

REAL ESTATE CONTRACT FOR VACANT LOT

1. THE PARTIES: Buyer and Seller are hereinafter referred to as the Parties.

Buyer(s) _____

Seller: Promontory Ridge, LLC

2. THE REAL ESTATE: Real Estate shall be defined to include the Real Estate and all improvements thereon. Seller agrees to convey to Buyer or to Buyer's designated grantee, the Real Estate commonly known as **Lot** _____ a vacant lot in Hidden Creek Subdivision, in Winnebago County, Roscoe, IL Permanent Index Number(s) of Real Estate _____

3. PURCHASE PRICE: Purchase Price of \$ _____ shall be paid as follow: Initial earnest money of \$ _____. The earnest money and the original of this Contract shall be held by **Rockford Title Co., as Escrowee,**) in trust for the mutual benefit of the Parties. The balance of the Purchase Price, as adjusted by prorations, shall be paid at Closing by wire transfer of funds, or by certified, cashier's, mortgage lenders or title company's check (provided that the title company's check is guaranteed by a licensed title insurance company).

4. MORTGAGE CONTINGENCY: This Contract is contingent upon Buyer obtaining an unconditional written mortgage commitment (except for matters of title or matters totally within Buyers control) on or before _____, 20____ for a Conventional/Lot/Construction type (choose one) loan of \$ _____ or such lesser amount as Buyer elects to take. The interest rate (initial rate, if applicable) shall not exceed _____ % per annum. Buyer shall pay cost of application, usual and customary processing fees and Closing costs charged by lender. Buyer shall make written loan application within five (5) business days after the Date of Acceptance. Failure to do so shall constitute an act of default under this Contract. If Buyer, having applied for the loan specified above, is unable to obtain a loan commitment and serves written notice to Seller within the time specified, this Contract shall be null and void and earnest money refunded to Buyer upon written direction of the Parties to Escrowee. If written notice is not served within the time specified, Buyer shall be deemed to have waived this contingency and this Contract shall remain in full force and effect. This Contract shall not be contingent upon the sale and/or closing of Buyers existing real estate. If Seller at Sellers option and expense, within thirty (30) days after Buyers notice, procures for Buyer such commitment or notifies Buyer and Seller will accept a purchase money mortgage upon the same terms; this Contract shall remain in full force and effect. In such event, Seller shall notify Buyer within five (5) business days after Buyers notice of Sellers election to provide or obtain such financing, and Buyer shall furnish to Seller or lender all requested information and shall sign all papers necessary to obtain the mortgage commitment and to close the loan.

_____ Buyers Intials _____ Buyers Intitials _____ Sellers Intials _____ Sellers Intitials

5. CLOSING: Closing or escrow payout shall be on _____, 20____, or at such a time as mutually agreed upon by the Parties in writing. Closing shall take place at Rockford Title Company office situated geographically nearest the Real Estate, or as shall be agreed mutually by the Parties.

6. POSSESSION: Seller shall deliver possession to Buyer at the time of Closing.

7. PROFESSIONAL INSPECTIONS: Buyer may secure at Buyers expense (unless otherwise provided by governmental regulations) a radon, environmental, inspection(s) of said Real Estate by one or more licensed or certified inspection service(s). Buyer shall serve written notice upon Seller or Sellers attorney or any defects disclosure by the inspection(s) which are unacceptable to Buyer, together with a copy of the pertinent page(s) of the report(s) within five (5) business days after Date of Acceptance. If written notice is not served within the time specified, this provision shall be deemed waived by Parties and this Contract shall remain in full force and effect. If within ten (10) business days after the Date of Acceptance, written agreement cannot be reached by the Parties, with respect to resolution of inspection issues, then either Party may terminate this Contract by written notice to the other Party and this Contract shall be null and void and earnest money refunded to Buyer upon written direction of the Parties to Escrowee. Buyer shall indemnify Seller and hold Seller harmless from and against any loss or damage caused by the acts or negligence of Buyer or any person performing any inspection(s).

