

# LAND CONTRACT PURCHASE AGREEMENT ADDENDUM

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THE UNDERSIGNED PURCHASERS AND SELLERS MUTUALLY AGREE THAT ANY INITIALED CLAUSES BELOW ARE TO BE INCORPORATED INTO AND BECOME PART OF THE PURCHASE

AGREEMENT DATED \_\_\_\_\_

FOR THE PROPERTY DESCRIBED AS:

COMMONLY KNOWN AS: \_\_\_\_\_

ALL PARTIES WILL INITIAL ANY CLAUSE WHICH IS PART OF THIS SALE OR WRITE DNA (DOES NOT APPLY) IN ANY CLAUSE THAT DOES NOT APPLY.

INITIALS

Buyer _____	<b>1. PAYMENT AMOUNT.</b> LAND CONTRACT PRINCIPAL AND INTEREST PAYMENT IS:
Seller _____	\$ _____
Buyer _____	<b>2. SALE ON LAND CONTRACT.</b> DOWN PAYMENT OF THE SUM OF \$ _____ DOLLARS, BY WIRE TRANSFER OR CASHIERS CHECK (WHERE ALLOWED), AND THE EXECUTION OF A UNIVERSALLY ACCEPTED LAND CONTRACT ACKNOWLEDGING PAYMENT OF THAT SUM AND CALLING FOR THE PAYMENT OF THE REMAINDER OF THE PURCHASE MONEY WITHIN _____ YEARS FROM THE DATE OF THE CONTRACT IN MONTHLY PAYMENTS OF NOT LESS THAT \$ _____ DOLLARS EACH, WHICH INCLUDE INTEREST PAYMENTS AT THE RATE OF _____ % PER ANNUM AND WHICH
Seller _____	<b>DO OR DO NOT (CIRCLE ONE)</b>  INCLUDE PREPAID TAXES AND INSURANCE.

Buyer \_\_\_\_\_

Seller \_\_\_\_\_

OR

Buyer \_\_\_\_\_

Seller \_\_\_\_\_

OR

Buyer \_\_\_\_\_

Seller \_\_\_\_\_

**3. REAL ESTATE TAXES. CHOOSE ONE**

- a) PURCHASER AGREES TO PAY ALL TAXES AND SPECIAL ASSESSMENTS WHEN DUE AND SUBMIT PROOF OF PAYMENT TO SELLER BEFORE ANY PENALTY FOR NON-PAYMENT ATTACHES THERETO. PAYMENT TO BE MADE TO THE TAXING AUTHORITY.
- b) PURCHASER AGREES TO PAY AN ADDITIONAL MONTHLY AMOUNT OF \$ \_\_\_\_\_ WHICH IS AN ESTIMATE OF 1/12TH OF THE ANNUAL COST OF TAXES AND SPECIAL ASSESSMENTS, WHICH SHALL BE CREDITED BY THE SELLER TO THE PRINCIPAL BALANCE. SELLER SHALL PAY SAID TAXES AND ASSESSMENTS BEFORE PENALTY ATTACHES AND ADD AMOUNTS SO PAID TO THE PRINCIPAL BALANCE OF THE CONTRACT. THIS AMOUNT MAY BE ADJUSTED PERIODICALLY TO APPROXIMATE THE TOTAL SUM REQUIRED ANNUALLY FOR TAXES AND ASSESSMENTS.
- c) WHEN SELLERS PROPERTY IS ENCUMBERED BY A MORTGAGE AND THE SELLERS MORTGAGE PAYMENT INCLUDES TAXES (POTENTIALLY INSURANCE TO BE INCLUDED), SELLER AGREES TO PAY ALL TAXES AND ASSESSMENTS WHEN DUE AND BEFORE ANY PENALTY FOR NON-PAYMENT ATTACHES THERETO. SELLER WILL DELIVER PROOF OF PAYMENT TO PURCHASER FOR EACH TAX AND ASSESSMENT SO PAID. PURCHASER AGREES TO REIMBURSE SELLER FOR EACH ITEM SO PAID ON OR BEFORE 15 DAYS AFTER RECEIPT OF PROOF OF SUCH PAYMENT IN A LUMP SUM.

