

Module 3D

Submitting Contracts & Important Clauses



Recommendations for Sale Contracts

- Offer 2-3 price options – better than Yes/No answer
- You might have to educate the seller to “why” the price, market conditions, comparables, etc.



Paperwork

1. Sale Contract (2 pages – keep it simple)
2. Main Contingency
“Contingent to Business Partner’s
Approval within 20 days of acceptance of
sale contract.”
3. Lead Based Paint Addendum
4. Seller’s Disclosure – “As Is”

Paperwork

Important Clauses on Contract (as needed) -

1. “Buyer reserves the right to assign the contract” or “Mr Buyer and/or Assigns”
2. “Buyer reserves the right to market the property to prospect investors”
3. “Any liens and judgments on title to be satisfactorily negotiated”

Paperwork

Important Clause on Contract (as needed) -

“Seller reserves the right to keep the property on the market and accepts this contract as a contingent offer. In the event seller receives a better offer, he will provide the buyer herein a 72-hour(negotiable) first-right-of-refusal notice to perform.”

Paperwork

Important Clause on Contract (for Earnest Money)

“Buyer will deposit an additional escrow money deposit of \$xxx 21 days after acceptance of sale contract.”

Paperwork

Important Clauses on Seller Addendum –
Property to be Sold “As Is” (to be used between
you and end buyer)

“Seller has never resided in the property,
therefore he/she will not make any
representations. Buyer has to rely on his/her
own inspections and the property will be sold
in ‘as is’ condition.”