

ADDENDUM FOR WEST MICHIGAN REGIONAL LAND CONTRACT FORM #1 FOR TAX AND INSURANCE PAYMENTS

The attached Land Contract is amended as follows:

1. Paragraphs 2, 5 and 6 are amended as follows (select one):

(a) *Parallel Requirements of Prior Mortgage.*

Buyer agrees to pay Seller monthly, in addition to and along with the other payments called for in paragraph 2 of the Contract, an amount equal to the real property tax and insurance escrow required by the underlying mortgage upon the Premises, and the Seller shall then pay the real property taxes and fire and extended coverage insurance premiums when they become payable and give written evidence of the payment to Buyer. The monthly payments made by the Buyer to the Seller shall be adjusted concurrently with and in an amount equal to any adjustments in those payments required by the mortgagee on the underlying mortgage. Seller shall immediately forward to the Buyer written evidence of the adjustment called for by the mortgagee and that adjustment shall immediately go into effect under this Contract;

(b) *Monthly Tax and Insurance Payments.*

Buyer agrees to pay to Seller monthly, in addition to and along with the payments called for in paragraph 2 of the Contract, an amount equal to one-twelfth (1/12) of the estimated annual real property taxes upon the Premises and one-twelfth (1/12) of the annual premiums of the fire and extended coverage insurance policy for the Premises. The Seller shall then pay the real property taxes and fire and extended coverage insurance premiums when they become payable and give written evidence of the payment to Buyer. Adjustment in the monthly payments may be made only to account for changes in the tax rate or in the assessed valuation of the Premises and any announced change in premium rates made by the company which issues the insurance policy. In the event of any of those changes, the Seller may then adjust the monthly payments by an amount sufficient to accumulate the amount required to pay the taxes and insurance premiums on their next due date. The Seller shall give written notice to the Buyer of any adjustments in the monthly payments for the real property taxes and fire and extended coverage insurance. Following receipt of the notice, beginning with the next succeeding monthly payment, the Buyer shall pay to the Seller the new amount. If the amount accumulated by the Seller shall ever be insufficient to make a payment required for either an insurance premium or by a taxing authority, then the Seller shall give written notice of the amount of the shortage to the Buyer and the Buyer shall immediately forward that amount to the Seller. All amounts paid by Buyer to Seller under this addendum shall be used only for the purpose of paying the real property taxes or insurance premiums for the Premises or to reimburse Seller for payments already made;

(c) *Addback Provision.*

Buyer agrees to pay to Seller, monthly in addition to and along with other payments called for in paragraph 2 of the Contract, an amount equal to one-twelfth (1/12) of the estimated real property taxes upon the Premises and one-twelfth (1/12) of the annual premiums of the fire and extended coverage insurance policy for the Premises. The payments made pursuant to this provision shall be credited to the principal balance of this Contract and the Seller shall then pay the real property taxes and fire and extended coverage premiums when they become payable, and upon payment by the Seller the principal balance of this Contract shall be increased by the amount so paid. During the first quarter of each calendar year, the Seller may adjust the payments called for by this provision so that the total payments made under this provision will equal the estimated annual real property taxes and premiums for fire and extended coverage insurance which will be billed in that calendar year. The Seller shall then give written notice to the Buyer of the adjustment and the Buyer shall begin paying the new amount with the next succeeding monthly payment following receipt of the notice;

(d) *Reimbursement of Seller for Payment.*

Seller shall pay the real property taxes and fire and extended coverage insurance premiums upon the Premises and the Buyer agrees to reimburse Seller in full within twenty (20) days of the date that Seller submits to the Buyer written evidence of the payment of the real property taxes and/or insurance premiums;

(e) Other

2. Paragraphs 5 and 6 are amended to shift the obligations required of the Buyer to the Seller with the stated notices now to be given to the Buyer.

Witnesses:

STATE OF MICHIGAN }
COUNTY OF _____ } s.s

On this _____ day of _____, before me, a notary public in and for said County, personally appeared _____

_____,
the Seller, to me known to be the same person described in and who executed the Contract and acknowledged that _____ executed it as _____ free act and deed.

Prepared by: _____

Notary Public, _____ County, Michigan

My commission expires: _____