

Land Contract Variable Payments

THIS CONTRACT HAS PROVISIONS FOR VARIABLE PAYMENTS. Unless it is fully understood, you should consult an attorney. This agreement is a lease option wherein the buyers may return the house to the seller at any time after five years. Seller agrees to cancel the agreement after five years provided all terms of the agreement have been kept over the five year period.

AGREEMENT

THIS AGREEMENT entered into the _____ day of _____, 20____ by and between _____, hereinafter referred to as "Seller", whose address is _____, and _____, hereinafter referred to as "Buyer", whose address is _____.

WITNESSETH

1. In consideration of the mutual promises herein contained, the Seller agrees to sell, and the Buyer agrees to buy, in accordance with the terms and conditions of this Agreement, the following described real property known as:

Together with all the improvements thereon, all privileges, appurtenances, easements, and all fixtures presently situated in said building, including, but not by way of limitation: all heating and air conditioning equipment including window units; all electrical, plumbing and bathroom fixtures; shades; Venetian blinds; awnings; curtain-drapery-traverse rods; storm windows & doors; window & door screens; affixed mirrors; wall to wall, stair, and similar attached floor covering and carpets; television aerials, and rotor operating boxes; water softeners; garage door openers and similar operating devices; built-in ranges, ovens, refrigerators, dishwashers, garbage disposers, trash compactors, humidifiers; all affixed or built-in furniture and fixtures and all utility/storage buildings or sheds.

2. Buyer hereby agrees to pay for said property the sum of \$_____, plus the amount of any materials, taxes, insurance, or other expenses paid by the seller, with interest from date, payable as follows:
 1. The sum of \$_____ shall be paid upon execution of this Contract, the receipt of which is hereby acknowledged by Seller.

2. The Buyer shall pay the balance of purchase price as calculated above, which equals \$ _____, with interest from date at the rate of _____% per year on the unpaid balance until paid. The said principal and interest shall be payable at above Seller address, or at such other place as the Seller may designate in writing, in monthly installments to start at _____ for the first year (12 months). Monthly payments to commence on _____ day of _____, 20____, and to be paid on the first day of each month thereafter until the principal and interest are fully paid, except that the final payment of principal and interest, if not sooner paid, shall be due and payable on the first day of _____, 20_____.

In addition to payments of principal and interest hereunder, Buyer shall pay Seller, monthly, amounts sufficient to fund an escrow account for taxes and insurance which presently equal \$ _____ per month. The total monthly payment required as of the closing date therefore is \$ _____. At such time as the escrow payments must be increased or decreased to cover taxes and insurance, Seller shall notify Buyer and Buyer's monthly installments shall be adjusted accordingly. Payments made by Buyer shall be applied first to escrow, second to interest and the balance to principal. Principal may be prepaid at any time, without charge or penalty.

Buyer shall pay to the Seller a late charge of _____% of any monthly installment not received by the Seller within four days after the installment is due.

3. When the Buyer has paid the full purchase price as set forth above, with interest due in the manner and at the time as required by the terms and conditions required of the Buyer by the terms and conditions of this Contract, Seller agrees to convey the above described property to the Buyer by Deed of General Warranty, with release of dower, if any, or by such other Deed as is available when the Seller is legally unable to deliver a Deed of General Warranty. Such Deed shall be sufficient to convey title to Buyer free from encumbrances except those set forth in this Agreement or arising through any acts of the Buyer, and except restrictions imposed by zoning ordinances, or restrictions, reservations, and easements of record, if any.
4. The premises are subject to the following mortgages and liens:

HOLDER OF MORTGAGE OR LIEN AND ADDRESS	FACE AMOUNT	WHERE RECORDED
	\$	
	\$	
	\$	

SELLER RESERVES THE RIGHT TO BORROW ON A NOTE OR NOTES SECURED BY A MORTGAGE AGAINST THIS PROPERTY. PAYMENTS ON ALL NOTES SECURED BY MORTGAGES AGAINST THIS PROPERTY SHALL BE THE SAME OR LESS THAN THE PAYMENTS PAID BY THE BUYER TO THE SELLER. AT NO TIME SHALL THE PRINCIPAL DUE ON SAID NOTES BE GREATER THAN THE AMOUNT DUE FROM THE BUYER TO THE SELLER. The premises are subject to no other liens or encumbrances, excepting, however, all zoning ordinances, restrictions, conditions, and easements of record.

5. If the Seller defaults on the existing mortgage on the property, Seller agrees that the Buyer may pay on such mortgage and receive credit toward payment due under the terms of this Agreement. Seller shall verify to Buyer, every three months that the existing mortgage payments have been made as required.
6. If Buyer wishes to sell the property during the term of this Agreement, he shall be able to do so and upon payment to Seller of the full amount then due and owing hereunder, Seller shall sell and convey the premises either to the Buyer or Buyer's purchaser, as directed by Buyer.
7. Seller agrees to deliver possession of the premises to Buyer at once.
8. Within twenty (20) days after this Agreement has been signed by both the Seller and the Buyer, the Buyer will cause a copy of the Agreement to be recorded in the office of the County Recorder in the County where the property is situated.
9. Buyer shall pay and be responsible for the payment of all taxes and assessments from _____, 20__ due and payable in _____. There is no proration of taxes, buyer having assumed liability for paying these taxes as part of this transaction. The Buyer agrees to procure and maintain fire and extended insurance coverage on the property in an amount not less than the balance of the purchase price, from any insurance company or companies satisfactory to the Seller, with loss payable to the Seller and Buyer, as their interests appear. The policy or policies or any renewal or replacement thereof, shall be delivered to and held by the Seller.
10. Buyer shall pay the cost of all utilities in connection with the property that may become due or payable on or after this date.
11. If any installment payment is not paid when due, or if the Buyer fails to perform any of the covenants and agreements of this Agreement as stipulated, or within thirty (30) days after receiving written notice of default thereof the Buyer has not corrected such default, the unpaid balance shall become due at the option of the Seller, or the Seller may initiate forfeiture of the Buyer's interest and retain all installment payments and liquidated damages for the Buyer's nonperformance and may retake possession of the property, all as provided by law.
12. Destruction of or damage to any building or other improvements now or hereafter placed on said property, or of any personal property, if any, described in this Agreement, whether from fire or any other cause, shall not release Buyer from any of his obligations under this Contract; it being expressly understood that Buyer bears all risk of loss to, or damage of, said property.

13. The Buyer agrees that said property and the buildings and improvements thereon are, at the date of this Agreement, in good condition, order and repair and that he shall, at his own cost and expense, maintain said property and the buildings and improvements thereon in as good order and repair as they are in on the date of this Agreement, reasonable wear and tear expected.
14. Seller shall have the right to enter on and inspect said property and the buildings and improvements thereon at least once each calendar month provided forty-eight hours notice is provided to Buyer by Seller. All repairs required on said property or the buildings and improvements thereon noted by Seller shall be made by Buyer, at his own costs and expense, within sixty (60) days after he receives notice in writing thereof from Seller. If the parties disagree whether a repair is required, the issue shall be submitted to a qualified repair person acceptable to both parties, who shall render the final decision.
15. Buyer shall indemnify and hold Seller and the property of the Seller, including Seller's interest in said property, free and clear from liability for any and all mechanic's liens or other expenses or damages resulting from any renovations, alterations, buildings, repairs or other work placed on said property by Buyer.
16. Buyer shall indemnify and hold Seller and Seller's Agent, _____, free and harmless from any and all demands, loss, or liability from the injury to or death of any person or persons because of the negligence of Buyer or the condition of said property at any time or times after the date possession of said property is delivered to Buyer.
17. The Buyer will observe and obey all Federal, State, and Local statutes and laws including all rules or orders of any official commission or board of the United States, or the State, County, or City in which the property is located. The Buyer will obey all ordinances of such city in respect to the use and occupation of the property, and will not do or suffer to be done anything that may constitute a nuisance.
18. This Agreement shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of the parties hereto.
19. Neither this Agreement, nor any interest therein, shall except by Will, or intestate succession or as provided in Paragraph Six (6), be assigned unless by prior written consent of the Seller.
20. Time is expressly declared to be of the essence of this Agreement.
21. The waiver of any breach of this Agreement by either party shall not constitute a continuing waiver of any subsequent breach, either of the same or of another provision of this Agreement. The delay or omission by the Seller to exercise any right or power provided by this Agreement shall not constitute a waiver of such right or power, or acquiescence in any default on the part of the Buyer. The acceptance of payments made by the Buyer in a manner or at a time other than as required by the terms and conditions of this Agreement shall not be construed as a waiver or variation of such terms and conditions. Any default on the part of the Buyer shall be construed as continuous and the Seller may exercise every right and power under the Agreement at any time during the continuance of such default, or upon the occurrence of any subsequent default.

22. The seller agrees to buy back this property any time after five years from the date that this contract was exercised, provided buyer has restored it to the same or better condition it was in at the time this agreement was put in force. Repurchase price is \$ _____ plus the amount of the remaining principal. All payments for principal, interest, insurance, must be current, and taxes are to be prorated to the date of the repurchase. Any repairs needed will be deducted from the purchase price.
23. The Buyer acknowledges receipt of the State of _____ Residential Property Disclosure Form completed by the Seller and has signed said form.

IN WITNESS WHEREOF, the Seller and the Buyer have signed this Agreement in counterparts on the day and year first above written.

Witness	Seller
Witness	Seller
Witness	Buyer
Witness	Buyer

BE IT REMEMBERED, that on the _____ day of _____, 20____, before me, a Notary Public in and for the said state, personally came _____, the Seller in the foregoing Agreement, and acknowledged the signing thereof.

IN TESTIMONY WHEREOF, I hereunto subscribed my name and affixed my official seal on the day and year aforesaid.

Notary Public

BE IT REMEMBERED, that on the _____ day of _____, 20____, before me, a Notary Public in and for the said state, personally came _____,
_____, and
_____, the Buyer in the foregoing Agreement, and acknowledged the signing thereof to be a voluntary act and deed.

IN TESTIMONY WHEREOF, I hereunto subscribed my name and affixed my official seal on the day and year aforesaid.

Notary Public