

Land Contract

PARTIES, this Contract, made this _____ day of _____, _____, between _____ (the "Seller"), whose address is _____ and _____ (the "Buyer"), whose address is _____ upon the following terms and conditions:

1. DESCRIPTION OF PREMISES. The Seller agrees to sell to the Buyer land in _____ City/Township, _____ County, Michigan with a street address of _____ and legally described as: _____.

Together with all improvements, appurtenances, tenements and hereditaments (the "Premises"); but subject to easements and restrictions of record and zoning laws and ordinances affecting the Premises.

2. PRICE AND TERMS. The Buyer agrees to purchase the Premises from the Seller, and to pay a purchase price of _____ and 00/100 Dollars (\$ _____ .00) of which the sum of _____ 00/100 Dollars (\$ _____) has been paid. The Buyer agrees to pay to the Seller the balance of _____ 00/100 Dollars (\$ _____) together with interest on any principal from time to time unpaid, in the following manner: Monthly payments in the amount of _____ /100 Dollars (\$ _____), is due on or before the _____ day of _____, 20__ and _____ and ____/100 Dollars (\$ _____) is due each month thereafter until _____, 20__ at which time all sums including interest is due.

The interest mentioned above shall be at the rate of _____ percent (____%) per annum, from _____, 20__ computed monthly and first deducted from each payment with the remainder applied to principal. Any payment of principal and interest not paid when due shall be assessed a one time late charge of _____ percent (____%), and in addition shall bear interest upon the interest portion of the payment until paid at the above stated Contract interest rate but not to exceed _____ percent (____%). Both the late charge and the interest upon interest shall be separate amounts owed under this Contract and shall be due and payable immediately upon the occurrence of the default. All payments shall be made at Direction of the Sellers.

3. POSSESSION. The Buyer shall receive possession of the Premises on _____ and shall be entitled to retain possession only so long as there is no default by Buyer in carrying out the terms and conditions of this Contract. Possession is also subject to the following rights of any tenants in possession: None.
4. WASTE. The Buyer shall at all times maintain the Premises in the same condition it was in on the date of giving possession, reasonable wear and tear excepted, and the Buyer shall not

commit or suffer any other person to commit waste or, without the consent of the Seller in writing, remove, change or demolish the improvements on the Premises in a way which may diminish Seller's security.

5. **TAXES.** The Buyer shall pay all taxes and special assessments upon the Premises which shall become due and payable after the date of this Contract before they become subject to penalties, and shall produce evidence of the payment to the Seller on demand. Other tax provisions: All future tax and assessments are the responsibility of the Buyer.
6. **INSURANCE.** The Buyer shall obtain and keep in force fire and extended coverage insurance in the name of the Seller covering the buildings and improvements now or hereafter placed on the Premises with a loss payable clause or other endorsement making the proceeds payable to the Seller and Buyer as their respective interest may appear, with insurers satisfactory to the Seller in an amount not less than the insurable value of the Premises, and shall deliver copies of the insurance policies to the Seller with premium paid.
7. **DISPOSITION OF INSURANCE PROCEEDS.** In case of loss or damage as a result of which insurance proceeds are available in an amount sufficient to repair or rebuild the Premises, Buyer has the right to elect to use the insurance proceeds to repair or rebuild. In order to elect to exercise the right, Buyer must give Seller written notice of the election within 60 days of the loss or damage. If the election is made, the insurance proceeds shall be used for that purpose. In the event the insurance proceeds are not sufficient to repair or rebuild the Premises, Buyer may elect to use the proceeds to repair or rebuild by giving written notice of the election within 60 days of the loss or damage, and along with the notice, deposit with Seller an amount sufficient to provide for full payment of the repair and rebuilding. If the election, and deposit if required, are not timely made, the insurance proceeds shall be applied on this Contract. If the insurance proceeds exceed the amount required for repairing and rebuilding, the excess 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, without penalty, notwithstanding any other provision to the contrary. The prepayment shall not defer the time for payment of any remaining payments required under paragraph 2. Any surplus of proceeds in excess of the balance owing on this Contract, shall be paid to Buyer.
8. **INSURANCE AND/OR TAX DEFAULT.** In case of failure of the Buyer to obtain, maintain, or deliver policies of insurance or to pay taxes or special assessments payable by the Buyer, the Seller may:
 - (a) Pay the insurance premium, taxes or special assessments and add them to the unpaid balance on the contract, or
 - (b) Pay the insurance premiums, taxes or special assessments and treat Buyer's failure to pay them as a default, or
 - (c) Not pay the insurance premiums, taxes or special assessments and treat Buyer's failure to pay them as a default.