Buyer \_\_\_\_\_

Seller \_\_\_\_\_

**4. INSURANCE.** HAZARD/HOMEOWNERS INSURANCE WILL BE PAID IN ACCORDANCE WITH THE METHOD OUTLINED IN PARAGRAPH 3 (**CHECK ONE**)            a. or            b. or            c. (IF OPTION "b" IS SELECTED THE MONTHLY PAYMENT WILL INCREASE BY \$ \_\_\_\_\_) PER MONTH

Buyer \_\_\_\_\_

Seller \_\_\_\_\_

OR

Buyer \_\_\_\_\_

Seller \_\_\_\_\_

**5. FIRST PAYMENT DUE AND TAX PRORATION. CHOOSE ONE**

PURCHASERS FIRST MONTHLY PAYMENT IS DUE 30 DAYS FROM THE DATE OF CLOSING UNLESS OTHERWISE AGREED IN WRITING. TAXES WILL BE PRORATED TO THE CLOSING DATE. INTEREST WILL BEGIN TO RUN FROM THE CLOSING DATE. IF SELLER OCCUPIES THE PROPERTY AFTER CLOSING SELLER WILL PAY AN OCCUPANCY CHARGE IN ACCORDANCE WITH THE PURCHASE AGREEMENT IN ADDITION, **IF PAYMENTS ARE TO BE DUE ON THE FIRST 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 30 DAYS LATER.

PURCHASERS FIRST MONTHLY PAYMENT IS DUE 30 DAYS FROM THE DATE OF CLOSING. TAXES WILL BE PRORATED TO THE DATE OF POSSESSION. SELLER WILL PAY NO USE AND OCCUPANCY FOR THE TIME THE PROPERTY IS OCCUPIED AFTER CLOSING. **THE DATE OF POSSESSION WILL BE**           . FUTURE PAYMENTS ARE DUE EVERY MONTH THEREAFTER WITH THE DATE OF POSSESSION SPECIFIED HEREIN AS THE BASES FOR THE DUE DATE.

Buyer \_\_\_\_\_

Seller \_\_\_\_\_

**6. LATE PAYMENT**

IN THE EVENT PAYMENTS ARE NOT RECEIVED WITHIN **15** DAYS FROM DUE DATE, A LATE FEE OF \$ \_\_\_\_\_ PER PAYMENT SHALL BE ASSESSED. THIS IS A SERVICE CHARGE AND IS NOT INTEREST. PURCHASER FURTHER AGREES AND UNDERSTANDS THAT ASSESSMENT OF THE LATE FEE DOES NOT CONSTITUTE AN ELECTION UNDER THE CONTRACT AND THAT THE SELLER MAY PURSUE ANY OTHER REMEDIES AVAILABLE IN LAW OR EQUITY. (NOTE: THIS PARAGRAPH WHEN APPLICABLE IS TO BE COPIED VERBATIM IN THE ADDITIONAL CONDITIONS OF THE LAND CONTRACT DOCUMENT)

Buyer \_\_\_\_\_

Seller \_\_\_\_\_

**7. DEED IN ESCROW**

SELLER AGREES TO EXECUTE A WARRANTY DEED AT CLOSING TO BE PLACED IN ESCROW WITH A TITLE AGENCY UNTIL CONTRACT IS PAID IN FULL. PURCHASER AGREES TO PAY THIS ESCROW FEE.

Buyer \_\_\_\_\_

Seller \_\_\_\_\_

**8. UNDERLYING MORTGAGE**

IF THERE IS AN UNDERLYING MORTGAGE OR LAND CONTRACT ON THIS PROPERTY, THIS AGREEMENT IS SUBJECT TO AND CONDITIONAL UPON APPROVAL OF THE LENDER WITHIN \_\_\_\_\_ DAYS OF ACCEPTANCE HEREOF IF SAID LOAN INSTRUMENT CONTAINS A "DUE ON SALE" CLAUSE.

Buyer \_\_\_\_\_

Seller \_\_\_\_\_

**9. SELLER APPROVAL**

THE PROPERTY SHALL NOT BE TRANSFERRED BY PURCHASER WITHOUT THE WRITTEN APPROVAL BY SELLER OF THE CREDITWORTHINESS OF ANY NEW PURCHASER OR ASSIGNEE. APPROVAL WILL NOT BE UNREASONABLY WITHHELD.

Buyer \_\_\_\_\_

Seller \_\_\_\_\_

**10. BALLOON PAYMENT**

PURCHASER AND SELLER UNDERSTAND THE REGULAR MONTHLY PAYMENTS CALLED FOR IN THE TERMS OF THE LAND CONTRACT WILL NOT PAY FOR THE LAND CONTRACT AMOUNT OWING IN FULL BY THE END OF THE TERM OF THE LAND CONTRACT. THERE WILL BE A SUBSTANTIAL LUMP SUM PAYMENT DUE FROM PURCHASER TO SELLER AT THE TIME. THE AMOUNT OF THAT LUMP SUM PAYMENT SHALL BE APPROXIMATELY \$ \_\_\_\_\_

Buyer \_\_\_\_\_

Seller \_\_\_\_\_

**11. NO OBLIGATION TO EXTEND**

PURCHASER UNDERSTANDS THAT SELLER IS UNDER NO OBLIGATION TO EXTEND THE CONTRACT BEYOND THE AGREED UPON TERMINATION DATE OR TO REFINANCE THE PRINCIPAL BALANCE BEYOND SAID TERMINATION DATE, AND THE ACCEPTANCE OF PAYMENTS BEYOND THE TERMINATION DATE DOES NOT CONSTITUTE AN ELECTION OF REMEDIES.

Buyer \_\_\_\_\_

Seller \_\_\_\_\_

**12. NO PREPAYMENT PENALTY**

THERE SHALL BE NO PREPAYMENT PENALTY TO BE ASSESSED TO PURCHASER. PURCHASER HAS THE RIGHT TO MAKE LUMP SUM PAYMENTS TO BE APPLIED TO PRINCIPAL DURING THE TERM OF THE CONTRACT

SELLER HAS NOT REPRESENTED TO PURCHASER THAT AT THE TIME OF PAYOFF OF THIS OBLIGATION THERE WILL BE SATISFACTORY MORTGAGE FINANCING AVAILABLE OR THAT SUCH FINANCING WILL BE AT RATES CURRENTLY AVAILABLE OR LOWER.

ALL PARTIES SHOULD SEEK THE COUNSEL OF AN ATTORNEY AND AN ACCOUNTANT TO PROTECT THEIR INTEREST IN THIS TRANSACTION. BROKERS, REAL ESTATE AGENTS, TITLE AGENTS OR ESCROW PERSONNEL ARE NOT TRAINED OR EMPLOYED TO PROVIDE SUCH COUNSEL AND THE PARTIES HERETO ACKNOWLEDGE THAT THEY HAVE NOT RELIED ON ANY SUCH ADVICE.

IF THERE IS AN UNDERLYING MORTGAGE ON THIS PROPERTY, THE FINANCIAL INSTITUTION SHALL BE CONTACTED BY THE SELLER PRIOR TO CLOSING TO DETERMINE IF THERE ARE ANY SPECIAL PROVISIONS OR REQUIREMENTS IF THE PROPERTY IS SOLD ON LAND CONTRACT BASIS. SELLER SHALL PROVIDE STATUS OF MORTGAGE TO PURCHASER SHOWING PAYMENTS MADE ARE CURRENT EACH YEAR, IF REQUESTED.

Additional Conditions:

ALL PARTIES AGREE THAT THEY HAVE REVIEWED EACH CLAUSE AND INITIALED ALL CLAUSES THAT APPLY OR WRITTEN DNA (DOES NOT APPLY) IN THE CLAUSES WHICH DO NOT APPLY, OF THIS ADDENDUM AND THEY FURTHER UNDERSTAND THE MEANING OF AND IMPORTANCE OF EACH INITIALED CLAUSE.

Seller: \_\_\_\_\_ Date \_\_\_\_\_ Buyer: \_\_\_\_\_ Date: \_\_\_\_\_

Seller: \_\_\_\_\_ Date \_\_\_\_\_ Buyer: \_\_\_\_\_ Date: \_\_\_\_\_