

HIGHLIGHTS
OF THE CHANGES IN THE
MULTI-BOARD RESIDENTIAL REAL ESTATE CONTRACT 4.0
Version 3.0 *Version 4.0*

<p style="text-align: center;">OVERVIEW:</p> <p><i>Contract is now eleven 8 ½ by 11" pages with PDF "fill-in-the-blanks" formatting and a larger, more readable typeface. (11 pt throughout.)</i></p> <p><i><u>Note:</u> The 2006 Revision of the Contract is © 2006, Illinois Real Estate Lawyers Association ("IRELA"). The Official Form is maintained on the IRELA web site (www.reallaw.org).</i></p> <p><i>The contract has been approved by all of the organizations listed to the right.</i></p>		<p>Illinois Real Estate Lawyers Association, Aurora Tri-County Association of REALTORS[®], Chicago Association of REALTORS[®], DuPage County Bar Association, Kane County Bar Association, Lake County Bar Association, McHenry County Association of REALTORS[®], North Shore - Barrington Association of REALTORS[®], Northwest Suburban Bar Association, Oak Park Board of REALTORS[®], REALTOR[®] Association of the Fox Valley, REALTOR[®] Association of the Northwest Chicagoland, REALTOR[®] Association of West/South Suburban Chicagoland, Three Rivers Association of REALTORS[®], West Towns Board of REALTORS[®]</p>
<p style="text-align: center;">1. The Parties</p> <p style="text-align: center;">[New Dual Agency Reference]</p>		<p style="text-align: center;">Whole line for Buyer and Seller names.</p> <p style="text-align: center;">Direction to complete special Optional Paragraph 41 if Dual Agency situation (line 7)</p>
<p style="text-align: center;">2. The Real Estate</p>		<p style="text-align: center;">Clarified number of spaces and space numbers (line 16)</p>

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3. Fixtures and Personal Property		Satellite Dish (removed "and system") (line 31) Added: Outdoor Playsets (line 31) Garage door openers with all transmitters (removed blank for number of transmitters) (line 30)
4. Purchase Price	No Change	
5. Closing	No Change	
6. Possession		"Unless provided in [Post Closing Possession] Paragraph 39" added to Possession paragraph to clarify.
7. Disclosures	No Change	
8. Prorations		Special Service Area tax for year of closing to be paid by seller (line 59-60) Special Service Area installments due after year of closing not prorable (become buyer expense) (line 65) Reference to and place for disclosing Master/Umbrella Association fees (line 63-64)
9. Attorney Review	No resolution of proposed modifications within the 10 Bus. Days not specifically addressed - some considered the clause waived	"Automatic Kill" : Now, if no resolution on proposed modifications within 10 Bus. Days, contract becomes null and void . (line 77). Note: the 10 Bus. Days can be extended by mutual agreement -- same for Professional Inspections

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<p style="text-align: center;">10. Professional Inspections</p>	<p>No resolution of inspection issues within the 10 Bus. Days not specifically addressed - some considered the clause waived and the contract still in effect</p>	<p>“Automatic Kill”: Now, if no resolution of inspection issues within 10 Bus. Days, contract becomes null and void. (line 88). Added: “The fact that a functioning component may be at the end of its useful life shall not render such component defective for the purpose of this paragraph.” Added: If radon mitigation done, seller pays for retest. Note: the 10 Bus. Days can be extended by mutual agreement</p>
<p style="text-align: center;">11. Mortgage Contingency</p>	<p>Was: blank for type of loan</p>	<p>Now: check boxes for type of loan Added: Reference to closing cost credit (Par. 33) Deleted: blank for points to be paid by seller Clarified language regarding this contract is not contingent upon on sale of Buyer’s real estate unless disclosed properly in optional Par. 31</p>
<p style="text-align: center;">12. Homeowner Insurance</p>	<p style="text-align: center;"><i>New</i></p>	<p>Buyer is to determine whether the property is insurable at normal rates within 10 Bus. days after acceptance. Must notify the seller if he wishes to nullify the contract during that time. If no notice is given, buyer is agreeing to close regardless of cost of insurance.</p> <p>Note: This is to protect the buyer from having to pay extremely high insurance premiums and protects the seller from the buyer backing out of the contract a few days before the closing when buyer customarily would find out about homeowner insurance issues.</p>

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13. Flood Insurance	Buyer had to pay for flood insurance, regardless of cost, if required by lender	Unless previously disclosed, buyer can declare contract null and void if property is in a flood plain. Timing: within 10 Bus. days if cash buyer, or up until the time of mortgage contingency
14. Condominium/Common Interest Associations	Was: Condominiums (only)	Added: Covenants, Conditions and Restrictions (lines 141, 142, 145, 152, 153) Requires seller to diligently apply for the condo docs, CC&R's, etc. (line 149) Clarified and bolded the buyer's right to cancel contract if documents show unreasonable restrictions on buyer's use of property or increased financial obligations unacceptable to the buyer (Line158)
15. The Deed	No Change	
16. Title	No Change	
17. Plat of Survey	Staked & flagged	Staked, flagged or otherwise monumented (line193).
18. Escrow Closing		Provides for true cash purchasers to split the escrow closing fee (line 202)
19. Damage to Real Estate		Provision added for condemnation award and/or, insurance proceeds to be payable to Buyer (line 208-09)

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20. Real Estate Tax Escrow	“Real Estate Property Tax Escrow”	Title of paragraph shortened to “Real Estate Tax Escrow”. Text of paragraph unchanged.
21. Seller Representations		<p style="text-align: center;">Added “pending condemnation or eminent domain proceeding” (line 223)</p> <p style="text-align: center;">Seller also represents there have been no notices of any proposed or confirmed special assessment and/or Special Service Area, and is required to complete “checkbox” representations as to whether or not there is (1) a proposed or pending unconfirmed special assessment or (2) the property is in a Special Service Area (lines 224-29) <i>(Seller not liable post-closing for either one.)</i></p> <p style="text-align: center;">Allows buyer option to nullify contract within 10 Bus. days or within term of mortgage contingency if disclosures of assessments or Special Service Areas are unacceptable. Note: Still contains seller’s statement that he has no knowledge of any improvements for which the required permits were not obtained.</p>
26. Direction to Escrowee		No substantive change, but consolidated language in one paragraph
27. Notice		Specific exclusion for “kick-out” notice to Buyer Allows notice by overnight commercial delivery service


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33. Closing Cost Credit	<i>New</i>	Addresses specific dollar amount of credit to be given, and provides that, provided lender permits the credit to be shown, seller will give such credit, or “if not, such lesser amount as the lender permits” will be given.
34. Interest Bearing Account		Administrative Fee cap increased from \$75 to \$100
37. Well and/or Septic	Deliver not less than fourteen (14) Bus. Days prior to closing	Deliver not less than one (1) Bus. Day prior to closing Creates a five (5) gallon per minute minimum (line 408) Seller to remedy defects or deficiencies (including landscaping) up to \$3, 000 (line 413) Additional testing is at seller’s expense (line 414-15)
38. Wood Destroying Infestation	<i>New</i>	Allows for Buyer to require Seller to provide termite inspection within 10 Bus. Days after Date of Acceptance. Buyer will then have 5 Bus. Days to declare contract null and void if active infestation or structural damage is detected
39. Post-Closing Possession	Specified date for possession Rent paid for all days Seller in possession regardless of actual date of possession	Possession Date “Floats” with closing date Seller pays utilities, insurance and maintenance Escrow options: 1% <i>or</i> specific agreed amount Rent now only for days actually used Escrow acts as security deposit for condition of property Added blank for designated Escrowee.
43. Miscellaneous Provisions		Added: Commercial Investment/Starker Exchange (line 467) Added: Cooperative Apartment (line 468)

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Signature Page		Names of Parties to be printed "REQUIRED" Some street addresses deleted (REALTOR® and attorney) Added: Homeowners/Condo Ass'n (if any) Added: Management Co./Other Contact Seller Rejection clarified and set in box (lines 520-522)
Loan Status Disclosure Form	<i>New</i>	<i>The Loan Status Disclosure Form is technically not part of the Multi-Board 4.0 Contract, but it is referenced in the Mortgage Contingency paragraph at Line 99 and is included with the contract in order to encourage its use. Completion of the disclosure form, while helpful, is optional, and does not affect the validity of the contract itself.</i> <i>[Form should be filled out by Buyer's lender.]</i> Provides for designation of prequalification or application status by checking appropriate box.
Notice of Inability to Satisfy Contingency and/or Mutual Cancellation Agreement 4.0	REALTOR® signatures required	<i>[Separate Form]</i> <i>No REALTOR® signatures required - execution of this document by parties and return of earnest money does not cause REALTOR® to waive claims</i>

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IRELA Web Site: www.reallaw.org

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