



CONTRACT TO PURCHASE AGRICULTURAL LAND WITH IMPROVEMENTS REALTORS® Land Institute Illinois Chapter

THIS FORM OF AGREEMENT WHEN FILLED IN AND EXECUTED BY BOTH BUYER AND SELLER IS INTENDED TO BECOME A BINDING REAL ESTATE CONTRACT

This agreement is entered into between:

Seller(s) _____ Mailing Address _____ Zip _____, and Buyer(s) _____ Mailing Address _____ Zip _____, who Contract(s) to purchase the following described real estate commonly known as: _____ Parcel Identification Number(s): _____ and legally described as: _____

(or see legal description attached) including any improvements, and the following listed fixtures located thereon:

(or see inventory attached) which shall be left in and upon said premises, subject to reasonable wear and tear. (the "Property")

1. CONTRACT SALES PRICE AND TERMS

Purchase Price \$ _____ or _____ surveyed acres at \$ _____/acre \$ _____ Earnest Money Deposit \$ _____ Balance Due at Closing subject to adjustments provided herein \$ _____

2. METHOD OF PAYMENT: (Check Applicable Statements)

- A. Cash: (No financing required - certified cashier's check or wired funds)
B. Financing:
1. This Contract is contingent upon the ability of the Buyer to obtain a commitment for an () adjustable rate () fixed rate, mortgage loan of not less than % of purchase price, for a term not less than years by , 20 . If such a commitment is not so obtained, this Contract shall be void and all earnest money shall be returned to the Buyer, provided that Buyer has made a diligent effort to obtain such a mortgage loan within the time specified above.
2. This Contract is contingent upon Buyer and Seller signing a Contract for Deed with the principal balance of \$, and interest at the rate of % for the term of years, amortized over years with payments of \$ (or more) for principal and interest balance of \$ in cash at time of execution of such contract.
C. Contingency Sale:
This contract shall be contingent upon the closing of the sale of the Seller/Buyer's real estate to on or before . If Seller/Buyer is unable to close the sale by , and so notifies Seller/Buyer thereof on or before such date in writing, then this contract shall terminate and shall be of no further force and effect. In such case the Seller /Buyer shall be entitled the earnest money deposit.

3. CLOSING AND POSSESSION

This Contract shall be closed on or before _____, 20____, or at such other time as may be mutually agreed in writing. Possession is subject to the right of any tenants in possession. The parties agree that possession of said Property is to be delivered to Buyer on or before _____, 20____. Seller will _____ or will not _____, subject to tenant in

Seller's Initials _____ Seller's Initials _____ Buyer's Initials _____ Buyer's Initials _____

possession rights, agree to allow Buyer the right, following fall harvesting, to enter the farm Property for the purpose of performing land husbandry, customary tillage, application of fertilizer and lime, soil conservation practices and soil testing.

4. REAL ESTATE TAXES - Drainage Taxes and Special Assessment

The 20__ real estate taxes, special assessments due and payable in 20__ shall be paid by _____.
The 20__ real estate taxes, special assessments due and payable in 20__ shall be paid by _____. If payment is the responsibility of the Seller, (a)_____ taxes will be paid at closing, or (b)_____ Buyer shall be credited for the 20__ real estate taxes at closing, based upon the most current and available information, including confirmed multipliers
The 20__ real estate taxes, special assessments due and payable in 20__ shall be _____prorated to the date of closing or _____ prorated to _____, 20__, and a credit given to buyer at closing.
The 20__ drainage taxes due and payable in 20__ shall be paid by _____.
If Buyer receives a credit at closing, payment of said taxes is now responsibility of the buyer.

5. CROPS AND EXPENSES

Seller___/Buyer___ shall receive the Landowner share (or ___% of the total cash rent) for the 20____ crop year.
Seller___/Buyer___ shall receive the Landowner share (or ___% of the total cash rent) for the 20____ crop year.
Seller___/Buyer___ shall pay _____% of the Landowner’s share of the 20____ crop expenses.
Seller___/Buyer___ shall pay _____%, or \$_____ of the Landowner’s share of the 20____ crop expenses, incurred prior to closing.

