

1 JOINT APPROVED FORM, WINNEBAGO COUNTY BAR ASSOCIATION "WCBA"
2 AND ROCKFORD AREA ASSOCIATION OF REALTORS® "RAAR"

3 **CONTRACT FOR PURCHASE AND SALE**

4 **For Use with Existing Commercial and Industrial Buildings**

5 **(Not to Include the Sale of a Business)**

6 **(Complete All Blanks and Delete Inapplicable Language)**

7 LISTING OFFICE: _____ Phone: _____

8 Listing Broker: _____ Broker Number: _____

9 Email: _____ Phone: _____ Fax: _____

10 Seller's Attorney: _____ Phone: _____

11 Email: _____ Fax: _____

12 SELLING OFFICE: _____ Phone: _____

13 Selling Broker: _____ Broker Number: _____

14 Email: _____ Phone: _____ Fax: _____

15 Buyer's Attorney: _____ Phone: _____

16 Email: _____ Fax: _____

17 Designated agents of the Listing Broker are agents of the Seller. Designated agents of the
18 Selling Broker are agents of the Buyer unless a dual agency agreement is signed.

19 **CONFIRMATION OF CONSENT TO DUAL AGENCY**

20 The undersigned confirm that they have previously consented to _____,
21 Licensee, acting as a Dual Agent in providing brokerage services on their behalf and specifically
22 consent to Licensee acting as a Dual Agent in regard to the transaction referred to in this
23 document. Seller's Initials: _____/_____ Buyer's Initials: _____/_____

24 1. Seller. To: (SELLER) _____
25 Email: _____ Phone: _____
26 of _____ (Address & Zip Code)

27 2. Buyer. The Undersigned (BUYER) _____
28 Email: _____ Phone: _____
29 of _____ (Address & Zip Code)

30 3. Premises. Offers to purchase the following described real estate situated in (Winnebago)
31 (_____) County, Illinois, commonly known as: _____
32 _____ Property I.D.#: _____
33 and legally described as: _____
34 _____ being a commercial/industrial premises.

35 4. Purchase Price. And to pay you \$ _____
36 with \$ _____ as earnest money (a minimum of 5% of the purchase
37 price is recommended) to be tendered by Buyer no later than one business day following the
38 date of the accepted Contract (which earnest money shall be increased to a total of
39 \$ _____ within one business day following the expiration of the Attorney
40 Approval period as set forth in Paragraph 6 herein) to be applied to the purchase price; (if
41 Contract is not subject to 5B financing contingency, Buyer will furnish written verification of
42 funds to close from a financial institution within _____ business days of acceptance of this
43 Contract).

44 5. Contingencies. Buyer's obligations pursuant to this Contract are contingent upon the
45 following:

46 A. Inspection. Buyer's inspection, which may include, but shall not be limited to, radon,
47 mold, pest, mechanical, or structural inspections, at Buyer's expense. Seller shall arrange for
48 all utilities to be on at the time of inspection. The inspection shall cover only major

49 components of the real estate, including but not limited to, heating and cooling systems,
50 plumbing and well system, electrical system, roof, walls, windows, ceilings, floors,
51 appliances and foundation. If Buyer notifies Seller on or before _____ that the
52 results of the inspection are unacceptable to Buyer, this Contract shall be void. If Buyer does
53 not notify Seller by said date that the results of the inspection are unacceptable to Buyer, this
54 provision shall be deemed waived and this Contract shall remain in effect.

55 B. Financing. Obtain by _____, a written mortgage loan commitment
56 containing the following terms: loan amount not less than ____% of the purchase price due in
57 not less than ____ years amortized over ____ years with (Fixed) (Adjustable) interest at not
58 more than ____% per year and lender required flood insurance premiums not to exceed
59 \$_____ per year, or containing other terms acceptable to Buyer. Buyer shall provide to
60 Seller by the above date a copy of the Lender's loan commitment or upon Seller's request
61 will provide a denial letter if available from Buyer's lender. The issuance of a commitment
62 containing the above-specified terms or Buyer's written acceptance of a commitment
63 containing other terms shall satisfy this contingency. Seller agrees to pay Buyer's closing
64 costs not exceeding \$_____ (to include all costs paid to third parties in connection with
65 the closing, prepaid mortgage interest, insurance and tax reserve deposits).

66 C. Appraisal. Obtain by _____, an appraisal prepared by an Illinois
67 licensed appraiser indicating the value of the premises to be equal to or greater than the
68 purchase price.

69 D. Sale of Property. (Enter into a contract for the sale of property for not less than
70 \$_____ or a lesser amount as is accepted by _____ and) complete the sale of
71 property in which Buyer now has an interest located at _____
72 _____ on or before _____. Seller reserves the right to
73 accept another bona fide offer subject to the rights of Buyer under this Contract. In the event
74 Seller accepts another bona fide offer, Seller shall deliver a notice to eliminate contingency
75 to Buyer. Within 72 hours of receipt of such notice, Buyer shall deliver written notice to
76 Seller of removal of this contingency and **all** other Buyer contingencies AND (a) provide a
77 written commitment for a non-contingent bridge loan, OR (b) provide evidence of available
78 funds sufficient to allow Buyer to complete the transaction, or this Contract shall be void.

79 E. Document Review. Review the following documents to be delivered by Seller by the
80 date below (insert date if applicable):

- 81 _____ Copy of written leases/rental agreements, terms of any oral leases, or options to
82 renew/options to purchase;
- 83 _____ List of tenants, monthly rental and security deposits;
- 84 _____ Estoppel certificates from lessee(s) of the premises confirming the terms of the
85 lease(s) and the status thereof;
- 86 _____ Written confirmation from zoning authority that the premises are presently
87 zoned _____ and present use is (conforming) (legally non-conforming);

88 Unless Buyer gives written notice within five business days of the date listed above that the
89 information furnished is not acceptable to Buyer, this Contract shall remain in effect.

90 F. Environmental Assessment. Obtain by _____ a written Phase I
91 environmental site assessment report conducted pursuant to current U.S. EPA, Illinois EPA
92 and ASTM standards, at (Seller's)(Buyer's) expense and unless such assessment report is
93 disapproved by Buyer in writing by _____, this Contract shall remain in effect.

94 **See Notice Regarding Environmental Liability Immediately Above Signature Lines.**

95 6. Attorney's Approval. This Contract is subject to Buyer's and Seller's attorney's written
96 disapproval of this Contract on or before the inspection period listed in Paragraph 5A, or

97 within seven (7) business days of the final acceptance of this Contract, whichever is later. In
98 the absence of notice within the time specified, this provision shall be deemed waived and
99 this Contract shall remain in effect.

100 7. Failure of Contingency. Except as otherwise provided, if any contingency cannot in good
101 faith be carried out, this Contract shall become void and the earnest money shall be returned
102 to Buyer pursuant to the provisions of Paragraphs 10 and 17 hereof.

103 8. Closing. This transaction shall be closed on _____ or on such date as mutually
104 agreed by the parties in writing, and Seller shall deliver possession of the premises in broom-
105 clean condition and free of debris, both interior and exterior, **at time of closing**. The
106 premises shall be vacant at closing, unless it is (check if applicable):

107 _____ Subject to tenant's lease terms submitted by Seller pursuant to Paragraph 5E; or

108 _____ Subject to Occupancy Rider.

109 A final inspection of the real estate, fixtures, and personal property may be made by Buyer
110 within 48 hours prior to closing to determine whether the premises is in the same condition as
111 of the time Buyer entered into the Contract.

112 9. Prorations and Credits. Rents, utilities, pre-paid service contracts, property taxes, association
113 dues, and other similar items shall be prorated and credited along with security deposits and
114 prepaid items through date of closing. Tax prorations shall be based upon the actual tax bill if
115 known for a specific tax year; otherwise shall use the most recent assessment and exemption
116 information available and 105% of the most recent tax rate and shall be final as of closing.
117 Seller shall pay at closing all special assessments, special service area taxes, or fees or other
118 similar items charged against the premises approved, enacted or confirmed prior to date of
119 final acceptance of contract by a public body, private association or a Court.

120 10. Earnest Money. The earnest money shall be held by _____, referred to
121 as "Escrowee," for the mutual benefit of the parties in a non-interest bearing account. If an
122 earnest money dispute arises, Escrowee shall be authorized to release the earnest money
123 ONLY upon written direction executed by all parties or order of Court; **provided, however,**
124 **in the event the premises is being sold through a RAAR listing and a dispute solely**
125 **involving earnest money arises, the parties agree to submit the dispute to binding**
126 **arbitration if available through RAAR under arbitration rules and procedures**
127 **approved by RAAR and WCBA.**

128 11. Personal Property. Seller warrants that Seller owns and agrees to transfer to Buyer the
129 following: all heating, plumbing, electrical systems and fixtures; water heater; existing
130 storms and screens; attached and built-in cabinets and shelves; attached carpet; attached
131 mirrors; all planted vegetation; and the following: (Check or enumerate applicable items)

132 (____ furnaces), (____ air conditioners) (security system) (____ water heaters)

133 (____ water softeners) (____ water filtration systems)

134 Other items included: _____

135 _____

136 Other items excluded: _____

137 _____

138 Seller warrants there are no rented fixtures or equipment except: _____

139 _____

140 12. Seller Warranty. Seller agrees to deliver possession of the premises and personal property in
141 the same condition as it is at the date of this Contract, ordinary wear and tear excepted.
142 Buyer acknowledges that Buyer has inspected the premises and personal property and is
143 acquainted with its condition, and accepts the same in "AS IS" condition as of the time Buyer
144 executed this Contract, except Seller warrants the heating (and air conditioning) equipment

145 and systems, water heater, (water softener), plumbing and electrical equipment and systems,
146 kitchen appliances, and where applicable (septic system), (well), and (sprinkling system), to
147 be in normal operating condition as of possession transfer. A system shall be deemed to be
148 in normal operating condition if it performs the function for which it is intended regardless of
149 age and does not constitute a threat to health or safety. Unless written notice of breach of
150 warranty is delivered by Buyer to Seller prior to possession transfer, this warranty will be
151 conclusively deemed to have been satisfied; provided, however, that Buyer shall have six (6)
152 months after possession transfer to provide written notice to Seller of any defect existing as
153 of possession transfer in the heating (and air conditioning) equipment and systems, (septic
154 system), or (sprinkling system) if said equipment could not be tested by Buyer at the time of
155 any inspection conducted in conjunction with this Contract.

156 If deleted pursuant to Paragraph 23B As Is: Seller's Initials ___/___ Buyer's Initials ___/___

157 13. Water System Evaluations. Seller shall provide to Buyer by _____ at Seller's expense:

158 A. An evaluation of the well and septic systems, where applicable, dated within 90 days of
159 closing including sampling of the well verifying that the water is bacteriologically safe, that
160 the nitrate level is within requirements approved by the State of Illinois, that the well and
161 septic systems meet with all applicable health department requirements and are in normal
162 operating condition without observable defects. The well and septic evaluations shall be
163 conducted by the local county health department or an Illinois licensed environmental health
164 practitioner in accordance with local health department requirements. If Seller does not
165 provide Buyer with satisfactory well and septic evaluations by the above date, then this
166 Contract shall be voidable at the option of Buyer as Buyer's exclusive remedy.

167 B. A sanitary sewer connection Certificate of Compliance where required by local
168 ordinance. If Seller does not provide the Certificate of Compliance by the above date, then
169 this Contract shall be voidable at the option of Buyer as Buyer's exclusive remedy.

170 C. Where applicable, a Cross Connection Certificate of Compliance relating to lawn and
171 building sprinkling systems dated within one year of the date of closing. If Seller does not
172 provide the Certificate of Compliance by the above date, then this Contract shall be voidable
173 at the option of Buyer as Buyer's exclusive remedy.

174 14. Hazardous Substances. **Seller warrants that (1) Seller has not conducted, authorized or**
175 **permitted the generation, transportation, storage, treatment or disposal at or from the**
176 **premises of any hazardous substance as defined by the Federal Emergency Planning**
177 **and Community Right to Know Act of 1986, and (2) Seller is not aware of and has not**
178 **caused or allowed the release of any petroleum products on or from the premises prior**
179 **to closing. This warranty is specifically intended to survive the closing of this**
180 **transaction.**

181 15. Title Insurance. Seller shall furnish current title insurance commitment in the amount of the
182 purchase price to Buyer prior to closing, and final policy thereafter, at Seller's expense, from
183 a title company with a closing office located in the county where the premises is located,
184 showing merchantable title subject only to the following permitted exceptions: a) all accrued
185 taxes, fees and special assessments credited to Buyer at closing; b) building setbacks, use and
186 occupancy restrictions, conditions and covenants of record; c) zoning laws and ordinances; d)
187 easements for the use of public utilities; e) roads and highways; f) existing leases and
188 tenancies approved by Buyer under Paragraph 5E, if any. None of these exceptions shall be
189 considered permitted exceptions if they are violated by the existing improvements or present
190 use of the premises or if they materially restrict the reasonable use of the premises. If Seller
191 cannot deliver merchantable title to Buyer at closing subject only to permitted exceptions,
192 this Contract shall be voidable at Buyer's option and the earnest money shall be returned to

193 Buyer.

194 16. Destruction of the Premises. If prior to delivery of deed or agreement for deed the
195 improvements on the premises shall be destroyed or materially damaged by fire or other
196 casualty, Buyer shall have the option of declaring this Contract void and receiving a refund
197 of earnest money paid, or of accepting the premises as damaged or destroyed, together with
198 the proceeds of any insurance payable as a result of the destruction or damage, which
199 proceeds Seller agrees to assign to Buyer.

200 17. Liquidated Damages. SHOULD BUYER FAIL TO PERFORM THIS CONTRACT
201 PROMPTLY IN THE TIME AND MANNER SPECIFIED, THE EARNEST MONEY
202 SHALL BE FORFEITED BY BUYER AS LIQUIDATED DAMAGES SUBJECT TO THE
203 PROVISIONS OF PARAGRAPH 10, AS SELLER'S EXCLUSIVE REMEDY, AND THIS
204 CONTRACT SHALL BE VOID. IN ANY ACTION TO ENFORCE THE TERMS OF
205 THIS CONTRACT, THE PREVAILING PARTY SHALL BE ENTITLED TO
206 REASONABLE ATTORNEYS FEES AND COSTS.

207 18. Time of the Essence. Time is of the essence of the terms and conditions of this Contract.

208 19. Closing Documents and Funds. At closing Seller shall convey merchantable title to the
209 premises, subject to permitted exceptions, to Buyer or whomever Buyer may direct by
210 stamped recordable warranty deed or such other appropriate deed or agreement for deed as
211 required. At closing Seller shall convey merchantable title to the personal property to Buyer
212 or whomever Buyer may direct by Bill of Sale. The title company closing fee shall be paid
213 by a Buyer with a mortgage and shall be divided equally between the parties if Buyer has no
214 mortgage. The remainder of the purchase price or any further part of it then due shall be paid
215 and all documents required by the transaction shall be signed and delivered.

216 20. Governmental Compliance. The parties agree to comply with the following federal or state
217 acts when applicable:
218 A. Illinois Real Estate Transfer Tax Act with Seller to pay all transfer taxes due at closing;
219 B. Federal Real Estate Settlement Procedures Act (RESPA); and
220 C. Illinois Good Funds Act.

221 21. Notices. All required notices shall be in writing and shall be served directly upon any one of
222 the parties to whom the notice is directed, or the party's real estate brokers or attorneys, by
223 (a) personal delivery, (b) regular or express mail, (c) FAX machine, or (d) e-mail if an e-mail
224 address has been furnished by the recipient or is shown on this Contract. Notices shall be
225 deemed satisfactorily delivered at the time of personal delivery, mailing, FAX, or e-mail
226 transmission regardless of the time of actual receipt by the other party, or their attorney, or
227 real estate broker, except that actual receipt by Buyer, Buyer's broker, or attorney of the
228 notice to eliminate contingency shall be required pursuant to Paragraph 5D of this Contract.
229 For purposes of execution of this Contract and providing subsequent notices, including
230 contingency removals, any electronically signed document or document transmitted by FAX
231 or e-mail shall be treated as an original document. Business days are defined as Monday
232 through Friday excluding federal holidays.

233 22. Entire Agreement. Following execution by the last party, this Contract shall be deemed
234 effective only upon delivery to the other party, as provided for notices in the preceding
235 paragraph. This document represents the entire agreement and shall be binding upon the
236 parties, their heirs, successors, and assigns.

23.Optional Standard Clauses. The following Optional Standard Clauses shall apply only if Seller's Buyer's initialed by all parties: **(Identify applicable clauses and initial, complete, and make applicable deletions)**

239 Initials Initials
 240 ___/___ ___/___ A. Cancellation of Prior Contract. This Contract is subject to the cancellation
 241 of Seller's prior contract by _____.

242 ___/___ ___/___ B. As Is. Buyer accepts the premises in all respects (except well and septic
 243 systems) in "AS IS" condition as of date of Contract and waives the
 244 provisions of Paragraph 12 hereof. **(Delete Paragraph 12 and initial
 245 deletion - does not affect Paragraph 13.)**

246 ___/___ ___/___ C. Repair Rider is incorporated by reference.

247 ___/___ ___/___ D. Flood Certification. (For use with cash or Seller financed transactions
 248 only.) This Contract is subject to Buyer obtaining within seven (7)
 249 business days of the acceptance of this Contract, a determination that the
 250 premises are not located in a FEMA designated special flood hazard ("A
 251 Zone") area or this Contract shall be void.

252 ___/___ ___/___ E. Survey Rider is incorporated by reference.

253 ___/___ ___/___ F. Occupancy Rider is incorporated by reference - Also see Paragraph 8.

254 ___/___ ___/___ G. Condo Rider is incorporated by reference.

255 ___/___ ___/___ H. Short Sale Rider is incorporated by reference.

256 ___/___ ___/___ I. Agreement for Deed Rider is incorporated by reference.

257 ___/___ ___/___ J. Tax-Deferred Exchange. The parties agree to cooperate in the completion
 258 of a tax-deferred exchange in accordance with the applicable provisions of the Internal Revenue
 259 Code; provided, however, that no party shall be required to accept conveyance of and re-convey
 260 other premises unless specifically agreed to in writing by them. A party's rights under this
 261 Contract, however, may be assigned to a qualified third party escrowee to accomplish a "Starker"
 262 exchange.

NOTICE TO PARTIES

BY THE SIGNING OF THIS CONTRACT, YOU ARE ENTERING INTO A BINDING LEGAL AGREEMENT. ANY REPRESENTATION UPON WHICH YOU RELY SHOULD BE INCLUDED IN THIS AGREEMENT. NO ORAL REPRESENTATION WILL BE BINDING UPON OR AN OBLIGATION OF THE SELLER, BUYER, OR REAL ESTATE BROKER. THE UNDERSIGNED ACKNOWLEDGE THAT THEY HAVE HAD THE OPPORTUNITY TO CONSULT WITH SEPARATE LEGAL COUNSEL PRIOR TO THE EXECUTION OF THIS AGREEMENT.

*****NOTICE REGARDING ENVIRONMENTAL LIABILITY*****

BECAUSE OF THE RISK OF SUBSTANTIAL LIABILITIES RESULTING FROM THE OWNERSHIP OF REAL ESTATE THAT MAY BE AFFECTED BY ENVIRONMENTAL DEFECTS OR OTHERWISE SUBJECT TO FEDERAL AND/OR STATE ENVIRONMENTAL REGULATIONS, SELLERS AND BUYERS ARE ADVISED TO CONSULT THEIR RESPECTIVE ATTORNEYS PRIOR TO EXECUTING A CONTRACT FOR PURCHASE AND SALE, REGARDING SUCH LIABILITY RISKS AND REGARDING ADDITIONAL CONTRACT LANGUAGE ADDRESSING THE ASSESSMENT OF ENVIRONMENTAL LIABILITY RISKS.

Dated: _____ and to be accepted by: _____

BUYER: _____ BY: _____

Presented to Seller _____ (date) Seller's Initials: ___/___

Countered: _____ with counteroffer to be accepted by: _____

SELLER: _____ BY: _____

Date of Final Acceptance & Delivery: _____ **(Insert after all terms and conditions have been agreed upon)**

Escrowee acknowledges receipt of the earnest money (Cash/Check/Note):

ESCROWEE: _____