9. SELLER'S RIGHT TO MORTGAGE. Seller's right to place a mortgage on the Premises, or renew or amend any existing mortgage, is subject to the following limitations:
- (a) The aggregate amount due on all outstanding mortgages shall not, at any time, be greater than the unpaid principal of this Contract;
 - (b) The aggregate payments of principal and interest required in any one year under the new or renewal mortgage or mortgages shall not exceed those required under this Contract;
 - (c) The mortgage or mortgages shall not be amended to extend the term beyond the length of this Contract;
 - (d) The Seller shall give to the Buyer written notice of the execution of any mortgage or renewal, containing the name and address of the mortgagee, the amount and rate of interest on the mortgage, the due date of payments and maturity of the principal;
 - (e) The Seller covenants to meet the payment of principal and interest as they mature on any mortgage now or hereafter placed upon the Premises and produce evidence of payment to the Buyer on demand; and
 - (f) In case the Seller shall default upon any mortgage, the Buyer shall have the right to do the acts or make the payments necessary to cure the default and shall be reimbursed by receiving credit to apply on the payments due or to become due on this Contract.

When the Contract payments have reduced the amount due to the amount of the mortgage indebtedness, the Buyer shall be entitled to demand and receive the deed hereinafter mentioned, subject to the mortgage indebtedness which the Buyer shall assume and agree to pay; provided that the mortgage by its terms does not prohibit assumption.

10. SELLER TO PERFORM PRIOR LAND CONTRACT. If, at the time this Contract is executed, the Seller is purchasing the Premises on a land contract, the Seller covenants and agrees to meet all obligations of that contract as they mature and produce evidence thereof to the Buyers on demand. If the Seller shall default on any prior land contract obligations, the Buyer may cure the default and any payments by the Buyer shall be credited on the sums first due on this Contract.

Whenever the sum due and owing on this Contract is reduced to the amount owing upon the prior land contract by which the Seller is purchasing the Premises, and if the Buyer is not in default, the Buyer shall be entitled to demand and receive an assignment of Seller's right, title, and interest in and to the prior land contract, provided that the Buyer shall assume and pay the prior land contract, and provided further that the prior land contract does not prohibit assignment.

11. ENFORCEMENT ON DEFAULT. If the Buyer shall fail to perform any of the covenants or conditions contained in this Contract on or before the date of which the performance is required, the Seller may:

- (a) Give the buyer a written notice specifying the default and informing the Buyer 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 Buyer a written notice of forfeiture specifying the default which has occurred and shall give the Buyer a period of fifteen days after service of the notice of forfeiture to cure the default.
- (c) The prevailing party shall be entitled to reasonably attorney fees and costs from the other party for any and all enforcement of this Agreement. "Prevailing party" is defined under MCR 2.625.

12. ASSIGNMENT. The Seller may assign, sell, or convey an interest in this Contract, but shall immediately give written notice to the Buyer of the action, which notice shall give the name and address of the new party. The Buyer further agrees that, notwithstanding any other provision herein contained, this land contract shall become, at Seller's option, immediately due and payable in the event Buyer shall sell, assign, lease with option to purchase, transfer or convey his/her interest or any part of his/her interest in the subject property by assignment, sub-land contract, or any other manner, without first securing the written consent of the Seller in its sole discretion. No assignment, sale, or conveyance, shall release Buyer from obligations under the provisions of this Contract unless Seller releases the Buyer in writing.

13. ASSIGNMENT OF LEASES AND RENTS. As additional security for the performance of Buyer's obligations under this Contract, Buyer assigns, sells, and conveys to Seller all of Buyer's right, title, and interest in and to all existing and subsequent leases and occupancy Contracts of any type and nature affecting all or a portion of the Premises (collectively referred to as "Leases") and all rents, issues, payments, and profits currently and in the future to be derived from all or any portion of the Premises (collectively referred to as "Rents"). This assignment shall constitute an absolute and present assignment of the Leases and Rents and any other benefits derived from the Premises, subject, however, to the conditional permission given to Buyer to collect and use the Rents and other benefits from the Premises so long as no default exists under this Contract.

