

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:

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 (to be used 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:”

“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.”