6. GOVERNMENT AGRICULTURAL PROGRAM PAYMENTS

- A. Buyer agrees to continue to honor any existing government agricultural program contracts affecting the real estate described above, and agrees to indemnify and hold harmless Seller for any damage Seller may sustain by reason of any failure of Buyer to keep or perform any of the covenants and obligations provided to be kept or performed under the terms and conditions of any such contracts by Seller.
- B. Seller___/Buyer___ shall receive the landowner share of ARC/PLC government program payments for the 20____ crop year
Seller___/Buyer___ shall receive the landowner share of ARC/PLC government program payments for the 20____ crop year
Current Tenant___/ shall receive the landowner share of ARC/PLC government program payments for the 20____ crop year
- C. Seller___/Buyer___ shall receive the landowner share of government conservation program payments for the 20____ crop year
Seller___/Buyer___ shall receive the landowner share of government conservation program payments for the 20____ crop year
Current Tenant___/ shall receive the landowner share of government conservation program payments for the 20____ crop year
- D. Other Government program payments: (If applicable note program name(s), recipient, and crop year below.):

7. LEASE ASSIGNMENT / TERMINATION

- A. There is ___ is not ___ currently a tenant in possession of the Property. Seller ___ shall ___ shall not be responsible for the assignment of the current farm lease with the tenant in possession of the Property to the Buyer.
- B. Seller shall ___ shall not ___ be responsible for the termination of the rights of any tenant in possession of the Property. If Seller is responsible, then Buyer shall have the right to demand satisfactory evidence that the rights of all parties to possession have been terminated.

8. ATTORNEY REVIEW (check if applicable _____)

The parties shall have until 5:00 p.m. Central Time on _____, 20__ (“Review Period”) to have the Contract reviewed by their respective attorney, and that attorney may propose modifications within the Review Period, except that an attorney may not propose changes in price or the date of closing. If the Parties do not reach agreement on any proposed modification and written notice terminating this Contract is given to the other within the Review Period, this Contract shall be null and void and any earnest money refunded to Buyer. If written notice is not served within the Review Period, this provision shall be deemed waived by the parties and this Contract shall remain in full force and effect.

9. CONVEYANCE

- A. At closing Seller shall convey and transfer the Property to Buyer by Warranty Deed, Trustee’s Deed, appropriate assignment, or other similar acceptable instrument of conveyance, which instrument shall be subject to the exceptions permitted herein, releasing homestead. At the same time the balance of the purchase price then due shall be paid and all documents relative to the transaction shall be signed and delivered. In the event the Buyer shall assume an existing indebtedness, cost of such assumption shall be borne by Buyer.
- B. At Closing Seller shall deliver to Buyer a completed Real Estate Transfer Declaration signed by Seller in the form required pursuant to the Real Estate Transfer Tax Act of the State of Illinois. Any transfer tax imposed by the Real Estate Transfer Declaration shall be paid by Seller _____/ Buyer _____.

C. Recording fees imposed on the recording of the deed shall be paid by Seller ____/Buyer _____.

10. ENVIRONMENTAL

Seller represents, to the best of Seller's knowledge, that during the period of Seller's ownership or control over the Property, Seller has no knowledge or, nor reason to suspect, that there has been any underground storage (or other) tank or any presence, disposal, release, or threatened release of hazardous substances or hazardous wastes on, from or under the Property, by or through Seller, or any other party whatsoever. Seller similarly represents that to the best of Seller's knowledge there was no underground storage (or other) tank, nor any presence, disposal, release or threatened release of hazardous substances or hazardous waste on, from or under the Property prior to Seller's acquisition or ownership or control of the Property. Seller similarly represents that to the best of Seller's knowledge the Property (including underlying soil and ground water conditions) is not in violation of any state, local, federal, municipal or other law, statute, regulation, code, ordinance, decree or order relating to hygienic or environmental conditions, and during Seller's ownership of the premises, no party has stored or disposed of any flammable explosives, radioactive materials, hazardous waste, toxic substances, or other released materials on, under or about the Property.

11. SURVEY (Check if applicable _____)

_____ Seller _____ Buyer shall secure a boundary survey by a licensed land surveyor at _____% Seller's _____% Buyer's expense, dated within six (6) months prior to Closing. Final Purchase Price will _____ will not _____ be based upon surveyed acres. If the survey shows other than the permissible exceptions described in Paragraph 12, encroachments from adjacent Property, or that improvements are not located within the setback and lot lines, then these shall be considered defects in the title to the Property.

12. TITLE EVIDENCE

Upon acceptance of this Contract, Seller shall within a reasonable period furnish at Seller's expense: **(Check appropriate statement).**

- ___ An abstract of title continued within 30 days before final payment hereunder, showing merchantable title of record to said Property in the Seller or the party who will execute the transactional instrument on Seller's behalf, according to the Rules and standards of the Bar of the County in which said Property are located, or
- ___ A commitment and Owners Title Guaranty Policy issued by a company licensed to issue the same in the State of Illinois for the amount of the purchase price. Buyer shall pay the search charge as to Buyer, the cost of mortgagee's title insurance policy, if any, and the cost of all necessary endorsements to the title insurance policy. Buyer and Seller shall furnish immediately upon request all information legally required for financing or transfer of title.

Policy subject only to the following: (a) all taxes and special assessments now a lien, levied, or confirmed after the date hereof, (b) building, use and occupancy or restrictions, if any, which do not unreasonably interfere with Buyer's intended use of the Property, (c) zoning laws and ordinances, (d) easements of record or in place affecting the Property, if any, which do not unreasonably interfere with Buyer's intended use of the Property, (e) drainage ditches, feeders and laterals, if any, (f) conveyances or reservations of coal, minerals and mining rights, if any, of record, (g) mortgage or other lien that may be eliminated at closing by application of the purchase price, (h) rights of tenants in possession if any, and (i) matters which can only be discovered by a survey of the Property.

Buyer or his attorney shall within 10 business days after receiving such title evidence, deliver to Seller or his attorney, together with such evidence, a report in writing specifying any objections made to the title. In case such title evidence is not delivered to Buyer or his attorney within a reasonable time, or material objections made to the title in such report are not cured with sixty (60) days after such report is so delivered, this Contract shall, at Buyer's option, be void and all earnest money shall be returned to Buyer. Buyer may, nevertheless, elect to take such title as it then is, and may deduct from the purchase price the amounts of liens and encumbrances and, in such case, the Seller shall convey the Property as agreed.

13. MINERAL RIGHTS (check if applicable _____)

The Buyer will receive and Seller will convey all of Seller's water, oil, gas, coal and other mineral rights not conveyed of record, and shall execute an appropriate assignment of any existing leases or contracts relating to those rights.

14. CARBON CREDIT RIGHTS

- A. The Property is _____ is not _____ currently subject to an existing carbon credit program which shall be assigned by Seller to Buyer at Closing. Buyer agrees to continue to honor any existing carbon credit program contracts affecting the Property described above and agrees to indemnify and hold harmless Seller for any damage Seller may sustain by reason of any failure of Buyer to keep or perform any of the covenants and obligations provided to be kept or performed under the terms and conditions of any such contracts by Seller.
- B. The Buyer will receive, and Seller will convey at Closing all of Seller's carbon credit rights affecting the Property not previously conveyed of record.

15. WELL WATER TEST AND SEPTIC INSPECTION (check if applicable _____)

Buyer shall secure at ___ Buyer ___ Seller's expense, within _____ calendar days after date of acceptance hereof, (i) a written septic inspection delivered to Seller and Buyer, acceptable to the appropriate governmental authority, indicating proper operating condition, and (ii) a laboratory approved well water test, copies of which shall be provided to the Buyer. If either system is found defective, Seller shall have an equal number of days to repair such defects, at Seller's expense, or to provide written notice to Buyer of Seller's failure to repair. Upon receipt of Seller's notice, Buyer, at Buyer's option, shall within seven (7) days notify Seller of Buyer's election to either proceed with the transaction or declare the Contract null and void, in which case all earnest money shall be promptly refunded to Buyer. In the event Buyer does not notify Seller of Buyer's election to proceed or declare the Contract null and void within the time specified, the contract shall remain in full force and effect without this contingency.

16. HOME INSPECTION (check if applicable _____)

Buyer has the right to conduct a Home Inspection in accordance with the attached inspection addendum. After the inspection, if the Contract is not terminated or repairs agreed upon, Buyer accepts the Property and its improvements in its condition at the time of inspection.

17. TERMITES (check if applicable _____)

Before Settlement, Seller shall provide at Seller's expense written professional certification that the dwelling (only) is free of active termites. If active termites are found, the improvements shall be treated at Seller's expense by a professional exterminator. If substantial structural damage due to termites is found, repairs shall be made at Seller's expense or negotiated, or either party may declare this Contract null and void and earnest money shall be refunded.

18. RADON DISCLOSURE REPORT [Applies only if a residence is being sold].

Seller shall comply with the Disclosure of Information on Radon Hazards, a copy of which is attached.

19. LEAD-BASED PAINT TESTING. [Applies only if residence that was constructed prior to January 1, 1978 is being sold] (check if applicable _____)

This Contract (___) is (___) is not contingent upon a risk assessment or inspection of the Property, at Buyer's expense, for the presence of lead-based paint hazards at levels determined unacceptable by federal law or regulation. Buyer shall have until 5:00 p.m. on the 10th day following final acceptance of this Contract. (The date of final acceptance shall not be counted as part of the 10 day period) to complete the inspection of risk assessment. If the inspection or risk assessment discloses the presence of a lead-based paint hazard, then Buyer shall notify Seller, in writing, of such findings and provide Seller with a copy of the inspection report within five (5) days after the time for conducting the inspection. Failure to give written notice to Seller within said time period shall mean that the contingency has been satisfied and the Buyer is bound by this Contract. If Buyer gives the appropriate notice to Seller then: **(check one)**

_____ Buyer may terminate this Contract by written notice to the Seller by 5:00 p.m. on _____, 20__.

_____ Buyer shall provide Seller a written list of the existing deficiencies and the corrections needed. Seller shall notify Buyer in writing within ten (10) days after the receipt of the list of existing deficiencies as to what conditions, if any, will be remedied by Seller prior to closing. Buyer shall have three (3) days to notify Seller whether the proposed remediations are acceptable, and if the proposed remediations are accepted by Buyer the Contract will be binding on both sides and Seller shall be obligated to make the proposed remediations prior to closing. If Buyer fails to respond within three (3) days or does not accept the proposed remediations, then this Contract shall be void and the earnest money returned to Buyer.

_____ Buyer waives right to lead paint inspection.

20. RESIDENTIAL REAL PROPERTY DISCLOSURE REPORT. [Applies only if a residence is being sold].

Seller shall comply with the Residential Real Property Disclosure Act (765 ILCS 77/1 et seq.), as amended, a copy of which is attached.

21. EQUIPMENT WARRANTY

It is expressly agreed by Buyer and Seller that other than as specifically set forth in this agreement there have been no representations, warranties or guarantees concerning the condition of the plumbing, electrical, heating, air conditioning, water supply, sewers, sewage drainage disposal system, or structural soundness of the Property which is the subject of this agreement. If any of the above described warranties, representations or guarantees are to be made, they may only be made in writing prior to the time set for closing.

22. INSURANCE (DAMAGE BY CASUALTY BEFORE CLOSING)

If prior to closing, the improvements on the Property shall be destroyed or materially damaged by fire or other casualty, Buyers shall have the option of declaring contract void and receiving a refund of the earnest money paid, or of accepting the Property as damaged or destroyed, together with the proceeds of any insurance payable as a result of such destruction or damage, including Seller's

deductible, which proceeds the Seller agrees to assign to Buyer. Seller agrees to keep the building on said Property insured at present coverage or \$_____ until possession is given.

23. PERFORMANCE

In the event of default by either party under the terms of the Contract, the non-defaulting party shall have all rights and remedies available in law and equity. If either Buyer or Seller brings an action against the other with the respect to the Contact, the prevailing party shall be entitled to recover reasonable attorney fees, costs and expenses from the non-prevailing party.

24. COMMISSION

Seller shall be responsible for any real estate brokerage commission owed to a listing broker utilized by Seller.

25. EARNEST MONEY ESCROW

The earnest money funds shall be held in trust for the mutual benefit of the Parties by ____ the Seller’s Broker/ ____ the Buyer’s Broker/ ____ Other agreed to party, namely, _____, as “Escrowee”. Initial Earnest Money of \$_____ shall be tendered to Escrowee on or before _____ days after Date of acceptance for the mutual benefit of the parties, and shall be disbursed according to the terms of this Contract.

26. INTEREST BEARING TRUST ACCOUNT (check if applicable _____)

Escrow Agent is directed to deposit trust funds hereunder in an interest bearing account with the interest thereon accruing for the benefit of the _____. In the event of default by the Buyer, any accrued interest on funds so held shall be treated as an additional earnest money and shall be disbursed according to the terms of Paragraphs 24 and 28 of this agreement.

27. TAX DEFERRED EXCHANGE (check if applicable _____)

Seller____ and/or Buyer____ may elect to perform an Internal Revenue code Section 1031 tax deferred exchange with respect to the transfer of the Property, and in such event, each party agrees to cooperate in such exchange and take all steps reasonably necessary to allow its completion; provided, however, the party electing such exchange shall hold the other party harmless from and against any and all claims, costs, liabilities, expense or delays in time resulting from such an exchange.

28. DUAL AGENCY CONFIRMATION (check if applicable _____)

The undersigned confirm that they have previously consented to _____ (“Licensee”) acting as a Dual Agent in providing brokerage services on their behalf and specifically consent to licensee acting as a Dual Agent in regard to the transaction referred to in this document.

Seller-Client initials: _____ Seller-Client initials: _____

Buyer-Client initials: _____ Buyer-Client initials: _____

29. RETURN OF EARNEST MONEY

In the event that the transaction does not close and the Escrowee is holding earnest money in its escrow account on behalf of the Buyer and Seller, said earnest money will be returned or held by the Escrowee in accordance with the following terms:

- A. Escrowee holding the earnest money shall give 30 days written notice to the parties to the transaction as to the Escrowee’s proposed distribution of the earnest money;
- B. Written notice to the parties shall be given either by personal delivery or sent via U.S. Mail, first class with postage fully paid addressed to the parties at their respective addresses as appear above in this Contract. Notice sent by U.S. Mail shall be deemed to be delivered on the third business day after being deposited in the mail;
- C. If the Escrowee does not receive an objection to its proposed distribution within said 30 day time frame, it shall be considered that the Buyer and Seller agree with the Escrowee’s proposed distribution, and the Escrowee shall distribute the proceeds in the manner set forth in the Broker’s notice.

Buyer and Seller acknowledge that as long as the Escrowee returns earnest money in accordance with the above written procedures and in accordance with the 30 day notice given by the Escrowee, this Contract provision is considered as written consent to disburse said earnest money funds. **In the event that the Buyer and the Seller fail to reach an agreement regarding dispersal of the earnest money, the Escrow agent is authorized to file an interpleader action, and the parties agree that the Escrow agent will be reimbursed from the earnest money for all costs including reasonable attorney’s fees.**

30. GENERAL CONDITIONS AND STIPULATIONS

Buyer Phone/Fax Number

Seller Phone/Fax Number

Buyer Email Address

Seller Email Address

Attorney Name

Attorney Name

Attorney Address

Attorney Address

Attorney Phone/Fax

Attorney Phone/Fax

Attorney Email Address

Attorney Email Address

The undersigned Escrowee acknowledges receipt of the aforementioned earnest money and agrees that said funds shall be held and disbursed by Escrowee according to the terms of the foregoing Contract, and all parties shall receive copies of same.

Escrowee Acceptance of Earnest Money

By Agent _____

Address

Address

Phone #/Fax #

Email Address

Real Estate Brokers for the transaction are:

Selling Broker

Listing Broker

By Agent _____

By Agent _____

Address

Address

Address

Address

Phone #/Fax #

Phone #/Fax #

Email Address

Email Address

THIS IS A LEGALLY BINDING CONTRACT. IF NOT UNDERSTOOD, SEEK LEGAL ADVICE. IT CONTAINS THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CHANGED EXCEPT BY THEIR WRITTEN CONSENT BY BOTH PARTIES.