If Buyer fails to perform any of the covenants or conditions contained in this Contract or in the other documents signed in conjunction with this Contract under the parties' purchase Contract for the sale of the Premises, Seller, in addition to all other remedies set forth in this Contract, shall give Buyer a written notice specifying the default. The notice shall inform Buyer that if the default continues for 15 days after such notice, Seller may, without further notice to Buyer, with or without any action or proceeding, and with or without a court

appointed receiver, take possession of the Premises and have, hold, manage, lease, and operate the Premises for the period of time that Seller deems proper to cure the default. The notice shall also state that Seller may, either with or without taking possession of the Premises in Seller's own name, sue for or otherwise collect all Rents and apply the Rents against all the expenses of enforcing Seller's remedies, including but not limited to Seller's attorney fees, and against the principal and interest and all other amounts then due under this Contract. Seller's rights and remedies under this assignment are cumulative and in addition to any other rights and remedies that Seller may have under this Contract and any other Contract between Seller and Buyer, as well as any other legal rights that Seller may have. The parties intend that this assignment shall function in the same form and manner as a statutory assignment of rents and leases as provided for by MCL 554.211 et seq., as amended, and MCL 554.231 et seq., as amended. The parties intend that all the rights and remedies provided for in those statutes shall be available between the parties under the assignment provided for in this Contract. Seller shall not be liable for any loss sustained by Buyer resulting from Seller taking possession of the Premises after default or from any other act or omission of Seller in managing the Premises after default, unless the loss is caused by the willful misconduct or bad faith of Seller. Seller shall not be obligated to perform any obligation, duty, or liability under the leases, even if Seller elects to collect the rents under this Contract following a default by Buyer.

14. BUYER'S ACCEPTANCE OF TITLE AND PREMISES. The Buyer acknowledges having been previously advised to request an attorney at law to examine a policy of title insurance or binder covering the Premises, dated _____ by Lighthouse Title Inc., policy number _____, and agrees to accept as merchantable the title now disclosed there except: See Schedule BII.
15. CONVEYANCE. Upon full final payment of the principal and interest of this Contract within the time and the manner required by this Contract, together with all other sums chargeable against the Buyer, and upon full performance of the covenants and agreements of the Buyer, the Seller shall convey the Premises to the Buyer or the Buyer's legal representative, successors or assigns by Warranty deed, subject to easements and restrictions or record and free from all other encumbrances except those, if any, as shall have been expressly assumed by the Buyer and except those, if any, as shall have arisen through the acts of neglects of the Buyer or others holding through the Buyer. At the time of delivery of the deed, the Seller will deliver all insurance policies mentioned in this Contract properly assigned by the Seller to the Buyer, and at Seller's expense, a title search to the date of the deed. Title Insurance has already been issued at the time of close pursuant to the purchase agreement and will therefore not be provided at a cost to the Seller at the time land contract is paid in full and a Warranty deed issued.
16. LOAN OF PAPERS. Upon request, the Seller shall deliver the abstract or the policy of title insurance or binder to the Buyer for a period not exceeding thirty (30) days, for which the Buyer shall give a receipt.

17. SERVICE OF NOTICES. Any and all notices or demands shall be sufficient when served as follows:

- (d) By personal service on the party or to a member of the party's family or employee of suitable age and discretion with a request that the notice or demand be personally delivered to the party; or
- (e) By depositing the notice or demand in the United States Post Office with postage fully prepaid by first class mail, addressed to the party at the party's last known address.

18. TIME OF ESSENCE. It is expressly understood and agreed that time shall be deemed of the essence of this Contract. Failure of the Seller to exercise any right upon default of the Buyer shall not constitute a waiver of any rights and shall not prevent the Seller from exercising any rights upon subsequent default.

19. ADDITIONAL PROVISIONS. Seller agrees to pay the Real Estate Transfer Tax based on the purchase price of _____ and 00/100 Dollars (\$_____.00) when the land contract is paid in full. Buyer is aware that this land contract needs to be paid off on or before _____.

20. BINDING EFFECT. The covenants and agreements of this Contract shall bind the heirs, assigns, and successors of the respective parties.

21. EFFECTIVE DATE. The parties have signed this Contract in duplicate and it shall be effective as of the day and year first above written.

STATE OF MICHIGAN

COUNTY OF _____

The foregoing instrument was acknowledged before me this day by _____

Witness my hand and official seal, this the _____ day of _____, 20____.

Notary Public

COUNTY OF _____

My Commission Expires:

STATE OF MICHIGAN

COUNTY OF _____

The foregoing instrument was acknowledged before me this day by _____

Witness my hand and official seal, this the _____ day of _____, 20____.

Notary Public

COUNTY OF _____

My Commission Expires:

This instrument was prepared by & when recorded return to: