



# WEST MICHIGAN REGIONAL LAND CONTRACT FORM #1



1. **Parties.** This Contract, is entered into on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between \_\_\_\_\_ (the "Seller") and \_\_\_\_\_ (the "Buyer") upon the following terms and conditions:

2. **Description of Premises.** The Seller agrees to sell to the Buyer land in \_\_\_\_\_  
 City  Township  Village 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.

3. **Price and Terms.** The Buyer agrees to purchase the Premises from the Seller, and to pay a purchase price of \_\_\_\_\_ Dollars (\$\_\_\_\_\_ ) of which the sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_ ) has been paid. The Buyer agrees to pay to the Seller the balance of \_\_\_\_\_ Dollars (\$\_\_\_\_\_ ) together with interest on any principal from time to time unpaid, in the following manner:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

The interest mentioned above shall be at the rate of \_\_\_\_\_ percent ( \_\_\_\_\_ %) per annum, from \_\_\_\_\_, 20\_\_\_\_, computed \_\_\_\_\_ 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 five percent (5%), 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 ten percent (10%). 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 \_\_\_\_\_ or wherever otherwise directed by the Seller.

4. **Possession.** The Buyer shall receive possession of the Premises on \_\_\_\_\_, 20\_\_\_\_, 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:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

5. **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.

6. **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:

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7. **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.

8. **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 3. Any surplus of proceeds in excess of the balance owing on this Contract, shall be paid to Buyer.

9. **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 premiums, 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.

10. **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 principle 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 payments 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.

11. **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.

**12. 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 on 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 the 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.

**13. 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.

No assignment, sale, or conveyance, shall release the Buyer from obligations under the provisions of this Contract unless Seller releases the Buyer in writing.

**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 \_\_\_\_\_,

policy number \_\_\_\_\_, and agrees to accept as merchantable the title now disclosed thereby except:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**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 \_\_\_\_\_ deed, subject to easements and restrictions of 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.

**16. Loan of Papers.** Upon request, the Seller shall deliver 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:

- a. 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
- b. 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.

Buyer's Initials   Seller's Initials