8. ATTORNEY REVIEW: The respective attorneys for the Parties may approve, disapprove, or make modifications to this Contract, other than stated Purchase Price, within five (5) business days after the Date of Acceptance. Disapproval or modification of this Contract shall not be based solely upon stated Purchase Price. Any notice of disapproval or proposed modification(s) by any Party shall be in writing. If within ten (10) business days after Date of Acceptance written agreement on proposed modification(s) cannot be reached by the Parties this Contract shall be null and void and earnest money refunded to Buyer upon written direction of the Parties to the Escrowee. If written notice is not received within the time specified then this Contract shall remain in full force and effect.

9. NOTICE: All notices required shall be in writing and shall be served by one Party or his attorney to the other Party or his attorney. Notice to any one of a multiple person Party shall be sufficient notice to all. Notice shall be given in the following manner:

- (a) By personal delivery of such notice; or
- (b) By mailing of such notice to the address recited herein by regular mail and by certified mail, return receipt requested. Except as otherwise provided herein, notice served by certified mail shall be effective on the date of mailing; or
- (c) By sending facsimile transmission. Notice shall be effective as of date and time of facsimile transmission, provided that the notice transmitted shall be sent on business days during business hours (9:00 A.M. to 4:00 P.M. Chicago time). In the event fax notice is transmitted during non-business hours, the effective date and time of notice is the first hour of the first business day after transmission.

_____Buyers Intials _____Buyers Intitials _____Sellers Intials _____Sellers Intitials

10. THE DEED: Seller shall convey or cause to be conveyed to Buyer or Buyers designated grantee good and merchantable title to the Real Estate by recordable general Warranty Deed, with release of homestead rights, (or the appropriate deed if title is in trust or in an estate), and with real estate transfer stamps to be paid by Seller (unless otherwise designated by local ordinance). Title when conveyed will be good and merchantable, subject only to: general real estate taxes not due and payable at the time of Closing, covenants, conditions, and restrictions of record, building lines, minor fence encroachments, and easements, so long as they do not interfere with the current use and enjoyment of the Real Estate.

11. TITLE: At Sellers expense, Seller will deliver or cause to be delivered to Buyer or Buyers attorney within customary time limitations and sufficiently in advance of Closing, as evidence of title in Seller or Grantor, a title commitment for an ALTA title insurance policy in the amount of the Purchase Price with extended coverage by a title company licensed to operate in the State of Illinois, issued on or subsequent to the Date of Acceptance of this Contract, subject only to items listed in Paragraph 15. The requirement of providing extended coverage shall apply if the Real Estate is vacant land.

The commitment for title insurance furnished by Seller will be conclusive evidence of good and merchantable title as therein shown, subject only to the exceptions therein stated. If the title commitment discloses unpermitted exceptions, then Seller shall have said exceptions removed, or have the title insurer commit to insure against loss or damage that may be caused by such exceptions. If Seller fails to have unpermitted exceptions waived or title insured over prior to Closing, Buyer may elect to take the title as it then is, with the right to deduct from the Purchase Price prior encumbrances of a definite or ascertainable amount. Seller shall furnish Buyer at Closing an Affidavit of Title covering the date of Closing, and shall sign any other customary forms required for issuance of an ALTA Insurance Policy.

12. PERFORMANCE: Time is of the essence of this Contract. In the event of default by Seller or Buyer, the Parties are free to pursue any legal remedies at law or in equity.

The prevailing Party in litigation shall be entitled to collect reasonable attorney fees and costs from the losing Party as ordered by a court of competent jurisdiction. There shall be no disbursement of earnest money unless Escrowee has been provided written agreement from Seller and Buyer. Absent an agreement relative to the disbursement of earnest money within a reasonable period of time, Escrowee may deposit funds with the Clerk of the Circuit Court by the filing of an action in the nature of interpleader. Escrowee shall be reimbursed from the earnest money for all costs, including reasonable attorney fees, related to the filing of the interpleader action. Seller and Buyer shall indemnify and hold Escrowee harmless from any and all conflicting claims and demands arising under this paragraph.

13. DAMAGE TO REAL ESTATE PRIOR TO CLOSING: If, prior to delivery of the deed, the Real Estate shall be destroyed or materially damaged by fire or other casualty, or the Real Estate is taken by condemnation, then Buyer shall have the option of terminating this Contract and receiving a refund of earnest money or of accepting the Real Estate as damaged or destroyed, together with the proceeds of any insurance payable _____Buyers Intials_____Buyers Intitals_____Sellers Intials_____Sellers Intitals

as a result of the destruction or damage, which proceeds Seller agrees to assign to Buyer. Seller shall not be obligated to repair or replace damaged improvements. The provisions of the Uniform Vendor and Purchaser Risk Act of the State of Illinois shall be applicable to this Contract, except as modified in this paragraph.

14. SELLER REPRESENTATIONS: Seller represents that he has not received written notice from any Governmental body of (a) zoning, building, fire or health code violations that have not been corrected; (b) any pending rezoning; or (c) a proposed or confirmed special assessment and / or special service area affecting the Real Estate. Seller further represents that Seller has no knowledge of boundary line disputes, easements or claims of easement not shown by the public records, any hazardous waste on the Real Estate or any improvements to the Real Estate which are not included in full in the determination of the most recent real estate tax assessment, or which are eligible for home improvement tax exemption.

15. CONDITION OF REAL ESTATE AND INSPECTION: Buyer shall have the right to inspect the Real Estate, prior to possession to verify that the Real Estate and improvements are in substantially the same condition as of the Date of Acceptance of this Contract, normal wear and tear excepted, or as may be caused by construction or roads or drainage ways.

16. GOVERNMENTAL COMPLIANCE: Parties agree to comply with the reporting requirements of the applicable sections of the Internal Revenue Code and the Real Estate Settlement Procedures Act of 1974, as amended.

17. ESCROW CLOSING: At the election of either Party, not less than five (5) business days prior to Closing, this sale shall be closed through an escrow with the title company in accordance with the provisions of the usual form of Deed and Money Escrow Agreement, as agreed upon between the Parties, with provisions inserted in the Escrow Agreement as may be required to conform with this Contract. The cost of the escrow shall be paid by the Party requesting the escrow.

18. FLOOD INSURANCE: Buyer shall obtain flood insurance if required by Buyers lender.

19. FACSIMILE: Facsimile signatures shall be sufficient for purposes of executing, negotiating, and finalizing this Contract.

20. BUSINESS DAYS: Business days are defined as Monday through Friday, excluding Federal holidays.

21. LAND: This Contract is contingent upon Buyer, at Buyer's expense, obtaining, within 14 business days after the Date of Acceptance, a percolation or soil suitability or soil boring test at the site of the Buyer's choice on the Real Estate suitable for obtaining the necessary building and septic permits from the appropriate authorities for a _____ bedroom house. In the event the results of such test(s) are unsatisfactory and Buyer serves written notice with copies of the test results upon Seller with five (5) business days after Buyer's receipt of the test results, THIS CONTRACT SHALL BE NULL AND VOID AND EARNEST MONEY REFUNDED TO BUYER UPON

_____Buyers Intials_____Buyers Intitials_____Sellers Intials_____Sellers Intitials

WRITTEN DIRECTION OF THE PARTIES TO ESCROWEE. IF THE WRITTEN NOTICE IS NOT SERVED WITHIN THE TIME SPECIFIED. THIS PROVISION SHALL BE DEEMED WAIVED BY THE PARTIES AND THIS CONTRACT SHALL REMAIN IN FULL FORCE AND EFFECT.

22. APPLICATION FOR SUBDIVISION IMPROVEMENTS: An Application for Subdivision Improvements and other documents has been published by Declarant. (See www.lreg.net/hc.htm or County records) The Covenants and Restrictions go well beyond the period of construction and are a more complete set of the obligations of ownership.

The Purchaser acknowledges that he/she has read and understands the Covenants and Restrictions as recorded for the development and understands that he/she is obligated to provide a copy of the Covenants and Restrictions, as they may be amended, to any future Purchasers.

_____ Initials of Purchasers(s)

The Purchaser has reviewed the site plan along with its annotations.

