annum on payments so made. If proceedings are commenced to recover possession of the land or to enforce the payment of such contract or mortgage, because of Seller's default, Purchaser may at any time thereafter while such proceedings are pending encumber the land by mortgage securing such sums as can be obtained upon such terms as may be required and with the proceeds pay and discharge such mortgage or purchase money lien, and any mortgage so given shall be a first lien upon the land superior to the rights of Seller therein. Thereafter 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 amount owing hereon is reduced to that owing upon such contract or mortgage or upon any mortgage executed under either of the powers contained in this contract, a conveyance shall be made in the form above provided with a covenant by the grantee to assume and pay the same.</p> |
| Non-payment of Taxes or Insurance | <p>(c) That if default is made by Purchaser in the payment of any tax or special assessment or insurance premiums or in the delivery of insurance as above provided, Seller may pay such tax, special assessments or premiums or procure such insurance and pay the premiums therefore, and any amount so paid shall be a further lien on the land payable by Purchaser to Seller forthwith with interest at % per annum. This provision shall be effective only if Paragraph 2(e) applies.</p> |
| Disposition of Insurance Proceeds | <p>(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 interests may appear.</p> |
| Assignment by Purchaser | <p>(e) That no assignment or conveyance by Purchaser shall create any liability whatsoever against Seller until a duplicate thereof duly witnessed and acknowledged, containing the residence address of the assignee, shall be delivered either personally or by certified mail to Seller and receipt therefor obtained. 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 or acceptance thereon.</p> |
| Possession | <p>(f) That Purchaser shall have the right to possession of the land 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. If the land is vacant or unimproved, 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.</p> |
| Right to Forfeit | <p>(g) That should Purchaser fail to perform this contract or any part thereof, Seller immediately after such default shall have the right to declare this contract forfeited and void, and retain whatever may have been paid hereon, and all improvements that may have been made upon the land, together with additions and accretions thereto, and consider and treat Purchaser as his tenant holding over without permission and may take immediate possession of the land, and Purchaser and each and every other occupant remove and put out. A proper notice of forfeiture, giving Purchaser at least fifteen (15) days to pay any moneys required to be paid hereunder or to cure other material breaches of this contract, shall be served on Purchaser, as provided by statute, prior to institution of any proceedings to recover possession of the land.</p> |
| Acceleration Clause | <p>(h) That if proceedings are taken to enforce this contract by equitable action, after Purchaser shall have been in default for a period of forty-five (45) days or more, the entire amount owing hereon shall be due and payable forthwith, anything herein contained to the contrary notwithstanding.</p> |

(i) That time shall be deemed to be of the essence of this contract.

Notice to Purchaser

(j) That any declarations, notices or papers necessary or proper to terminate, accelerate or enforce this contract shall be conclusively presumed to have been served upon Purchaser if such instrument was enclosed in an envelope with first-class postage fully prepaid, addressed to Purchaser at the address set forth in the heading of this contract or at the latest other address which may have been specified by Purchaser and receipted for in writing by Seller, and such envelope was deposited in the United States government mail.

Additional Clauses

(k)

Dower Rights

If the wife of Seller has dower rights in the land, she agrees by joining in the execution of this contract, to join in executing the deed to be given in fulfillment hereof.

Capacity of Parties

Any individual parties hereto represent themselves to be of full age. Any corporate parties hereto present themselves to be existing corporations with their charters in full force and effect. Any partnership parties hereto represent themselves to be existing partnerships with their certificates in full force and effect.

Interpretation of Contract

The pronouns and relative words herein used are written in the masculine and singular. If, however, more than one person joins in the execution hereof as Seller or Purchaser, or either party 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 shall bind the heirs, devisees, legatees, successors and assigns of the respective parties.

Signatures

Signed, sealed and delivered by the parties in duplicate the day and year first above written.

IN THE PRESENCE OF:

Individual Acknowledgement

STATE OF MICHIGAN
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 19__ by _____.

Notary Public
_____ County, Michigan
My commission expires:

Corporate Acknowledgement

STATE OF MICHIGAN
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 19__

(1) by
(2)
(3) of
(4) a

Corporation on behalf of the said corporation.

Notary Public
_____ County, Michigan
My commission expires:

Note:

Insert at (1) name(s) of officer(s); (2) title(s) of officer(s); (3) name of corporation; (4) state of corporation

Instrument Drafted by:

Business Address: