

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



**CONTRACT FOR PURCHASE AND SALE**  
For Use With Existing Commercial and Industrial Buildings  
(Not To Include the Sale of a Business)  
(Complete All Blanks And Delete Inapplicable Language)



LISTING OFFICE: \_\_\_\_\_ SELLING OFFICE: \_\_\_\_\_  
LOF #: \_\_\_\_\_ PHONE: \_\_\_\_\_ SOF #: \_\_\_\_\_ PHONE: \_\_\_\_\_  
Listing Agent: \_\_\_\_\_ # \_\_\_\_\_ Buyer's Agent: \_\_\_\_\_ # \_\_\_\_\_  
Seller's Attorney: \_\_\_\_\_ Buyer's Attorney: \_\_\_\_\_

- To: (SELLER) \_\_\_\_\_  
Phone \_\_\_\_\_ of \_\_\_\_\_ (Address & Zip Code)
- The Undersigned (BUYER) \_\_\_\_\_  
Phone \_\_\_\_\_ of \_\_\_\_\_ (Address & Zip Code)
- Offers to purchase the following described real estate situated in (Winnebago) ( \_\_\_\_\_ ) County, Illinois, commonly known as: \_\_\_\_\_, and legally described as \_\_\_\_\_ being a commercial/industrial premises.

Tax Code No.: \_\_\_\_\_ Property Identification No.: \_\_\_\_\_

- And to pay you \$ \_\_\_\_\_ payable \$ \_\_\_\_\_ as earnest money to be tendered by Buyer no later than one business day following the date of the accepted Contract (A Minimum Of 3% Of The Purchase Price Is Recommended) to be applied to the purchase price and the balance payable as follows:
  - Cash at time of closing; or
  - Buyer to assume existing (mortgage) (agreement for deed) with an approximate principal balance of \$ \_\_\_\_\_ with monthly principal and interest payments of \$ \_\_\_\_\_, balance in cash at time of closing. Buyer to pay assumption fee not to exceed \$ \_\_\_\_\_ (to include release of Seller's liability). Written consent of (lender) (titleholder) to be received on or before \_\_\_\_\_, 20\_\_ or this Contract shall be void; or
  - Buyer and Seller to sign Agreement for Deed on current Winnebago County Bar Association form with a principal amount of \$ \_\_\_\_\_ and interest at the rate of \_\_\_\_\_% for a term of \_\_\_\_\_ years amortized over \_\_\_\_\_ years, with monthly principal and interest payments of \$ \_\_\_\_\_ (or more) plus an amount each month equal to one-twelfth (1/12) of taxes and insurance, and the balance in cash at time of closing. If applicable, written consent of Seller's lender/titleholder must be received by \_\_\_\_\_, 20\_\_ or this Contract shall be void. Buyer (shall) (shall not) provide Seller with a credit report satisfactory to Seller by \_\_\_\_\_, 20\_\_, which report shall be deemed accepted unless Seller provides written disapproval of Buyer's credit report within 7 days after delivery to Seller, whereupon this Contract shall be void.
- BUYER'S OBLIGATIONS PURSUANT TO THIS CONTRACT ARE CONTINGENT UPON THE ABILITY OF BUYER TO:
  - Obtain by \_\_\_\_\_, 20\_\_, a written mortgage loan commitment containing the following terms: loan amount not less than \_\_\_\_\_% of the purchase price with (Fixed) (Adjustable) interest at not more than \_\_\_\_\_% per year for a term of \_\_\_\_\_ years amortized over \_\_\_\_\_ years, and lender required flood insurance premiums not to exceed \$ \_\_\_\_\_ per year, or containing other terms acceptable to Buyer. Buyer shall provide to Seller, upon request, a copy of the Lender's loan commitment or denial. The issuance of a commitment containing the above-specified terms (although including additional conditions), or Buyer's written acceptance of a commitment containing other terms, shall satisfy this contingency. Seller agrees to pay Buyer's closing costs not exceeding \$ \_\_\_\_\_.
  - Enter into a contract for the sale of property in which Buyer now has an interest, located at \_\_\_\_\_ for not less than \$ \_\_\_\_\_ or a lesser amount as is accepted by \_\_\_\_\_, 20\_\_, and complete the sale of such property on or before closing. Seller reserves the right to accept another bona fide offer subject to the rights of Buyer under this Contract. In the event Seller accepts another bona fide offer, Seller shall deliver a notice to eliminate contingency to Buyer. Within 72 hours of receipt of such notice, Buyer shall remove this contingency and all other Buyer contingencies AND (a) provide written evidence of an accepted, non-contingent offer on Buyer's property, OR (b) provide a written commitment for a non-contingent bridge loan, OR (c) provide evidence of available funds sufficient to allow Buyer to complete the transaction, or this Contract shall be void.

- C. Obtain, or to have Buyer's lender obtain, by \_\_\_\_\_, 20\_\_\_\_, an appraisal prepared by an Illinois licensed appraiser indicating the value of the premises to be equal to or greater than the purchase price.
- D. Review the following documents to be delivered by Seller by \_\_\_\_\_, 20\_\_\_\_:
- i) Copy of leases/rental agreements including options to renew/options to purchase;
  - ii) List of tenants, monthly rental and security deposits;
  - iii) Evidence that the premises are presently zoned \_\_\_\_\_ and present use is (conforming) (legally non-conforming);
- If Buyer fails to give written notice by \_\_\_\_\_, 20\_\_\_\_, that the information furnished is not acceptable to Buyer, this Contract shall remain in effect.
- E. Obtain by \_\_\_\_\_, 20\_\_\_\_, a written Phase I environmental assessment report at (Seller's) (Buyer's) expense submitted by professional environmental engineers or consultants and unless such assessment report is disapproved by Buyer in writing by \_\_\_\_\_, 20\_\_\_\_, this Contract shall remain in effect.
- See Notice Regarding Environmental Liability Immediately Above Signature Lines.**
6. Except as otherwise provided, if any contingency cannot be carried out, this Contract shall become void and the earnest money shall be returned to Buyer.
  7. This transaction shall be closed by \_\_\_\_\_, 20\_\_\_\_, and Seller shall deliver possession of the premises in broom-clean condition and free of debris, both interior and exterior, at time of closing. A final inspection of the real estate, fixtures, and personal property may be made by Buyer, Buyer's inspector, contractor, or representatives within 48 hours prior to closing.
  8. Rents, utilities, pre-paid service contracts, property taxes, association dues and fees, and other similar items shall be prorated through date of closing. Tax prorations shall be based upon the actual tax bill if known for a specific tax year; otherwise 105% of the most recent full year tax bill, and shall be final as of closing. Prorations for a property subject to an instant assessment or without a prior full year tax bill shall use most recent assessment information available and 105% of the prior year's tax rate. Seller shall pay at closing all special assessments, fees, or use taxes against the premises enacted or confirmed prior to Buyer's offer by a public body, private association, or a Court.
  9. The earnest money shall be held by \_\_\_\_\_, referred to as "Escrowee," for the mutual benefit of the parties in a non-interest bearing account. If an earnest money dispute arises, Escrowee shall be authorized to release the earnest money ONLY upon written direction executed by all parties or order of Court. In the event agreement cannot be reached by the parties within thirty (30) days after delivery of written notice from Escrowee that such dispute has arisen, the parties agree that Escrowee may deposit the funds with the Clerk of the Circuit Court by the filing of an action in the nature of an interpleader. The parties agree that Escrowee shall be reimbursed from the earnest money at the time of filing its court appearance, for reasonable attorney's fees not to exceed \$250.00 and court costs incurred in initiating or responding in an interpleader action or defense.
  10. The following personal property and fixtures now on the property and owned by Seller are included in this purchase: (\_\_\_\_ furnaces), (\_\_\_\_ air conditioners) (security system) (\_\_\_\_ water heaters) (\_\_\_\_ water softeners) (\_\_\_\_ water filtration systems) and the following additional items of personal property: \_\_\_\_\_
  11. Seller warrants there are no rented fixtures or equipment except (water softeners) (security system) (water filter/purification system) and \_\_\_\_\_
  12. Seller agrees to deliver possession of the real estate in the same condition as it is at the date of this Contract, ordinary wear and tear excepted. Buyer acknowledges that Buyer has inspected the real property and is acquainted with its condition, and accepts the premises in "AS IS" condition as of the time Buyer executed this Contract, except Seller warrants the heating (and air conditioning) equipment and systems, water heater(s), (water softener), plumbing and electrical equipment and systems, (kitchen appliances), and where applicable (septic system) and (well), to be in normal operating condition as of possession transfer. Unless written notice of breach of warranty is delivered by Buyer to Seller prior to possession transfer, this warranty will be conclusively deemed to have been satisfied, except Buyer shall have six (6) months after possession transfer to provide written notice to Seller of any defect existing as of possession transfer in the heating (and air conditioning) equipment and systems, (or the septic system).
  13. Seller shall provide to Buyer by \_\_\_\_\_, 20\_\_\_\_, at Seller's expense:
    - A. An evaluation of the well and septic systems, where applicable, including sampling of the well verifying that the water is bacteriologically safe, that the nitrate level is within standards approved by the State of Illinois, that the well meets with all applicable health department standards, and that the septic system is in normal operating condition without observable defects. The well and septic evaluations shall be conducted by:
      - i. The local county health department (required for FHA/VA loans), or
      - ii. Illinois licensed well and septic contractor(s) in accordance with local health department standards.
 If Seller does not provide Buyer with satisfactory well and septic evaluations by the above date, then this Contract shall be voidable at the option of Buyer as Buyer's exclusive remedy.

- B. A sanitary sewer "clear water" connection Certificate of Compliance where required by local ordinance. If Seller does not provide the Certificate of Compliance by the above date, then this Contract shall be voidable at the option of Buyer as Buyer's exclusive remedy.
14. Seller warrants that Seller has not conducted, authorized or permitted the generation, transportation, storage, treatment or disposal at or from the premises of any hazardous substance as defined by the Federal Emergency Planning and Community Right to Know Act of 1986. This warranty is specifically intended to survive the closing of this transaction.
  15. Seller shall furnish current title insurance commitment in the amount of the purchase price, to Buyer prior to closing, and final policy thereafter, at Seller's expense, showing merchantable title subject only to the following permitted exceptions: a) all accrued taxes, fees, and special assessments credited to Buyer at closing; b) building and building line, use and occupancy restrictions, conditions and covenants of record; c) zoning laws and ordinances; d) easements for the use of public utilities; e) roads and highways; f) drainage ditches, feeders and laterals; g) existing leases and tenancies approved by Buyer under Paragraph 5(D), if any. None of these exceptions shall be considered permitted exceptions if they are violated by the existing improvements or present use of the premises or if they materially restrict the reasonable use of the property.
  16. If Seller cannot deliver merchantable title to Buyer at closing, subject only to permitted exceptions, this Contract, at Buyer's option, shall be voidable and the earnest money shall be returned to Buyer or Buyer may elect to close and deduct from the purchase price a definite and ascertainable amount required to satisfy and release any nonpermitted exceptions, and in such case Seller shall convey the premises to Buyer.
  17. If prior to delivery of deed or agreement for deed the improvements on the premises shall be destroyed or materially damaged by fire or other casualty, Buyer shall have the option of declaring this Contract void and receiving a refund of earnest money paid, or of accepting the premises as damaged or destroyed, together with the proceeds of any insurance payable as a result of the destruction or damage, which proceeds Seller agrees to assign to Buyer.
  18. Should Buyer fail to perform this Contract promptly in the time and manner specified, the earnest money shall be forfeited by Buyer as liquidated damages, as Seller's exclusive remedy, and this Contract shall be void. If an allowable deduction has been made against the earnest money for Escrowee's attorney's fees and court costs pursuant to Paragraph 9 of this Contract, the prevailing party shall be entitled to a judgment against the other party for the amount of said deduction, in addition to recovery of the then balance of the earnest money.
  19. Time is of the essence of the terms and conditions of this Contract.
  20. At closing Seller shall convey merchantable title to the property, subject to permitted exceptions, to Buyer or whomever Buyer may direct by stamped recordable warranty deed releasing homestead, or such other appropriate deed or agreement for deed as required. The remainder of the purchase price or any further part of it then due shall be paid and all documents required by the transaction shall be signed and delivered.
  21. Any real estate commission shall be paid at closing in accordance with the conditions of the listing agreement unless otherwise agreed, but if the sale is not completed and the earnest money is forfeited, the earnest money shall be applied first to the Escrowee pursuant to Paragraph 9, next to the payment of expenses incurred for Seller by listing broker and the balance, if any, shall be divided equally between Seller and listing broker.
  22. The parties agree to comply with the following federal or state acts when applicable:
    - A. Federal Real Estate Settlement Procedures Act (RESPA).
    - B. Illinois Real Estate Transfer Tax Act with Seller to pay all transfer taxes due at closing.
  23. All required notices shall be in writing and shall be served directly upon any one of the parties to whom the notice is directed, or the party's real estate agents or attorneys by (a) personal delivery, (b) regular or express mail, or (c) FAX machine. Notices shall be deemed satisfactorily delivered at the time of personal delivery, mailing, or FAX transmission regardless of the time of actual receipt by the other party, or their attorney, or real estate agent, except that actual receipt by Buyer, Buyer's agent, or attorney of the notice to eliminate contingency shall be required pursuant to Paragraph 5(B) of this Contract. For purposes of execution of this Contract and providing subsequent notices, including contingency removals, any signed document transmitted by FAX machine shall be treated as an original document.
  24. Following execution by the last party, this Contract shall be deemed effective only upon delivery to the other party, as provided for notices in the preceding paragraph. This document represents the entire agreement and shall be binding upon the parties, their heirs, successors, and assigns.

25. The following Optional Standard Clauses shall apply only if initialed by all parties.

**OPTIONAL STANDARD CLAUSES**

(Identify Applicable Clauses And Initial, Complete, And Make Applicable Deletions)

Seller's Initials / /  
Buyer's Initials / /

- A. **Cancellation of Prior Contract.** This Contract is subject to the cancellation of Seller's prior contract by \_\_\_\_\_, 20\_\_\_\_\_.
- B. **Attorney's Approval.** This Contract is subject to (Buyer's) (Seller's) attorney's written disapproval of this Contract by \_\_\_\_\_ 20\_\_\_\_\_. In the absence of notice by the date specified, this provision shall be deemed waived and this Contract shall remain in effect.
- C. **Inspection.** This Contract is subject to Buyer's inspections which may include, but shall not be limited to radon, pest, mechanical, or structural inspections, at (Buyer's) (Seller's) expense. If Buyer notifies Seller by \_\_\_\_\_, 20\_\_\_\_\_, that the results of the inspection are unacceptable to Buyer, this Contract shall be void. If Buyer does not notify Seller by said date that the results of the inspection are unacceptable to Buyer, this provision shall be deemed waived and this Contract shall remain in effect.
- D. **As Is.** Buyer accepts the premises in all respects in "AS IS" condition as of date of Contract and waives the provisions of Paragraph 12 hereof. (Delete Paragraph 12 And Initial Deletion - Does Not Affect Paragraph 13.)
- E. **Tax-Deferred Exchange.** The parties agree to cooperate in the completion of a tax-deferred exchange in accordance with the applicable provisions of the Internal Revenue Code; provided, however, that no party shall be required to accept conveyance of and re-convey other premises unless specifically agreed to in writing by them. A party's rights under this Contract, however, may be assigned to a qualified third party escrowee to accomplish a "Starker" exchange.
- F. **Flood Certification. (For Use With Cash Or Seller Financed Transactions Only.)** This Contract is subject to Buyer obtaining by \_\_\_\_\_, 20\_\_\_\_\_ a guaranteed determination that the premises are not located in a FEMA designated special flood hazard ("A Zone") area or this Contract shall be void.
- G. **Survey Rider** is incorporated by reference.
- H. **Repair Rider** is incorporated by reference.
- I. **Occupancy Rider** is incorporated by reference.

**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, REAL ESTATE BROKER OR AGENT. 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 PARCELS OF COMMERCIAL OR INDUSTRIAL 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.

Offer dated \_\_\_\_\_, 20\_\_\_\_\_ and to be accepted by \_\_\_\_\_, 20\_\_\_\_\_.

BUYER: \_\_\_\_\_ (Social Security # \_\_\_\_\_)

BUYER: \_\_\_\_\_ (Social Security # \_\_\_\_\_)

Countered: \_\_\_\_\_, 20\_\_\_\_\_, with counteroffer to be accepted by \_\_\_\_\_, 20\_\_\_\_\_.

Date of Final Acceptance: \_\_\_\_\_, 20\_\_\_\_\_ (Insert After All Terms & Conditions Have Been Agreed Upon)

SELLER: \_\_\_\_\_ (Social Security # \_\_\_\_\_)

SELLER: \_\_\_\_\_ (Social Security # \_\_\_\_\_)

**ACKNOWLEDGMENTS**

The undersigned acknowledges receipt of the earnest money (Cash/Check/Note)  
ESCROWEE \_\_\_\_\_