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REAL ESTATE PURCHASE INFORMATION

I am pleased to confirm our agreement to represent you in the purchase of this real estate. This letter will describe the legal services to be provided to you and our legal fees.

I need your cooperation in promptly completing your inspection and other work within the Contract's time deadlines and keeping me informed of all matters affecting the property. Included in this information letter are your responsibilities. Your failure to complete your responsibilities within the Contract's time deadlines may result in financial risk and loss. Except for your mortgage application with the lender, do not sign any documents in connection with the Contract without first consulting with me.

My current fee is \$400.00 for services customarily performed for buyers. In the event that additional services are required, such as clearing judgment liens, additional time will be billed at our customary hourly rate. The fee is not contingent on a closing. I may incur expenses for copying of documents, long distance calls, messenger services and other related costs. These expenses are in addition to the legal fees.

CLIENT'S RESPONSIBILITIES:

1.) **INSPECTION.** This normally must be done within five business days. Investigate the physical condition of the Property and decide if you approve and accept the Property, or the if the Property is not acceptable and you wish to terminate the Contract, or that you will accept the Property if the seller will repair certain conditions or allow a cash credit at closing and immediately communicate this information to your attorney. In addition to other matters that you choose to investigate, you may wish to consider the following:

A. Evaluate the environmental risks in the property and the surrounding neighborhood and the drinking water;

B. Evaluate the Property's compliance with applicable building, fire , life safety and similar codes and ordinances, including whether the Seller obtained building permits for Seller's improvements, additions and renovations; visit with municipality to check for compliance with permits and building code;

C. Determine whether the property is located in a flood plain and related flood risks and whether the Seller currently has flood hazard insurance for the property;

D. Compliance with zoning; and

E. Condition of wells and septic system.

F. Condition of property, including foundation, electrical and plumbing systems, roof and working condition of appliances.

2.) **INSURANCE.** If you are required to have homeowner's insurance, you need to contact

your insurance agent immediately to make sure that the property is insurable. You have 10 business days after date of acceptance to obtain your homeowners insurance. If you are unable to obtain insurance, we must give notice within 10 business days.

3.) FINANCING. IMMEDIATELY MAKE APPLICATION for a loan at a lender of your choice and provide the lender with our name and address. Call this office to notify either myself or my staff the name and telephone number of the mortgage company. The lender may require information from you including previous mortgages, auto loans, credit and insurance. You must have approval within the time specified in the mortgage clause on the contract that you have signed. Written notice must be given to seller or his attorney if you do not obtain approval for your mortgage prior to _____, the expiration of the allotted time set forth in contract. The appraisal must be ordered within 10 business days of the acceptance of the contract.

4.) The lender will notify you by mail with a commitment letter, stating the terms of the Mortgage. PLEASE FOLLOW the lender's instruction in regards to execution of all documents immediately upon request. Ordinarily title searches will not begin until the lender has received the signed documents. Delays at this stage are the single most common reason for delayed closing. The following documents are generally required: Mortgage, Note, Assignment of Rents, Regulation Z Forms (Truth in Lending), ALTA Forms, and Signature Cards of Savings and Loan Association.

5. AT CLOSING: You must bring the following to the closing:

A. At the closing you will need a Certified or Cashier's Check. If funds are held in Money Market or Certificate of Deposit, allow 10 days for the money transferred to your checking account to clear. Checks should be made payable to yourself to be endorsed at closing. The amount required will ordinarily be the total of the following:

- a. Balance of Down Payment
- b. Title Insurance Charges
- c. Closing Costs (Service charges, credit report, etc.)
- d. Interest to date of first payment
- e. Insurance and Tax Escrow requirements less seller's Tax Credit

B. You must have a Homeowners Insurance Policy, in at least amount of the mortgage. Original to lender, copy to yourself. A paid receipt for one year is also required. Check with your lender as to their requirements and how they wish their names to appear on the policy. Investors will need fire and extended coverage policies. Condominiums will need certificates of insurance ordered by Seller's attorney, but you will also want to have insurance to cover your personal property and inside of your unit.

C. Prior to closing you should have a final "walk through" of the property with the realtor. This is your chance to test all appliances, check the plumbing and electricity, etc. Notify this office immediately of any problems. This should be completed prior to the closing

day.

D. Bring your driver's license or other form of identification with your picture.

My work will include only the following:

1. Review of the contract, and if permitted under the terms of the Contract negotiate and prepare needed changes with Sellers or their counsel if appropriate;
2. Monitor contingency deadlines set forth in the Contract and send notices requesting extensions of the deadlines or cancellation of the Contract, if necessary;
3. Timely raise the initial inspection and final inspection walk-through deficiencies that have been brought to my attention with Seller or their counsel;
4. Schedule and attend the closing;
5. Review Seller's closing documents for compliance with the Contract, including the closing and title insurance requirements and review of the final closing statement of Seller and your lender; and
6. Review the loan documents to confirm the interest rate and payment period conform to your mortgage loan commitment.
7. You will customarily receive the following documents:
 - a. Deed, which will be recorded by title company
 - b. Affidavit of Title
 - c. Bill of Sale
 - d. Owners title policy
 - e. Disclosure Statement
 - f. Closing Statement
 - g. Survey
 - h. Keys to your new home, unless possession is delayed.

The owners title policy and Deed will be mailed to you from our office we receive them at a later date. This can take up to four months or more.

I will explain the above documents, to you at closing. I look forward to representing you in this important transaction.

Sincerely,

Donna Craft Cain