

SALE ON LAND CONTRACT ADDENDUM

FOR THE PROPERTY KNOWN AS: _____

E. SALE ON LAND CONTRACT. Payment of the sum of _____ Dollars, by cashier's check or certified check (no personal checks), and the execution of a universally accepted title company form 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 than _____ Dollars each, which include interest payments at the rate of _____% per annum and which DO/DO NOT (circle one) include prepaid taxes and insurance.

PLEASE INITIAL APPROPRIATE BOXES BELOW:

PAYMENT

1. Land Contract Principal and Interest payment \$ _____
 APPLIES DOES NOT APPLY

REAL ESTATE TAXES

2. 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.
 APPLIES DOES NOT APPLY

OR

3. 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, which shall be credited by the Seller to the principal balance. Seller shall pay said taxes and assessments before any 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.
 APPLIES DOES NOT APPLY

OR

4. Seller agrees to pay all taxes and special assessments when due and will add same to the Land Contract balance on the due date. (Be certain that monthly payments will cover the interest, principal and taxes.)
 APPLIES DOES NOT APPLY

INSURANCE

5. Insurance will be paid in accordance with the method outlined in paragraph 2, 3, or 4 above (circle one). (If paragraph 3 is selected, the monthly amount is \$ _____).
 APPLIES DOES NOT APPLY

FIRST PAYMENT DUE AND TAX PRORATION.

6. Purchaser's 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 paragraph #2 of the Contract to Purchase. 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.
 APPLIES DOES NOT APPLY

OR

7. Purchaser's first monthly payment is due 30 days from the date of closing. Taxes will be prorated to 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 basis for the due date.
 APPLIES DOES NOT APPLY

OTHER

8. Purchaser is to supply, at his expense, to Seller a current credit report, employment letter(s) and financial statement not later than ____/____/____. If said information is not satisfactory to Seller or is not timely delivered, Seller may, within (2) days of receipt of the information, declare this sale null and void and all deposit monies will be returned.
 APPLIES DOES NOT APPLY

Witness _____

Purchaser _____

Date _____

Purchaser _____

9. 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 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).
 APPLIES DOES NOT APPLY

10. Seller agrees to execute a Warranty Deed at closing to be placed in Escrow with the Title Agency. Purchaser agrees to pay the Escrow Fee.
 APPLIES DOES NOT APPLY

11. 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.
 APPLIES DOES NOT APPLY

12. The Parties herein agree that Purchaser will assume the existing mortgage when the sum owing on the Land Contract is reduced to the amount owing upon such mortgage. At that time a Warranty Deed shall be executed by Seller subject to Purchaser's agreement to assume and pay the existing mortgage. Seller agrees not to reduce the principal balance of the mortgage other than by payment of the regularly scheduled monthly payments. Seller further agrees to terminate his present credit life insurance on said mortgage as of the date of the assumption and shall not obtain additional credit life insurance for said mortgage during the life of this Land Contract. (Note: This paragraph when applicable is to be copied verbatim in the additional conditions of the Land Contract document.)
 APPLIES DOES NOT APPLY

13. 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 the 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 \$ _____.
 APPLIES DOES NOT APPLY

14. Purchaser understands that Seller is under no obligation to extend this 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.
 APPLIES DOES NOT APPLY

15. The Contract to Purchase is contingent upon Purchaser obtaining and approving a land survey of the property within _____ days of Seller's acceptance of offer; said survey to be made at Purchaser's expense.
 APPLIES DOES NOT APPLY

16. 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.
 APPLIES DOES NOT APPLY

17. Additional Conditions: _____

Neither Broker, Broker's Agent, nor Seller have represented to Purchaser that at the time required for 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 AND BROKER'S AGENTS ARE NEITHER TRAINED NOR EMPLOYED TO PROVIDE SUCH COUNSEL AND THE PARTIES HERETO ACKNOWLEDGE THAT THEY HAVE NOT RELIED ON ANY SUCH ADVICE IF IT HAS BEEN GIVEN.

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 a Land Contract basis. Seller shall provide status of mortgage to Purchaser showing payments made are current each year, if requested.

Witness _____

Seller _____

Date _____

Seller _____