



# ADDENDUM FOR PURCHASE OF REAL ESTATE BY LAND CONTRACT

(Form approved by the Dayton Area Board of REALTORS®)



Purchaser \_\_\_\_\_

Property \_\_\_\_\_

1. **PURCHASE PRICE.** Seller and Purchaser agree that the sale of the Property shall be made on land contract on the terms set forth in the Addendum. Notwithstanding the provisions of Paragraph 2 of the Contract to Purchase Real Estate, the purchase price of \$ \_\_\_\_\_ shall be paid as follows: (a) \$ \_\_\_\_\_ down payment due at the closing when the land contract is executed by the parties (the "Closing") and (b) the balance of \$ \_\_\_\_\_ by land contract with interest at \_\_\_\_\_ % per annum, computed on a monthly reduction basis, payable in equal monthly installments of \$ \_\_\_\_\_ each, commencing on the first day of the second full month after the date of the Closing, and continuing on the first day of each month thereafter until \_\_\_\_\_, at which time Purchaser shall be obligated to pay Seller the entire balance due and any accrued interest. Interest for any partial month during which the closing occurs shall be paid in advance at the Closing. There shall be no prepayment penalty.
  
2. **LAND CONTRACT.** At least \_\_\_\_\_ days prior to the Closing, Seller shall furnish a written land contract and submit the same to Purchaser. The cost of preparing the land contract shall be divided equally between Purchaser and Seller. The land contract shall incorporate the payment terms set forth in the Agreement and shall include, in addition to any provisions required by law, the following provisions:
  - (a) Purchaser shall pay all taxes, assessments and other charges against the Property becoming due and payable after the Closing.
  
  - (b) Purchaser shall keep the Property insured at Purchaser's expense in an amount not less than the balance due Seller on the land contract against fire and extended coverage for the benefit of both parties, as interest appears, and leave the policy with Seller or any mortgagee.
  
  - (c) Purchaser shall pay to Seller on the day monthly installments of principal and interest are payable under the land contract, until the land contract is fully paid, a sum equal to 1/12 of the yearly taxes and assessments on the Property, plus 1/12 of yearly premium for hazard insurance, all as reasonably estimated from time to time by Seller. The funds so paid to Seller (the "Funds") shall be held in a separate account established by Seller or deposited with Seller's mortgagee, and Seller shall apply the Funds to pay such taxes, assessments and insurance premiums. Unless applicable law requires interest to be paid, Seller shall not be required to pay Purchaser any interest or earnings on the Funds. Seller shall give to Purchaser, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. If the Funds are not sufficient to pay any taxes, assessments or insurance payments as they fall due, Purchaser shall pay the Seller any amount necessary to make up the deficiency within 30 days from the date notice is mailed by Seller to Purchaser requesting such payment. If excess Funds have been deposited with Seller, such excess shall be, at Seller's option, either promptly repaid to Purchaser or credited on the monthly installments of Funds. Upon payment in full of the entire balance due under this land contract, Seller shall promptly refund to Purchaser any unapplied balance of Funds.
  
  - (d) Seller shall not place or maintain any mortgage on the Property (i) the principal balance of which exceeds the balance due Seller on the land contract (and Seller agrees to reduce the mortgage balance whenever necessary to keep the mortgage balance below the land contract balance), or (ii) which includes the Property with any other property. If Seller defaults on any mortgage on the Property, Purchaser may pay on the mortgage and receive credit on the land contract.
  
  - (e) Purchaser may not sell, assign or pledge Purchaser's interest without the written consent of Seller and any mortgagee (if required). Seller's consent shall not be unreasonably withheld.
  
  - (f) Purchaser shall keep all buildings and improvements on the Property in a good state of repair and well painted at Purchaser's expense, ordinary wear and tear excepted. Purchaser shall not alter, improve or demolish buildings or improvements on the Property without the written consent of Seller and Seller's mortgagee (if required). Seller's consent shall not be unreasonably withheld.
  
  - (g) If Purchaser shall at any time be in default in the payment of any installment due on the land contract or the performance of any other covenant, and such default shall continue beyond the expiration of any grace period and notice period provided by law, Seller may declare the land contract balance immediately due and payable and proceed against Purchaser according to law.

**PROPERTY:** \_\_\_\_\_

- (h) Upon payment of all sums due Seller, Seller shall convey title to the Property to Purchaser by general warranty deed in accordance with Paragraph 3 of the Contract to Purchase Real Estate, subject to items (a), (c), (d), (e) and (f) in Paragraph 3 and subject to any matters created by, through or under Purchaser.
- (i) Seller shall furnish a statement of all encumbrances, if any, outstanding against the Property and a statement of pending orders, if any, issued by any governmental authority with respect to the Property.
- (j) Any evidence of title required by Purchaser shall be furnished at Purchaser's expense in keeping with the custom of this area.
- (k) Seller shall record the land contract at Purchaser's expense within twenty days after the Closing.

- 3. **TITLE.** At Closing Seller shall hold title to the Property as described in Paragraph 3 of the Contract to Purchase Real Estate. Title defects may be cured by Seller within the 10-day period provided in Paragraph 3. The parties acknowledge that until the land contract is paid in full, the Property may be subject to mortgages which comply with the requirements of Paragraph 2(d) of this Addendum. Seller represents to Purchaser that any such mortgage does not prohibit a sale on land contract, or, if the mortgagee's consent is required for a land contract sale, such consent has been obtained.
- 4. **REAL ESTATE TAXES.** Where real estate taxes and assessments are to be deposited with Seller in accordance with Paragraph 2(c) above, no tax proration shall be due from Seller to Purchaser under Paragraph 4 of the Contract to Purchase Real Estate, but Seller shall be required to provide funds in an amount sufficient that the monthly payments due from Purchaser under Paragraph 2(c) together with the additional funds paid by Seller will cover the next installment of real estate taxes and assessments becoming due and payable after the Closing. If Seller's mortgagee holds the escrow for taxes and/or insurance, Seller shall pay, at Closing, the amount of any deficiency in the escrow account. If Paragraph 2(c) above is not applicable, real estate taxes and assessments shall be prorated at the Closing in accordance with Paragraph 4 of the Contract to Purchase Real Estate.

**OTHER ADDENDA**

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