Car Purchase Agreement

**This Car Purchase Agreement**, dated [insert date], is between Barbara Balram (the “**Seller**”) and Tom Rogers (the “**Buyer**”).

Background

The Seller desires to sell her red, 20XX Acura to the Buyer, and the Buyer desires to purchase it.

or

This Agreement provides for the sale to the Buyer of the Seller’s car.

Accordingly, the parties agree as follows:

—Definitions

As used in this Agreement, the terms defined in the preamble have their assigned meanings, and each of the following terms has the meaning assigned to it in this Article.

## “**Agreement**” means this Car Purchase Agreement and its Exhibits, as each may be amended from time to time.

## “**Business Day**” means any day other than a day that banks in Illinois are required or permitted to be closed.

## “**Car**” means the car being sold in accordance with this Agreement.

## **“Closing”** means the consummation of the transactions that this Agreement contemplates.

## **“Closing Date”** has the meaning assigned to it in Section 2.4.

## “**Deficiency Certificate**” means a certificate, substantially in the form of **Exhibit A.** [The certificate states that the Car is not in good operating condition, normal wear and tear excepted.]

## “**Down Payments**” means the First Down Payment, the Inspection Down Payment, and the Second Down Payment.

## “**Good Order Certificate**” means a certificate, substantially in the form of Exhibit B. [This certificate states that the Car is in good operating condition, normal wear and tear excepted.]

## “**First** **Down Payment**” has the meaning assigned in Section 2.3(a).

## “**Inspection** **Down Payment**” has the meaning assigned in Section 2.3(b).

## “**Second Down Payment**” has the meaning assigned in Section 2.3(c).

—Purchase and Sale

## **The Purchase and Sale**. At the Closing, the Seller shall sell the Car to the Buyer, and the Buyer shall purchase the Car from the Seller.

## Purchase Price. The purchase price of the Car is $11,000.

## Payment of the Down Payments. [Alternative 1]

### **First Down Payment**. The Buyer shall pay the Seller $1,100, concurrently with the execution and delivery of this Agreement (the “**First Down Payment**”).

### **Inspection Down Payment**. If the Buyer has a mechanic inspect the Car and the mechanic delivers a Good Order Certificate to the Buyer, the Buyer shall pay the Seller $1,100 (the “**Inspection Down Payment**”), no later than two days after Seller’s receipt of the Good Order Certificate.

### **Second Down Payment**. If the Buyer chooses not to have a mechanic inspect the Car, the Buyer shall pay the Seller $1,100 (the “**Second Down Payment**”) no later than 15 Business Days after the parties execute and deliver this Agreement.

The Buyer shall make each of the payments required by Section 2.3 by certified check.

### or

## Payment of the Purchase Price. The Buyer shall pay the $11,000 purchase price as follows: [Alternative 2]

### $1,100, concurrently with the execution and delivery of this Agreement (the “**First Down Payment**”).

### $1,100, no later than two days after Buyer’s mechanic has delivered a Good Order Certificate to each of the parties (the “**Inspection Down Payment**”).

### $8,800 at the Closing.

The Buyer shall pay each component of the $11,000 purchase price with a certified check.

## Time and Place of the Closing. The Closing is to occur on [ ] 20XX, or another date as to which the parties agree (the date the transaction is consummated, the “**Closing** **Date**”). It is to take place at the offices of Workhard & Succeed LLP, 278 Appletree Lane, Glencoe, Illinois at 1:00 p.m. local time.

## **Instruments of Transfer; Payment of Purchase Price; Further Assurances**.

### **Seller’s Deliveries**.

#### **Title**. At the Closing, the Seller shall execute and deliver to the Buyer

##### a bill of sale for the Car [and any title documents required by state law]; and

##### any other instrument or instruments of transfer that may be necessary or appropriate to vest in the Buyer good title to the Car.

#### **The Car and Accessories**. No later than noon on the Closing Date, the Seller shall deliver the Car, the keys, and manuals, or cause them to be delivered, to the Buyer’s home. The Seller’s agent may retain the keys until the transaction is closing. The Seller shall cause her agent to give the Buyer or his agent the keys when the parties have confirmed that the transaction is closing.

### **Buyer’s Deliveries**. At the Closing, the Buyer shall deliver to the Seller $8,800/$9,900 by certified check.

### **Further Assurances**. Following the Closing, at the request of the Buyer, the Seller shall deliver any further instruments of transfer and take all reasonable action that may be necessary or appropriate to vest in the Buyer good title to the Car.

—The Seller’s Representations and Warranties

The Seller represents and warrants to the Buyer as follows:

## Ownership of the Car. The Seller owns the Car, and it is not subject to any liens.

## Description of the Car. The Car’s Vehicle Identification Number is 23456. It is a red, 20XX Acura that has been driven 26,000 miles.