_____ Initials of Purchaser(s)

The Purchaser has reviewed the Architectural Guidelines

_____ Initials of Purchaser(s)

The Purchaser has reviewed the list of Fines and Regulations

_____ Initials of Purchaser(s)

Upon any future sale the Association will provide a document indicating whether the property is in compliance with the Covenants and Restrictions for use at the transfer of title.

22. Purchaser has reviewed or waives review of the construction plans for the development and understands that the drainage plan for the development is critical to the continued enjoyment of the subdivision. Certain elements of the subdivision drainage plan are put in place by the developer during construction and certain elements of the drainage are put in place by the lot owner during final grading of the lot. It is important that the lot owner discuss this with their builder and/ or the Declarant to ensure all drainageways are properly installed and then maintained. The lot owner should ensure their contract with builder or a landscaper approved by Declarant timely provides for rough and finish grading or the lot as the lot owner is responsible.

Below is information that any Builder should know and for which a lot owner becomes responsible. During construction, dirt is often deposited on the streets from construction vehicles. The purchaser agrees to provide a tracking pad composed of large rock (2-3" _____ Buyers Intials _____ Buyers Intitials _____ Sellers Intials _____ Sellers Intitials

or more without “fines”) at the driveway entrance(s) or other entrances to the street at the house being built to assist in getting dirt off the tires of vehicles and also to protect the curb. (A tracking pad does NOT have “fines” ON the large rock. The large rock is the usable surface until just before the paving of the driveway.) A tracking pad will not remove all dirt and it is the responsibility of the owner to remove dirt from the street as often as needed and that may be daily at some times of the year if construction vehicles are making many deliveries and/or going on and off the lot. (The Village and Association will fine people for not keeping the streets clean.) Bear in mind that subcontractors are known to drive anywhere and anytime they want with no regard for these matters and will not always use the tracking pad.

Declarant reserves the right to do such cleaning as is needed or to create erosion control or any other measure which Declarant deems of immediate need for the safety of the property or the well-being of the subdivision with or without notice to Purchaser or lot owner at the lot owner’s expense and creating a lien, if needed, as outlined in the Declarations, Covenants, and Restrictions for payment and collection.

Erosion control during construction is a **federal** and local government requirement as well as required by the Covenants and Restrictions and by the drainage plan for the subdivision. Silt fence, properly installed, or rock dams are used to ensure that dirt (silt) does not transfer to another lot either in the project or to a neighboring parcel and does not choke up or change the contours or any drainageway, including the Right of Way or especially does not make its way to detention areas or Dry Creek and is controlled by the Army Corp of Engineers of Illinois Department of Natural Resources and Illinois Environmental Protection Agency. It is the responsibility of the owner to make sure this temporary erosion control is in place until no longer needed, usually when the grass is well established. During initial construction of the subdivision various erosion control measures and drainageways are put in place. Some examples of erosion control measures are matting and silt fencing and swales. During construction of a particular lot, the construction equipment or the vehicles may damage the contour of drainageways on that lot or even neighboring lots and may damage the matting or silt fencing. The owner is responsible for the reconstruction and/or restoration of the site. Silt that washes to another lot or to the Right of Way becomes the responsibility of the lot owner from where the silt was washed.

NOTICE: In recent times the EPA has stepped up their erosion enforcement. Winnebago County is one of the highest fined counties in Illinois. In order to comply with the US EPA Clean Water Act, Hidden Creek has received authorization for general storm water discharge from the Illinois Environmental System (NPDES). Violations are documented by state inspectors and sent to the States Attorney. Weekly EPA inspections are or may be conducted, documented and photographed. Hidden Creek is on a water- way and dumping sediment into the waterway or Dry Creek, is a \$10,000 first time offense. (Even though a lot may not adjoin Dry Creek, storm water eventually goes there and then to the Gulf of Mexico via various drainageways.) A second offense is \$50,000. The government gives you 48 hours to repair or solve issues between offenses. These are EPA fines, **not ours**. The EPA standards require silt fences (and any other measures) to

_____Buyers Intials_____Buyers Intitials_____Sellers Intials_____Sellers Intitials

remain and maintained until a lawn is established. Also if soils leave your property any silting (mud) onto other properties will have to be repaired and restored as required by EPA regulations. If not maintained, the developer may repair it for you and lien your property for the costs of any repairs and will hold you liable for any applicable EPA fines. It is irrelevant to the EPA whom, how and why any silt fence is not maintained in good condition, including storm damage. A contractor removing the fence or destroying the fence is a lot owner issue. Unfortunately, if not kept in place you are pretty much guilty of an EPA violation if it is your lot.

23. During construction, construction equipment or vehicles may damage curbs and streets. It is the responsibility of the Lot Owner where said construction was being done to repair that damage in a manner satisfactory to the Village of Roscoe and the Association. The Village of Roscoe has decided not to allow curbs and gutters within the project but V-style curbs are used in drainageways at certain places. Lot owner is responsible to make sure that the curbs and drainageways are kept clean for proper storm drainage. The Village has asked us to notify lot owners: The first 4' of driveway from the street MUST be asphalt (Village Ordinance) and thereafter may be such other materials as may be approved by the Declarant or Association.

24. Septic and Well locations are a critical factor in the development. The subdivision engineer has created a suggested plan for the location of these improvements, and when used properly, permits all lots to have a septic and well. If the septic or well on a lot is not placed properly, a neighboring lot may be rendered unbuildable and the owner of the lot incorrectly placing either a septic or well will be responsible for any unbuildable lots in cost and damages. If a septic or well is to be placed elsewhere on a lot, the lot owner must receive a written permission from the Declarant. The lot owner should have a contract with their septic and well installer, or general contractor, indicating that they need to accurately measure to ensure placement is correct.

25. When installing a driveway and a culvert is required, the sizing of the culvert should be done in cooperation with the subdivision engineer and the Village of Roscoe and must be in the Village Right of Way unless it only drains into or onto your own land. Its size, length, and elevation are critical to the overall drainage plan of the subdivision. (General rule – once storm water gets to a ROW it must stay in a ROW or within a drainage easement until discharged from the subdivision.)

26. Contractors often use neighboring lots for staging and/or to deliver material to sections of the lot on which they are building. **This is trespassing if you have not received permission from the lot owner.** Owners are responsible for the damage their contractors or materialmen may do to neighboring lots and must not allow such trespassing. **Traveling over a septic system area**, either in place or to be built, on any lot **may render the lot unusable for a septic system** by compacting the soil and the **owner of the lot for which the contractors or materialmen was working or delivering thus becomes liable for the damages and cost of the lot now rendered unbuildable.**

_____Buyers Intials _____Buyers Intitials _____Sellers Intials _____Sellers Intitials

The Declarant reserves the right to approve any contractors that work in the Subdivision and to have names, addresses, and phone numbers of lot owners, up to date. If unknown, the address of the lot owner shall be the address of the lot.

27. The Village has imposed a Parkland Dedication Fee, normally payable when a building permit is issued. The Village has changed the fee from \$119.00 to \$237.00 to \$481.61. Seller has chosen to stop this vicious cycle and fix the amount by paying all fees up front for the lot owners before it gets higher. Seller is to be reimbursed at time of closing for the amount of the Parkland Dedication Fee plus interest.

28. If the Buer is buying without a completed building, then the Buyer agrees to bring all the matters contained within this contract to the attention of their buyer.

Notice: One or more of the principals in Promontory Ridge, LLC is a licensed real estate broker in the State of Illinois.

THIS DOCUMENT WILL BECOME A LEGALLY BINDING CONTRACT WHEN SIGNED BY ALL PARTIES AND DELIVERED

Date of Offer:

Buyer(s) Signature:

Seller Signature

Print Buyer(s) Name:

Promontory Ridge, LLC

Address:

By Dennis Gillig,
Managing Member

City, State:

Date of Acceptance

Copies of drainage/topo plan. Septic/well locations and final plat may be obtained from B & H Industries, Rockford.

_____Buyers Intials _____Buyers Intitials _____Sellers Intials _____Sellers Intitials