

General Contract Notes:

1. There should be no blanks left in the contract to be filled in later. If a line or blank is not being used, it is suggested that you put an N/A in the line rather than put a line all the way thru it. By lining it all the way thru, it makes it difficult to use the line at a later date if you need to. Putting an N/A there gives you the ability to 'x' out the N/A and use the line if necessary.
2. All parties must be given a copy of what they signed within 24 hours (this is a license law requirement).
3. There should be only one 'original' of the contract. It is not recommended that you try to make two or more identical contracts for all parties to sign.
4. There is a place at the bottom of each page for the buyers and sellers initials and the address of the property. If you are doing the contract with an auto-fill feature the address will be inserted, if not, you will need to insert the address. It is recommended that the buyers and sellers initial each page at the END of the negotiating to ensure that they have agreed to each item on each page of the contract.

Paragraph 1: The Parties

Buyers: Names as they will hold title, i.e. Jack C. Smith and Sally K. Smith
Sellers: As published in MLS (if available) or insert names as you know them. Owner of Record is acceptable if no names are available.

If you are doing dual agency, your buyers and sellers must confirm their original agreement to allow you to continue. You should have your buyer initial Paragraph 41 prior to writing up the offer and have the seller initial it prior to presenting the offer.

Paragraph 2: The Real Estate

Lot Size Should be published in MLS. If not available check a plat book. If the lot size is not a critical issue to the buyers, then putting 'per survey' would be acceptable. If, however, the lot size is a key issue, putting 'per survey' would mean the buyer would take the property regardless of what the lot size was. 'Per survey acceptable to buyer' would not cover him if he didn't want the property unless it was a certain size.

Address: Common address including unit number if applicable and the Permanent Index Number which should be in MLS and can be obtained from plat book if it is not. If the property has more than one PIN, be sure to include both (or all).

Parking: Indicate, if it is a condo/co-op or townhouse, the appropriate parking space to be conveyed with the property.

Helpful Hint: Is the price of the deeded parking included in the sales price of the property or is that being done by a separate contract and deed?

Paragraph 3: Fixtures and Personal Property

Go thru each item with your clients to be sure that they are in agreement on what is staying and what is not. Check each item that stays. It is not necessary to line out those items that are not staying.

Home Warranty:	Be sure to indicate if you want the seller to provide a home warranty for your buyer by checking the line and inserting the cost the seller will incur. Even if the seller is saying they will provide a home warranty, the buyer will not get one if you do not ask for it.
Other Items Included:	Anything that is not listed above should be inserted here: example: riding lawnmower, above ground pool. Can also be used to put something back in the contract that the seller had taken out when they countered. i.e., buyer wanted the ceiling fans and included them in the initial offer, when the seller countered they took them out by lining thru them. The buyer can put them in here to get them back in the contract.
Items not included:	It is not necessary to re-state all the items listed above that are not staying. This is for special issues or for clarifying during negotiating any items that have been inserted and deleted a number of times. Would be used if buyer wanted seller to 'remove all appliances prior to closing', or 'remove above-ground pool prior to closing'. Helpful Hint: Be careful – you will get only that which you ask for. If you want the hole filled in where the pool was removed, you need to specify that.
All working except:	This is where the seller would indicate any items that are not in working order. Remember, all items must be in working order at the time of closing unless they are specifically excluded here.
Paragraph 4: Purchase Price	
Purchase Price	Amount the buyer is offering the seller – in numbers, not words
Initial Earnest Money	Indicate the amount of earnest money accompanying the offer and how you have that. If it is a note, indicate the date the note is due. Helpful Hint: Earnest money checks should be made out to the listing office if they are holding the earnest money. and judgment or promissory notes should be made out to the sellers.
To Be Increased...	Indicate the total amount of earnest money this contract will have and the date by which the buyer must tender the remainder of the money. If not being used, indicate N/A

Helpful Hint: The contract calls for the listing office to hold the earnest money and the original of the contract. If that is not the case, i.e., the listing office does not have an escrow account, then cross out Listing Company and insert Selling Company to reflect who truly has the money.

Paragraph 5: Closing

Date of Closing

Insert the date of the closing – an actual date not '45 days' '60 days', etc. The buyer will have an idea of when they want to close. Closings are generally done only Monday thru Friday and you should check to be sure the date is a business day, not a holiday. **Helpful Hint:** Generally title companies and attorneys are extremely busy the last few days of the month, consideration should be given to putting the closing a few days earlier than the last business day of any month. Also, most lenders need at least 3 to 5 business days to fund a loan and prepare for a closing. It is generally a good idea to leave at least a week or possibly two between the mortgage commitment date and the closing date, but, again, the buyer's schedule could dictate this. The seller may, and often does, counter the closing date to fit their needs.

Paragraph 6: Possession

Possession is given at closing. If the seller's need more time and must stay in the property after the closing use Paragraph 39. This is not something that is done routinely and must be worked out with the respective attorneys.

Paragraph 7: Residential Real Estate and Lead-Based Paint Disclosures

If the seller was required to give both or either of these disclosures the contract calls for the buyer agent to indicate whether the buyer has them at the time of offer. Indicate by checking the appropriate box whether the buyer has seen them or not. Remember, only homes built prior to 1978 need the lead paint disclosures and there are some exemptions from the Illinois Seller Disclosure (foreclosures, new construction, etc.).

Paragraph 8: Prorations

Homeowner/Condo Fees

If this is a condo/townhouse or single family home with a homeowners association the amount of the fees and the frequency of payment must be shown, i.e., \$175 per month, \$700 per year. This information should be available on the MLS listing sheet, if none is indicated put N/A in the blanks.

Same as above for a Master/Umbrella association. If there is only one association put N/A in the Master/Umbrella blanks.

Helpful Hints: Contract states that the seller is responsible for any special assessments confirmed prior to the Date of Acceptance. It also states that the seller will be responsible for any Special Service Area taxes for the year of closing only and any Special Service Area installments due after the year of closing are a buyer's responsibility and will not be prorated. Agents should be sure to cover this with their clients at the time of contract. If there are special assessments that the seller feels should be re-negotiated as a buyer expense after the closing they need to be negotiated now. Specific information regarding not-yet-payable Special Service Area installments will be covered in Paragraph 21.

Percent of last tax bill

Illinois taxes are paid in arrears. When the buyer moves in and gets the next tax bill it will be for all or at least a portion of the time the seller owned the property. Since it will be the buyer's responsibility to pay them, the seller needs to credit those taxes to the buyer at the closing. The percentage that goes in the blank should be something more than 100 (105%, 110%, etc).

Helpful Hint: The buyer agent should know what the tax situation is in any area they are selling in and fill the blank in with an amount that will sufficiently cover any anticipated increase in taxes over the last known tax bill.

Paragraph 9: Attorney Review

Allows for both the buyers and sellers to have their attorneys review the contract in the first five days after date of acceptance. As with the Professional Inspections paragraph, new issues must be raised in the first five days and resolution of those issues can take place for a total of 10 days after acceptance. It is not unusual for the parties to request extensions to these time frames if the situation requires it.

The attorneys can approve, disapprove or make modifications to the contract during the five days. Disapproval or modification of the contract is not to be based solely upon the purchase price. Do not advise your clients to enter into a contract with the idea that the attorney can 'get them out of it' during the attorney review time. This may or may not be true and it could be interpreted that you are practicing law (presumably without a license) if you give such advice.

With both this Paragraph and Paragraph 10: Professional Inspections, if prior to the expiration of ten business days after acceptance, written agreement is not reached by the parties then the contract is considered null and void.

MLSNI Note: MLSNI rules and regulations require that all properties going under contract be reported to the service within 72 hours. The proper procedure would be for the listing office to report the sale as an A/I Contingency within that time. It will remain as an A/I Contingency for the entire length of time it takes to resolve any issues. This could be anywhere from 5 business days to up to 2 weeks (counting weekends) and even longer if extensions are granted.

Paragraph 10: Professional Inspections

Contract allows for the buyer to have a home inspection done (also allows for a variety of specific inspections as well). They have 5 business days after the date of acceptance (note: the five days begin the day after the date of acceptance, the date of acceptance is not counted in the 5 days) to have the inspection done, get the report and share any parts of the report with the seller if they want the seller to make repairs. If there are no items needing repair the report does not need to be forwarded. If there are items of repair, the parties have a total of 10 days after the date of acceptance to resolve the differences noted in the first five days.

As we noted above, extensions can be asked for and granted (or denied), and if no written agreement can be reached prior to the expiration of ten business days, then the contract is null and void.

Paragraph 11: Mortgage Contingency

Loan Status Disclosure

The Loan Status Disclosure can be found on Page 11. It is designed to have the loan originator disclose clearly and without room for misunderstanding exactly how the buyer has been pre-approved or pre-qualified. The seller CAN sell his house without having the form filled out – but clearly this gives the seller and the listing agent the ability to have a standardized disclosure of the buyer's status at the time of acceptance of the offer.

Helpful Hints: Buyer Agents should have the loan originator use this form the same way they have been getting the approval/qualification letter. How you handle the issue of having the amount of the mortgage or the sales price included is no different than how you have been doing it all along. For new agents, talk with your manager/broker to determine whether, in your marketplace, this is a concern.

Listing Agents should inform their sellers that this form is intended to protect them from lenders who have given approval letters only to have them not give a mortgage commitment or clear-to-close letter 30 days (or whatever is in the contract) later when nothing had changed with the buyer, in other words, they were never pre-approved in the first place.

Mortgage On or Before

This is the actual date (not '30 days') by which the buyer will have his firm written mortgage commitment. Check with the buyer's lender to determine the time you will need.

Even if the buyer is pre-approved you will still need time to get the full mortgage commitment.

Type of Loan

Conventional, FHA, VA or possibly a partner in charity type mortgage, Ameridream, Neimiah, etc.

Amount of Loan

Should be written in as a dollar amount, but then must be changed when you change the sales price if the buyer is intending to put down only a certain percent. i.e., a \$200,000 offer from a buyer putting down 20% would be a \$160,000 mortgage. If the seller were to counter back at \$210,000 the new 80% mortgage would be \$168,000 not the original \$160,000. An alternative would be to cross out the \$ and insert "80% of purchase price". If done this way it should not be "80% of LTV" which could be a different amount. If the buyer has a specific amount they want to mortgage then that amount should be written in and any counter from the seller would be an increase in the buyer's down payment. If this is an FHA or VA loan, (check with the lender on this) but it is often indicated as 'maximum FHA or maximum VA'.

Interest Rate	<p>The lender will give you the interest rate the buyer will be paying. Putting a rate slightly higher (½ % higher for example) might make your offer stronger to the sellers. Example: If you put 6.25% in the contract (presuming 6.25% is the 'going' rate) and the rate goes up to 6.5% and never comes back down to 6.25, the buyer would be able to walk from the contract if he chose to and the seller would have no recourse. Putting 6.75% in the contract does not mean the buyer will pay that – only that he would have to go through with the transaction should the rate be that high.</p>
Number of years	<p>Again, what does the buyer want and what has he been qualified for, 15 years, 30 years?</p>
Loan fees & points	<p>If the lender is charging loan origination fees and/or discount points they get inserted here.</p>
Loan App Deadline	<p>Buyer must do his mortgage application within 5 business days</p>
Notice	<p>If buyer cannot get his mortgage within the time indicated, he must serve notice to the seller requesting either an extension if he just needs more time or requesting the contract be terminated if he was denied a loan. This is generally handled by the buyer's attorney and should not be done by the agent unless instructed by the attorney. If there is no attorney for the buyer, the agent should discuss the issue thoroughly with the buyer before serving any notice. Note: Amendment, Notice and Response Form #100 should be used if required.</p> <p>If notice is not served during the specified time, the contract is in full force and effect without a mortgage contingency – meaning that the buyer would no longer have any mortgage contingency thus making this a 'cash' offer – and even if he was denied a mortgage, the contract would call for him to close. The effect, then, would be that his earnest money was in jeopardy since he no longer had any contingency to protect it.</p> <p>This contract is not contingent on the buyer's selling their home. In other words, a buyer cannot have a 'hidden contingency', if he has a home to sell he needs to use Paragraph 31 and cannot tie up the seller's house, get a commitment contingent on the sale of his house and think that he can walk away with his earnest money because he has not gotten a 'firm commitment'.</p> <p>If the buyer is unable to get a mortgage, the seller can provide one provided it meets the terms of the contract.</p>

Paragraph 12: Homeowner Insurance

The buyer will need to contact their insurance company to determine what the annual premium will be on their homeowners insurance within 10 business days after acceptance of the contract. If, after the insurance company checks the C.L.U.E. report to determine the past history of both the house and the buyer, the insurance rates are unacceptable to the buyer he must notify the seller within those 10 days that he is not going through with the contract. If no notice is given in that time, then the contract is in full force and effect and the buyer will close regardless of the cost of his homeowners insurance.

Note: For more information on the C.L.U.E. report and it's effect on insurance rates and availability, please go to www.choicetrust.com

Paragraph 13: Flood Insurance:

Unless the seller has disclosed on the Disclosure Report form that the property is in a flood plain – meaning that if the buyer already knows about it he cannot use it as a way to get out of the contract - the buyer must notify the seller within 10 business days after acceptance of the contract or it can be done during the mortgage commitment time specified in Paragraph 11 - that he has discovered the property is in a flood hazard area and he wishes to terminate the contract.

Paragraph 14: Condominium/Common Interest Associations (if applicable)

Language needed more for the attorneys than the REALTORS®. However, it does stipulate that the seller has an obligation to diligently apply for all Declarations, CC&R's, etc, that are requested by the buyer. These documents will be requested during the initial 5 day attorney review and listing agents should instruct their sellers to obtain up-to-date copies of these documents at the time of listing to facilitate the requirements in the contract.

Note: If, when the documents are obtained and reviewed, it is determined that anything in them would unreasonably restrict the buyer's use of the property or would result in increased financial obligations unacceptable to the buyer, they would be able to void the contract.

Paragraph 15: The Deed**Paragraph 16: Title**

These paragraphs outline the duties of the seller to deliver a free and clear title and deed to the buyer. They should not be altered by the agent in any way. Doing so could constitute the unauthorized practice of law.

Paragraph 17: Plat of Survey

Calls for the seller to furnish a survey to the buyer no later than 1 business day prior to closing. The survey must be dated not more than 6 months prior to the date of closing and it can be staked or flagged or otherwise monumented showing all improvements, etc.

Paragraph 18: Escrow Closing

Another paragraph needed by the attorneys to establish a particular type of closing not normally done in our marketplace. It also stipulates that if this is a cash purchase the buyers and sellers shall share the title company escrow closing fee equally.

Paragraph 19: Damage to Real Estate Prior to Closing

If the property is materially damaged prior to closing, the buyer will have the option of proceeding and this paragraph stipulates how the insurance proceeds and other issues will be handled.

Paragraph 20: Real Estate Tax Escrow

If the property was significantly changed during the last taxable period (i.e., a teardown/rebuild situation or, possibly new construction being re-sold soon after being built) the seller will put 3% of the purchase price in escrow until the actual new taxes can be determined.

Paragraph 21: Seller Representations

1. Seller is stating that he has not received any notice that there are zoning, building, fire or health code violations that have not been corrected; that there are no pending rezoning or special assessments affecting the property and that they have no knowledge of any lot line disputes, easements or hazardous waste on the property.
2. They are also stating that any improvements for which permits were required were done with the proper permits being obtained and that all improvements are included in the most recent tax assessment, if required.

Helpful Hint: The seller is stating that 'he has no knowledge' of any of these issues. He is not stating that he can or is going back thru the entire history of the home to determine if all proper permits were pulled by previous owners. However, if he has not obtained all the proper permits for work he has done on the property, disclosure of this must be made to the buyers. Both attorneys should be advised of the situation.

3. The seller is also required to disclose if the property is in a special service area. Special service areas are created by the builder/municipality and, generally, call for the owner to pay as a special item on their tax bill additional taxes to pay for infrastructure or special services that affect their area only – not the entire municipality. They do not always have to start paying these special fees immediately, there is often a deferment of numerous years. Consequently, it may not show on the tax bill now which is why they must disclose it. The new buyers will have to pay this money and they have a right to know about it at the time of purchase. These fees often appear on the title report, however, since the title is often not brought down until mere days before closing, it puts the buyer in the position of having to close (or have no where to live!).

Paragraph 22: Condition of Real Estate and Inspection

Seller must leave the property in broom clean condition and remove all refuse and personal property prior to closing. Buyer has the right to do a final walkthrough prior to closing to ensure that everything is in substantially the same condition as the date of acceptance except for normal wear and tear.

Paragraph 23: Governmental Compliance

Stipulates that all parties agree to comply with applicable IRS and RESPA procedures.

Paragraph 24: Business Days

Defines business days and hours, most important when serving notices which are done primarily by the attorneys.

Paragraph 25: Facsimile

Allows for fax signatures when negotiating, executing and finalizing the contract.

Paragraph 26: Direction to Escrowee

Explains that in every instance in the contract where the contract could be deemed null and void or where the contract is terminated by one of the parties, the Escrowee (entity holding the earnest money) will be able to return the money only when they have written direction of all the parties or a court order if it comes to that.

NOTE: REALTORS® should be particularly careful when discussing Paragraph 26. To interpret when and how the parties would be entitled to the earnest money is most often an issue that should only be handled by an attorney.

Paragraph 27: Notices

All notices must be in writing and are served by attorneys to and from the parties. Agents are not listed as those authorized to accept notice for the clients. Notices can be given by personal delivery, by mail, by fax, e-mail or overnight delivery. All notices need acknowledgement of receipt and there are specific stipulations regarding timing and delivery.

Paragraph 28: Performance

This paragraph is to reinforce that the buyers and sellers should respond promptly to all offers and counter offers and it also stipulates what happens in the case of default when the parties cannot agree to disposition of the earnest money.

Paragraph 29: Choice of Law/Good Faith

Statement that the entire contract must comply with the State of Illinois laws regarding good faith and fair dealing implied in all Illinois contracts.

Paragraph 30: Other Provisions

The contract automatically includes all the provisions in Paragraphs 1 thru 29 and those Paragraphs 31 thru 43 that are chosen for use by the buyers and sellers and are initialed by them. If there are any other provisions or attachments to the contract, they must be noted here or they legally do not become a part of the contract.

Note: As to whether you need to put the paragraph numbers of those Paragraphs 31 thru 43 that are being used, that is a matter of choice and although not required it is done quite frequently to alert all parties that there are optional paragraphs being used.

Optional Provisions – Only a part of the contract if initialed by all parties The lines before the numbers of each paragraph are for the initials of the buyers and sellers. If the paragraphs are not initialed – they do not become a part of the contract. Although it is not mandatory that you cross out the paragraphs not being used – it would not be ‘wrong’ if you did so. Even if nothing is initialed on these pages, the pages themselves do become a part of the contract and need to be conveyed to all parties (and their attorneys) and should be initialed at the bottom to ensure that the buyers and sellers have seen them.

Paragraph 31: Sale of Buyer’s Real Estate

A. Representations About Buyer’s Real Estate

(1 and 2) Buyer states that he has real estate that he must sell in order to be able to close on this purchase. He must disclose whether he has, or has not, entered into a contract to sell that property. If he has, he will tell the seller what that contract is contingent on: mortgage financing, sale of that buyer’s property or closing of that buyer’s property.

(3) If the buyer’s property is not under contract, is it listed?

(4) If it is not listed – does he intend to list it and with whom?

B. Contingencies Based Upon Sale and/or Close of Buyer's Real Estate

- (1) Contingent on sale
Insert date on which buyer will have a contract on their property. Example: calculate a date 60 days from today and insert that actual date.
- (2) Contingent on closing
Insert date on which buyer will have closed on their property. Using the above example, you would probably insert a date approximately 90 days from today's date and insert that actual date.
- (3) If the contract for sale of the buyer's property is terminated for any reason they must notify the seller. Many sellers are ok with a 'home closing' contingency but would not have taken a 'home sale' contingency and their sale is definitely affected by whether the buyer has a buyer for their property.

If the buyer does not notify the seller that he has not sold his property in the time frames outlined in the contract, the contract is considered in full force and effect without these contingencies (see Paragraph 11: Mortgage Contingency for explanation of other notice issues regarding financing)

C. Seller's Right to Continue to Offer Real Estate for Sale

During the time the buyer is trying to either sell or close on his property, the seller has the right to continue to show their home.

- (1) If seller accepts another offer, the buyer will have – insert number of hours – specific time to decide whether to drop his contingency and go forward with the purchase or drop his contract and allow the seller to sell the home to the other buyer

Notices for this contingency must be served upon the actual parties. Notices to the attorneys are not sufficient and the time of the kick-out does not start until the actual buyer has received the notice. Note also the ways notices can be delivered for this contingency are different than for the rest of the contract. Consequently, the buyer is waiving any ethical objection to the seller's attorney or agent serving notice directly to him.

MLSNI Note: MLSNI requires that a property be reported to the service within 72 hours of going under contract. It should be reported as an HC or HS (whichever is appropriate) immediately rather than doing A/I first to indicate to other licensees that the property is 'more available' than it would be under an A/I contingency.

D. Waiver of Paragraph 29 Contingencies

Buyer must waive his contingency in writing and contract calls for depositing additional earnest money. Buyer agents may put a zero or N/A in the blank for additional earnest money, which would be consistent with their duty to represent their buyer. The listing agent should discuss this with their seller since not requiring the buyer to deposit additional earnest money (depending on the amount of earnest money called for on page 1) may not be in the seller's best interest.

E. Buyer Cooperation Required.

Buyer is authorizing the seller or the seller's agent to verify any representation she has made in this paragraph, i.e., whether the house is on the market, whether there is a contract on it, etc.

Paragraph 32: Cancellation of Prior Real Estate Contract

To be used whenever either party – buyer or seller – is in a previous contract that needs to be cancelled before they can move forward with this contract. Examples: seller signed a contract with another buyer and it is not going well (buyer didn't bring in earnest money, home inspector found issues, attorney for buyer has big issues) or they have a home sale contingent contract from another buyer - the seller could enter into a contract to sell his home to a second buyer subject to the cancellation of the existing contract by using this paragraph. The buyer may need to use this paragraph if he is attempting to get out of another home sale (possibly due to a negative home inspection, etc.) but he has not been fully released.

Note that the notice to the first buyer is not delivered until the second buyer has done his home inspection and the attorney review period is over. This is negotiable. If the second buyer and the seller agree to do it at a different time it can be done. Be sure to put a date by which the first offer has to be cancelled. Be reasonable. If the notice is not going to be given to Buyer #1 until after home inspection and attorney review with Buyer #2, you need more than just the 24 or 48 hours showing in the kick-out time.

Paragraph 33: Closing Cost Credit

If the buyer is requesting that the seller give him a credit for closing costs or assist in the downpayment in some way, provided it can show on the HUD-1, this is where it is inserted.

Paragraph 34: Interest Bearing Account.

License law requires that we have direction of the parties to put the earnest money in an interest bearing account. If initialed, this paragraph directs the broker who is holding the earnest money to put it in an interest bearing account, pay the interest to the buyer and makes the buyer responsible for paying any fees or expenses the broker incurs for setting up the account. Earnest money, again by law, is not to be removed/dispensed prior to the closing unless permission has been granted by the parties. This also gives permission to remove the earnest money from the interest bearing account up to 10 days prior to the closing to enable the broker to have the interest check for the buyer at the closing.

Paragraph 35: VA or FHA Financing

To be used if the buyer is utilizing either type of financing. Check with the lender to determine if additional attachments are required, be sure to note them in Paragraph 30 if there are.

Paragraph 36: Interim Financing.

On occasion the buyer will choose interim financing (commonly called a bridge loan) in lieu of purchasing subject to the sale of his property. This clause is used to make the contract contingent on his ability to secure financing that would allow him to purchase this property while still owning his current home.

Paragraph 37: Well and/or Septic/Sanitary Inspections

Requires the seller to have the well and/or septic/sanitary systems inspected no earlier than 90 days prior to the closing and to provide the reports to the buyer or his attorney no later than 1 day prior to the closing showing that the systems are in compliance with applicable health regulations. It also stipulates what and who will pay for repairs if there are deficiencies.

Paragraph 38: Wood Destroying Infestation

This paragraph, if used, supersedes Paragraph 10 regarding who will pay for and how a termite or wood infestation inspection will be handled.

Note: Check with your broker to see if this is customary in your marketplace. It is not used everywhere, but where it is necessary it provides for the seller to pay for the inspection. Do not use this if this is not the customary practice in your marketplace.

Paragraph 39: Post-Closing Possession

Although the contract calls for possession at closing (see paragraph 6) there are times that the sellers cannot vacate at closing. This paragraph provides for that by stipulating when the seller will vacate and how much the seller will pay the buyer for the per diem (per day) rent. Calculating the rent is generally done by either taking the buyers mortgage payment and dividing it by 30 or, if the buyer is putting down more than 20%, calculating what the mortgage payment would be if he did put down 20% and dividing that by 30. This money is to be paid to the buyer for the days the seller wants to stay in possession. Even if the seller vacates sooner, the full rent will be due. The seller is also agreeing to deposit a negotiable amount (1% of the purchase price or a specified sum) to ensure occupancy.

Paragraph 40: “As Is” Condition

If the seller is selling the property as is, this is the paragraph that is used. The buyer has the right to have a home inspection done to determine what condition the property is in. He does not, however, submit the report to the seller if he does not want to go thru with the contract. He either buys it in the condition it is in or he doesn't. There is no negotiating with the seller regarding repairs.

Paragraph 41: Confirmation of Dual Agency

This is required if you are selling your own listing. This should be the first thing you cover with the buyer before writing the offer and the first thing you cover with the seller before presenting the offer to him. If either party does not give you permission to continue as a dual agent (you have already gotten permission when they signed the Disclosure and Consent to Dual Agency form) see your Broker for further instructions.

Paragraph 42: Specified Party Approval

Referred to as a 'spouse's approval' in many contracts it allows another person or person's to make the final decision as to whether the purchase will occur. The specified party does not need to give a reason for not going forward.

Paragraph 43: Miscellaneous Provisions

If the buyer is assuming the seller's mortgage, buying on contract, purchasing vacant land or new construction, or if this is a Starker 1031 Exchange or a cooperative apartment sale, we fill out the rest of this contract and have the parties use this paragraph that states the attorneys will draw up additional documentation for these specialized type of transactions.

Signature Page

Date of Offer	Date contract was prepared by the buyer agent
Date of Acceptance	Date the last of the buyer's and/or seller's put their final signatures and or initials to the contract. Helpful Hint: Do not date the contract prematurely. The time for home inspection, attorney review, etc. is affected by this.
Presentation/Rejection	Calls for date and time of presentation and initials of the sellers if they reject the contract. This is not necessary if there is a counter or an acceptance. Note: It is to be filled out by the listing agent when they present the offer – not by the buyer agent who has no idea in many cases when the offer will be presented.