

## LAND CONTRACT ADDENDUM

To be used in conjunction with the Residential Real Estate Purchase Agreement approved by the Toledo Board of REALTORS® and the Toledo Bar Association, who have also approved this Form.

This Addendum is made part of the Residential Real Estate Purchase Agreement dated \_\_\_\_\_, 20\_\_\_\_, between \_\_\_\_\_, as Seller and \_\_\_\_\_ as Purchaser for the property located at \_\_\_\_\_ (Agreement). In the event of any conflict or ambiguity in the terms of the Agreement and this Addendum, the terms of this Addendum shall govern. Any terms not defined herein shall have the same meaning as set forth in the Agreement.

**THIS ADDENDUM IS NOT A LAND INSTALLMENT CONTRACT.** This Addendum together with the Agreement provide material terms, which are necessary for the preparation of a Land Installment Contract. The Agreement and Purchaser's obligation to purchase the Property are conditioned upon Seller's granting and executing a Land Installment Contract prepared by an attorney in accordance herewith, and containing the following terms:

1. **Amount.** Purchaser will pay \$\_\_\_\_\_ as a down payment at time of signing the Land Installment Contract and the balance will be in the amount of \$\_\_\_\_\_.
2. **Interest.** The rate of interest on the Land Installment Contract will be \_\_\_\_\_% per annum computed and payable monthly on the unpaid balance. In the event of default, the rate of interest will be increased by two percent (2%) per annum. In no event shall the interest rate provided under this paragraph exceed the maximum interest rate permitted by law.
3. **Taxes.** Purchaser shall pay all real estate taxes and assessments as follows (check one):
  - ( ) Purchaser shall pay all real estate tax bills on or before the due date. Purchaser will provide evidence to Seller, that the taxes have been paid as required by the Land Installment Contract.
  - ( ) Purchaser shall pay to Seller with each payment, one-twelfth (1/12) of the estimated annual taxes. Such tax escrow shall be adjusted annually. The current estimate for annual taxes is \$\_\_\_\_\_. Seller will provide Purchaser with evidence that the real estate taxes have been paid.
4. **Insurance.** Purchaser shall pay all costs of hazard insurance as follows (check one):
  - ( ) Purchaser will provide Seller with a copy of a hazard insurance policy or a certificate thereof showing that such policy provides fire and extended coverage in an amount not less than the Land Installment Contract principal balance and naming both Seller and Purchaser as named insureds.
  - ( ) Seller will provide hazard insurance naming both Seller and Purchaser as named insureds providing fire and extended coverage in an amount determined by Purchaser but not less than the Land Installment Contract principal balance and Purchaser shall pay to Seller with each payment one-twelfth (1/12) of the annual premium. The current amount of the annual premium is \$\_\_\_\_\_. Such insurance escrow shall be adjusted annually.
5. **Payments.** The monthly installment payment of principal and interest will be \$\_\_\_\_\_ calculated on a loan amortization of \_\_\_\_\_ years with the total remaining balance of the Purchase Price to be paid on or before \_\_\_\_\_, 20\_\_\_\_. The Land Installment Contract may be prepaid in whole or in part at anytime without penalty. The total initial estimated monthly payment, inclusive of principal, interest, real estate tax escrow, hazard insurance escrow, and any other fees agreed upon by the parties will be \$\_\_\_\_\_.
6. **Credit.** Purchaser hereby authorizes Seller to fully investigate the credit of Purchaser for purposes of analyzing the credit risk of the Land Installment Contract. Purchaser shall provide Seller a current credit report to assist in such investigation. Seller's obligations under the Agreement are subject to Seller approving the credit of Purchaser.
7. **Seller's Mortgage(s).** If there is an underlying mortgage on the Property which will not be paid off prior to Closing, the following paragraph shall be a part of this Addendum:

Seller represents the following mortgages and encumbrances are on the Property: (if none, state `none`) \_\_\_\_\_

Seller represents that there are existing mortgages or encumbrances on the Property having a total unpaid principal balance of approximately \$\_\_\_\_\_ as of the time of Acceptance of the Agreement. Seller agrees to promptly pay all mortgage payments as they become due and to prevent such mortgages from becoming in default. Seller will provide to Purchaser at least annually, evidence that all payments have been made and that the underlying mortgages are not in default. Seller represents that there are no other mortgages on the Property and agrees that during the term of the Land Installment Contract, Seller will not grant additional mortgages or will not refinance or otherwise increase the amount of the underlying mortgages without Purchaser's written consent. Purchaser and Seller understand that the existence of a Land Installment Contract may constitute a default under any due on sale clause contained in the underlying mortgage. Seller and Purchaser therefore agree to do one of the following (check one):

- ( ) The prior consent of the mortgagee shall not be a condition of the Agreement. In the event the mortgagee declares a default under the mortgage by reason of such Land Installment Contract and accelerates payment of the mortgage loan, Purchaser will be fully responsible to pay off the mortgage loan in full or to pay the costs (such as increased interest rate) to obtain the mortgagee's waiver of the default under the mortgage and mortgagee's consent to the Land Installment Contract.
- ( ) The parties will endeavor to obtain the consent of the mortgagee(s) within \_\_\_\_\_ days of Acceptance of this Agreement. The consent of the mortgagee(s) shall be a condition to both Seller's and Purchaser's obligation under this Agreement.

8. **Recording.** Seller, at Seller's expense, shall record Land Installment Contract in accordance with the Ohio Revised Code and any applicable local law.

9. **Title.** Seller shall provide evidence of title, in accordance with Paragraph 17 of the Agreement, prior to or concurrent with the granting and execution of the Land Installment Contract. Purchaser is encouraged to obtain further title evidence following the granting and execution of the Land Installment Contract, and may do so at Purchaser's expense.

10. **Public Orders.** Seller represents that there are no pending orders of any public agency against the Property except: (if none, state `none`) \_\_\_\_\_

11. **Maintenance.** Purchaser shall keep the Property in as good condition as at time of possession, ordinary wear and tear excepted. Purchaser shall make no changes or alterations to the Property without the written consent of Seller, which consent shall not be unreasonably withheld.

12. **Brokerage Commission(s).** The parties acknowledge that any real estate commission owed to a broker or agent involved in this transaction, if any, is deemed earned at the time the Land Installment Contract is executed by both Purchaser and Seller, unless otherwise agreed pursuant to the terms of an applicable brokerage agreement.

13. **Preparation of Land Installment Contract.** The Land Installment Contract shall be prepared by ( ) Purchaser's Attorney ( ) Seller's Attorney (select one), in a form that complies with Ohio Revised Code Chapter 5313 and any other applicable law, by no later than seven (7) days in advance of Closing. Closing and possession shall be had as set forth in Paragraph 7 of the Agreement.

\_\_\_\_\_  
Purchaser Date

\_\_\_\_\_  
Seller Date

\_\_\_\_\_  
Purchaser Date

\_\_\_\_\_  
Seller Date