## Maintenance. The Seller has maintained the Car in accordance with the Car’s owner’s manual, and it is in good operating condition, normal wear and tear excepted.

## Warranty. The Car is still under the manufacturer’s warranty, and the Seller has the relevant documentation. [A true and complete copy of that warranty is attached as **Exhibit** **C**.] [The Seller has previously delivered to the Buyer a true and complete copy of that warranty.]

—The Buyer’s Representation and Warranty

The Buyer represents and warrants to the Seller as follows:

## **Employment Offer**. Hie Power & Stress LLP has offered the Buyer employment as an associate [and has not rescinded that offer].

[The Buyer represents and warrants to the Seller that Hie Power & Stress LLP has offered the Buyer employment as an associate [and has not rescinded that offer].]

—The Seller’s Covenants

The Seller covenants to do the following from the execution and delivery of this Agreement to the Closing:

## Mileage. The Seller shall cause the Car not to be driven more than 500 miles.

## The Car’s Color. The Seller shall not paint the Car.

## Maintenance. The Seller shall maintain the Car, or cause it to be maintained,

### in accordance with the Car’s owner’s manual; and

### in good operating condition, normal wear and tear excepted.

## **Garaging of the Car**. The Seller shall garage the Car when she is not using it.

—The Mechanic’s Inspection

## Buyer’s Notice Concerning Inspection. No later than five Business Days after the parties have executed and delivered this Agreement, the Buyer shall notify the Seller [by e-mail] whether he will have a mechanic inspect the Car. If he chooses to require an inspection, the Buyer shall further notify the Seller in the same notice

### the date of the mechanic’s inspection; and

### when and where the mechanic’s inspection is to take place.

## Inspection Details. The Buyer shall choose a mechanic reasonably acceptable to the Seller and no more than 10 miles from the Seller’s [home/business]. The Buyer shall choose a date for the inspection that is no more than ten Business Days after the parties executed and delivered this Agreement.

## Seller’s Delivery of the Car. The Seller shall deliver the Car to the mechanic for the mechanic’s inspection in accordance with the Buyer’s notice.

## The Inspection. The Buyer shall instruct the mechanic

### to inspect the Car and may specify what should be inspected;

### to complete the inspection in no more than two Business Days; and

### to deliver to each party either

#### a Good Order Certificate, if the inspection reveals that the Car is in good operating condition, normal wear and tear excepted; or

#### a Deficiency Certificate, if the inspection reveals that the Car is not in good operating condition, normal wear and tear excepted.

## **Payment for the Inspection**. The Buyer shall pay the mechanic for the inspection on receipt of either a Good Order Certificate or a Deficiency Certificate.

# —Conditions to the Seller’s Obligation to Close

The Seller is obligated to consummate the transactions that this Agreement contemplates only if each of the following conditions has been satisfied or waived on or before the Closing Date.

## **Representations and Warranties**. The Buyer’s representation and warranty must have been true on the date that he made it and must be true as of the Closing Date with the same force and effect as though made on and as of the Closing Date.

## **Covenants**. The Buyer must have performed each of the covenants to be performed by him on or before the Closing Date.

## **Buyer’s Closing Certificate**. The Seller must have received a certificate of the Buyer, certifying to the truth of the statements in Sections 7.1 and 7.2.

# —Conditions to the Buyer’s Obligations to Close

The Buyer is obligated to consummate the transactions that this Agreement contemplates only if each of the following conditions has been satisfied or waived on or before the Closing Date.

## **Representations and Warranties**. The Seller’s representations and warranties must have been true on the date that she made them and must be true as of the Closing Date with the same force and effect as though made on and as of the Closing Date, [except to the extent that this Agreement contemplates changes].

## **Covenants**. The Seller must have performed each of the covenants to be performed by her on or before the Closing Date.

## **Seller’s Closing Certificate**. The Buyer must have received a certificate of the Seller, certifying to the truth of the statements in Sections 8.1 and 8.2.

## Mechanic’s Inspection. The Buyer must have received a Good Order Certificate.

## Warranty. The Car’s warranty must be reasonably acceptable to the Buyer.

## Bonus. The Buyer must have received a bonus from Hie Power & Stress LLP of at least $5,000.

# *—*Termination

## **Seller’s Right to Terminate**.

### **Grounds for Termination and Notice of Termination**. The Seller may send a notice to the Buyer regarding this Agreement’s termination if any one or more of the following events has occurred on or before the Closing Date:

#### **Misrepresentation and Breach of Warranty**. Thecondition stated inSection 7.1 has not been satisfied or waived.

#### **Covenants**. Thecondition stated inSection 7.2 has not been satisfied or waived.

#### **Closing Certificate**. The condition stated in Section 7.3 has not been satisfied or waived.

### **The Deposits**.

#### **Right to Liquidated Damages.** The Seller is entitled to keep the First Down Payment as liquidated damages, these damages being the Seller’s sole remedy for the grounds for termination under Section 9.1(a).

