



## Land Contract Addendum

Property \_\_\_\_\_

Purchaser(s) \_\_\_\_\_

Seller(s) \_\_\_\_\_

Purchase Agreement Date \_\_\_\_\_ This Addendum is attached to and made a part of said Agreement.

**1. FINANCING.** Sale on Land Contract: Purchaser agrees to pay the sum of \$ \_\_\_\_\_ (Sales Price) as follows: a down payment of \$ \_\_\_\_\_ in the form of a certified check, and the remaining balance of the sales price will be paid by the execution of a Land Contract in the amount of \$ \_\_\_\_\_ on a universally accepted title company form acknowledging payment of that sum and calling for the payment of the remainder of the purchase money within \_\_\_\_\_ months from the date of the closing of the Contract in monthly payments of not less than \$ \_\_\_\_\_, each of which include interest payments at a rate of \_\_\_\_\_ percent per annum.

**2. REAL ESTATE TAXES.** Check which applies,

\_\_\_\_ Purchaser agrees to pay all taxes and special assessments directly to the taxing authority when due and will provide proof of payment to Seller upon request.

\_\_\_\_ Purchaser agrees to pay an additional monthly amount of \$ \_\_\_\_\_ which is an estimate of 1/12 of the annual cost of taxes and special assessments. Seller agrees to pay said taxes and special assessments when due and will provide proof of payments to Purchaser upon request. This amount may be adjusted periodically to approximate the total annual sum for taxes and special assessments.

\_\_\_\_ Seller agrees to pay all taxes and special assessments when due and will add said amounts paid to the principle balance of the Land Contract on the due date. Proof of payments shall be provided to Purchaser upon request.

**3. INSURANCE.** Purchaser agrees to insure said property with a hazard/liability insurance policy in an amount not less than the amount of the original Land Contract balance and will provide proof of policy and payment to Seller upon request. If there is an underlying Contract, the Vendor must be added as an additional insured to the extent of their interest during the term of this contract.

**4. FIRST PAYMENT.** Purchaser's first monthly payment is due 30 days from the date of the closing. Taxes will be prorated as of the date of closing. Interest will begin from the closing date. If Seller occupies the property after closing, Seller will pay use and occupancy in accordance with above mentioned Purchase Agreement. In Addition, if payments are to be due on the first day of the month, place an "X" here \_\_\_\_\_. In this case, Purchaser will pay interest at closing for the period from the closing date to the first of the following month, and the first payment will be due on the first day of the next month.

**5. LATE PAYMENT.** In the event payments are not received within (15) or \_\_\_\_\_ calendar days from the due date, a late payment charge of \$ \_\_\_\_\_ per payment shall be added to the payment. This is a late payment charge and not interest. Purchaser further agrees and understands enforcement of the late payment charge does not constitute an election under the contract, and the Seller may pursue any other remedies available in law or equity.

**6. ADDITIONAL PAYMENTS.** In addition to the required monthly payments, Purchaser shall pay to Seller \$ \_\_\_\_\_ on or before \_\_\_\_\_. Said amount shall be applied against the principle balance of the Land Contract.

**7. BALLOON PAYMENT.** Purchaser and Seller understand that the regular monthly payments called for by the terms of the Land Contract will not pay the Land Contract amount owing in full by the end of the term of said contract. At that time, there will be a lump sum payment "Balloon Payment" due from the Purchaser to Seller.

Purchaser(s) \_\_\_\_\_

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Seller(s) \_\_\_\_\_

**8. ASSUME EXISTING MORTGAGE.** At any time during the term of this Land Contract, Purchaser may assume the existing mortgage, if said mortgage is assumable.

**9. WARRANTY DEED.** Seller agrees to execute a good and sufficient Warranty Deed at closing to be placed in Escrow with a Title Agency. Purchaser agrees to bear the cost from the Title Agency associated with the preparation of said Warranty Deed.

**10. UNDERLYING MORTGAGE.** If there is an underlying mortgage and/or land contract on this property, this agreement is subject to the approval of said mortgage and/or land contract holder within (15) or \_\_\_\_\_ calendar days of acceptance hereof. Seller shall provide Purchaser with written proof that said mortgage and/or land contract holder is aware of this agreement and that there are no provisions or requirements (Due on Sales Clause) that would interfere or negate this agreement. If Seller is unable to provide written proof of said mortgage and/or land contract holder's approval within the time frame stipulated, then Purchaser may declare this agreement null and void and the deposit shall be refunded to the Purchaser in full.

**11. CREDIT REPORT.** Purchaser(s) agrees to deliver, at their expense, to Seller a current credit report, employment letter(s), and financial statement within (7) or \_\_\_\_\_ calendar days of acceptance hereof. If said information is not satisfactory to Seller or is not timely delivered, Seller may, within (5) or \_\_\_\_\_ calendar days of receipt of said information, declare this agreement null and void with written notification to Purchaser and the deposit shall be refunded to the Purchaser in full.

**12. EXTENSION OF CONTRACT.** Seller is under no obligation to extend this contract beyond the agreed upon termination or to refinance the principle balance beyond said termination date.

**13. SURVEY.** Purchaser has been advised that a survey should be obtained and \_\_\_ has ordered a survey, or \_\_\_ decided not to have a survey. If a survey is ordered, it will be a \_\_\_ mortgage type, or a \_\_\_ stake type survey at Purchaser's expense, paid for in advance.

**14. REPRESENTATIONS.** No representations, oral or otherwise, have been made by Salesperson(s), Brokers, or Seller to Purchaser as to the future availability of satisfactory financing that may be available in order for the Purchaser to pay-off the obligation owed to Seller during the time frame stipulated in this agreement.

**15. LEGAL COUNSEL.** This is a legal and binding document, and both Purchaser and Seller acknowledge that they have been advised to consult an attorney to protect their interest in this transaction. Where the transaction involves financial and tax consequences, the parties acknowledge that they have been advised to seek the advice of their accountant or financial advisor.

**16. DUE ON SALES CLAUSE.** If all or any part of the property herein or any interest therein is sold or transferred by the Purchaser without the Seller's prior written consent, Seller may at Seller's option, declare all sums due hereunder to be immediately due and payable.

**17. ADDITIONAL CONDITIONS.** \_\_\_\_\_  
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Purchaser and Seller agree that they have reviewed each clause of this Addendum and affirm that they completely understand the meaning of and importance of each individual clause.

\_\_\_\_\_  
Purchaser / Date:

\_\_\_\_\_  
Seller / Date:

\_\_\_\_\_  
Purchaser / Date:

\_\_\_\_\_  
Seller / Date:

\_\_\_\_\_  
Witness / Date:

\_\_\_\_\_  
Witness / Date: