**LAND CONTRACT**

This contract (the Agreement) is made on **[date]**, between **[name]** (Seller) whose address is **[address]** and **[name]** (Buyer) whose address is **[address]**.

1. Seller agrees to the following:
	1. Seller shall sell and convey to Buyer land in **[village / city / township]**, **[county]**, Michigan, described as

**[Insert legal description or reference exhibit A and incorporate with this document.]**

Tax Parcel No.: **[tax number]**

Commonly known as: **[street address]**

together with all tenements, hereditaments, improvements, and appurtenances, including all light fixtures, plumbing fixtures, shades, venetian blinds, curtain rods, storm windows, storm doors, screens, or awnings now on the premises, subject to all applicable building and use restrictions and easements, if any, affecting the premises.

* 1. The consideration for the sale of the above-described premises to Buyer is $**[amount]**, of which $**[amount]** has been paid to Seller as down payment, the receipt of which Seller acknowledges.
	2. The balance of $**[amount]** is to be paid to Seller, with interest at the rate of **[percentage]** per annum.
	3. This balance of purchase money and interest shall be paid in monthly installments of $**[amount]** each, or more at Buyer’s option, on the **[number]** day of each month, beginning **[month and year]**.
	4. These payments shall be applied first on interest and the balance on principal.
	5. The entire purchase money and interest shall be fully paid within **[number]** years from the date of this Agreement, despite anything to the contrary in this Agreement.
	6. In the event payments are not received within \_\_\_\_ business days from due date above, a late payment charge of $\_\_\_\_\_\_\_\_\_\_ per payment shall be added to the payment. This is a late payment charge, and not interest.
	7. On receiving payment in full of all sums owing under this Agreement, less the amount then due on any existing mortgage or mortgages, and the surrender of the duplicate of this contract, Seller shall execute and deliver to Buyer or Buyer’s assigns a good and sufficient warranty deed conveying title to the land, subject to the specified restrictions and easements, subject to any then existing mortgages, and free from all other encumbrances except those set forth in this Agreement and those accrued or attached since the date of this Agreement through the acts or omission of persons other than Seller or Seller’s assigns.
	8. Seller shall deliver to Buyer as evidence of title a policy of title insuring Buyer, the effective date of the policy to be the date of this contract, and issued by **[title insurer]**.
1. Buyer agrees to the following:
	1. Buyer shall purchase the land and pay Seller the sum, with the interest, as provided above.
	2. Buyer shall use, maintain, and occupy the premises in accordance with any and all restrictions on them.
	3. Buyer shall keep the premises in accordance with all police, sanitary, and other regulations imposed by any governmental authority.
	4. Buyer shall pay all taxes and assessments levied on the premises after the date of this Agreement before any penalty for nonpayment attaches; submit receipts to Seller on request, as evidence of payment; at all times keep the buildings now or later on the premises insured against loss and damage, in a manner and an amount approved by Seller; and deliver the policies as issued to Seller with the premiums fully paid. **[If the amount of the estimated monthly cost of taxes, assessments, and insurance is inserted in paragraph 2(e), the method of payment of these items as indicated in that paragraph shall be adopted. If this amount is not inserted, delete paragraph 2(e) and use the method of payment in this paragraph.]**
	5. Buyer shall pay monthly, in addition to the monthly payments stipulated above, $**[amount]**, which is an estimate of the monthly cost of taxes, assessments, and insurance premiums for the premises, which Seller shall credit to the unpaid principal balance due on the contract. If Buyer is not in default under the terms of this contract, Seller shall pay from Buyer’s account the taxes, assessments, and insurance premiums mentioned in paragraph 2(d) when due and before any penalty attaches and submit receipts to Buyer on demand. These amounts shall be added to the principal balance of this contract. The amount of the estimated monthly payment may be adjusted under this paragraph from time to time so that the amount received approximates the total sum required annually for taxes, assessments, and insurance. This adjustment shall be made on the demand of either of the parties and Buyer shall pay any deficiencies on Seller’s demand.
	6. Buyer has examined a title insurance commitment dated **[date]**, covering the premises; is satisfied with the marketability of the title; and has examined the premises and is satisfied with the physical condition of any structures on them.
	7. Buyer shall keep and maintain the premises and the buildings on them in as good condition as they are in on the date of this Agreement, excepting reasonable wear and tear, and shall not commit waste, remove or demolish any improvements, or otherwise diminish the value of Seller’s security without Seller’s written consent.
2. Seller and Buyer mutually agree to the following:
	1. If Seller’s interest in the land is now or later encumbered by mortgage, Seller shall meet the payments of principal and interest on the mortgage as they mature and produce evidence of payments to Buyer on demand. If Seller defaults, Buyer may make these payments. These payments by Buyer shall be credited to the sums first maturing in this Agreement, with interest at the rate provided in paragraph 1(b) on payments. If proceedings are commenced to recover possession or to enforce the payment of the contract or mortgage because of Seller’s default, Buyer may, at any time while proceedings are pending, encumber the land by mortgage, securing any sum that can be obtained, on whatever terms are required, and, with the proceeds, pay and discharge the mortgage or purchase-money line. Any such mortgage is a first lien on the land superior to the rights of Seller and Buyer shall then pay the principal and interest on the mortgage as they mature that shall be credited to the sums matured or first maturing in this Agreement. When the sum owing in this Agreement is reduced to the amount owing on this contract or mortgage or owing on any mortgage executed under either of the powers in this contract, a conveyance shall be made in the form above provided containing a covenant by the grantee to assume and agree to pay the same.
	2. If Buyer defaults in the payment of any taxes, assessments, or insurance premiums, in the payment of sums provided for herein, or in the delivery of any policy as provided in this contract, Seller may pay the taxes or premiums or procure the insurance and pay the premiums on it, and any sums shall be a further lien on the land and premises, immediately payable by Buyer to Seller, with interest at the rate as set forth in paragraph 1(c).
	3. No assignment or conveyance by Buyer shall create any liability against Seller until a duplicate of the instrument, duly witnessed and acknowledged, together with the residence address of the assignee, is delivered to Seller. Buyer’s liability under this Agreement shall not be released or affected in any way by delivery of such an assignment or by Seller’s endorsement of receipt or acceptance.
	4. Buyer has the right to possession of the premises from and after the date of this Agreement, unless otherwise provided in this Agreement, and is entitled to retain possession of the premises only so long as there is no default on Buyer’s part in carrying out the terms and conditions. If the premises described in this Agreement are vacant or unimproved, Buyer is deemed to be in constructive possession only; this possessory right shall terminate after service of a notice of forfeiture of this contract. Erection of signs by Buyer on vacant unimproved property shall not constitute actual possession.
	5. If Buyer fails to perform this Agreement or any part of it, Seller has the right immediately after the default to declare the Agreement forfeited and void; to retain whatever may have been paid on the Agreement and all improvements that may have been made on the premises, together with any additions and accretions; and to consider and treat Buyer as a tenant holding over without permission. Seller may take immediate possession of the premises and may have Buyer and all occupants removed and put out. In all cases where Seller relies on a notice of forfeiture to terminate rights under this Agreement, the notice shall specify all unpaid monies and other breaches of this contract and shall declare forfeiture of this contract to be effective 15 days after service, unless the money is paid and any other breaches of this contract are cured within that time.
	6. If a default is made by Buyer and continues for 45 days or more and Seller desires to foreclose this Agreement in equity, Seller has the right to declare the entire unpaid balance to be immediately due and payable, despite anything in this Agreement to the contrary.
	7. Time is deemed to be of the essence of this Agreement.
	8. The individual parties to this Agreement represent themselves to be of full age and the corporate parties represent themselves to be valid existing corporations with their charters in full force and effect.
	9. Any declarations, notices, or papers necessary or proper to terminate, accelerate, or enforce this Agreement are presumed conclusively to have been served on Buyer (1) if the instrument is enclosed in an envelope with the first class postage fully prepaid, (2) if the envelope is addressed to Buyer at the address set forth in the heading of this Agreement or at the latest other address specified by Buyer and receipted for in writing by Seller, and (3) if the envelope is deposited in a U.S. Postal Service box.
	10. If more than one person or a corporation is joined in the execution of this Agreement as Seller or Buyer, references to Seller or Buyer shall be read as if written in plural. The covenants in this Agreement shall bind the heirs, devisees, legatees, assigns, and successors of the parties.
	11. The parties shall sign and deliver to each other a memorandum of this contract, and either may record the same with the **[county]** County Records.

The parties to this Agreement have executed this contract in duplicate on the date written above.

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| --- | --- | --- |
|  |  | SELLER**[Name of seller]** |
| Dated: **[date]** |   | **[Signature line]****[Typed name of authorized signer]**Its: **[Title of authorized signer]** |
|   |   | BUYER**[Name of buyer]** |
| Dated: **[date]** |   | **[Signature line]****[Typed name of authorized signer]**Its: **[Title of authorized signer]** |

|  |  |
| --- | --- |
| STATE OF MICHIGAN**[COUNTY]** COUNTY | )) |
|   |   |

Acknowledged **[before me in [county] County, Michigan, / before me using an electronic notarization system under MCL 55.286a in [county] County, Michigan, / before me using a remote electronic notarization platform under MCL 55.286b]** on **[date]**, by **[name of person acknowledged]**.

|  |
| --- |
| **[Signature line]****[Notary public’s name, as it appears on application for commission]**Notary public, State of Michigan, County of **[county]**.My commission expires **[date]**.**[If acting in county other than county of commission: Acting in the County of [county].]** |

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| --- | --- | --- |
| Drafted by and when recorded return to:**[Name and address of drafting attorney]** |  |  |

Exhibit A