#### **Obligation to Repay**. The Seller shall

##### pay the Buyer $1,100 if the Buyer paid either the Inspection Down Payment or the Second Down Payment;

##### pay the amount owed by certified check payable to the order of the Buyer;

##### cause the Buyer to receive the certified check no later than three Business Days after the Buyer’s receipt of the notice sent in accordance with Section 9.1(a).

### **Effective Date of Termination**. If the Seller sends a notice regarding this Agreement’s termination as permitted by Section 9.1(a), this Agreement terminates on the day the Buyer receives the payment required by Section 9(b)(ii).

### **Consequences of Termination**. On termination of this Agreement under this Section 9.1, neither party has any further rights or obligations under this Agreement.

## **Buyer’s Right to Terminate**.

### **Grounds for Termination and Notice of Termination**. The Buyer may send a notice to the Seller regarding this Agreement’s termination if any one or more of the following events has occurred on or before the Closing Date:

#### **Misrepresentations and Breaches of Warranties**. Thecondition stated inSection 8.1 has not been satisfied or waived.

#### **Covenants**. Thecondition stated inSection 8.2 has not been satisfied or waived.

#### **Closing Certificate**. The condition stated in Section 8.3 has not been satisfied or waived.

#### **Mechanic’s Inspection**. The condition stated in Section 8.4 has not been satisfied or waived, in which event Section 9.2(a)(i) provides the Buyer’s ground for termination the Seller misrepresented the facts in Section 3.3 and breached the related warranty.

#### **Warranty**. The condition stated in Section 8.5 has not been satisfied or waived.

#### **Bonus**. The condition stated in Section 8.6 has not been satisfied or waived, except if the Buyer misrepresented the facts in Section 4.1 and breached the related warranty. In that event, Section 9.2(a)(i) provides the Buyer’s ground for termination.

### **Obligation to Repay and Right to Retain the Deposits**.

#### **Grounds for Termination Stated in Section 9.2(a)(i), (ii), (iii), (iv), or (v)**. If the Buyer sends a notice of grounds for termination under any one or more of Sections 9.2(a)(i), (ii), (iii), (iv), or (v), the Seller shall repay to the Buyer the aggregate amount of all Down Payments that the Buyer paid to the Seller, by certified check payable to the order of the Buyer. The Seller shall cause the Buyer to receive the certified check no later than three Business Days after the Seller’s receipt of the notice sent in accordance with Section 9.2(a).

#### **Grounds for Termination Stated in Section 9.2(a)(vi) (failure to obtain Bonus)**. If the Buyer’s grounds for termination arises under Section 9.2(a)(vi), the parties shall do the following:

##### **Payment of More than One Down Payment**. If the Buyer paid more than one Down Payment to the Seller, the Seller shall repay $1,100 to the Buyer, by certified check, payable to the order of the Buyer. The Seller shall cause the Buyer to receive the certified check no later than three Business Days after the Seller’s receipt of the notice sent in accordance with Section 9.2(a). The Seller is entitled to retain the amount of the First Down Payment, as liquidated damages as its sole remedy for this ground for termination.

##### **Payment of First Down Payment Only**. If the Buyer paid only the First Down Payment to the Seller, the Seller is entitled to retain the amount of the First Down Payment, as liquidated damages as its sole remedy for this ground for termination.

### **Effective Date of Termination**. If the Buyer sends a notice regarding this Agreement’s termination as permitted by Section 9.2(a), this Agreement terminates on the day the Buyer receives all payments required by Section 9(b).

### **Consequences of Termination**.

#### **Grounds for Termination Stated in Section 9.2(a)(i), (ii), or (iii)**. On termination of this Agreement under any one or more of the grounds for termination stated in Section 9.2(a)(i), (ii), or (iii), neither party has any further rights or obligations under this Agreement, except for the Buyer’s rights and the Seller’s obligations arising from any Seller misrepresentation, breach of warranty, or breach of covenant.

#### **Grounds for Termination Stated in Section 9.2(a)(iv), (v), or (vi)**. On termination of this Agreement under any one or more of the grounds for termination stated in Section 9.2(a)(iv), (vi), or (vi), neither party has any further rights or obligations under this Agreement.

In order to evidence the parties’ agreement to the terms of this Agreement, they have executed and delivered this Agreement on the date stated in the preamble.

**Seller**

**Barbara Balram**

**Buyer**

**Tom Rogers**

**EXHIBIT A**

Deficiency Certificate

The undersigned certifies that the car with Vehicle Identification Number 23456 is not in good operating condition, normal wear and tear excepted.

Name:

Date:

\* \* \* \* \*

**Exhibit B**

**Good Order Certificate**

The undersigned certifies that the car with Vehicle Identification Number 23456 is in good operating condition, normal wear and tear excepted.

Name:

Date: