

Dive

into the Nuts and Bolts of Purchase and Sales Agreements

Allison Bastian-Rodriguez

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Denton Navarro Rodriguez Bernal Santee & Zech, P.C.
attorneys & counselors at law • rampagelaw.com

San Antonio | Rio Grande Valley | Austin | Texas Gulf Coast



Contracts

Forms Components Costs
Rules Statutes and Stuff

Forms



Texas Realtors ("TR") (private)

Texas Real Estate Commission ("TREC") (public)

TEXAS REALTORS
COMMERCIAL CONTRACT - IMPROVED PROPERTY
USE OF THIS FORM IS RESTRICTED AND NOT APPROVED BY THE TEXAS ASSOCIATION OF REALTORS, INC. IS NOT AUTHORIZED.

1. **PARTIES:** Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: _____
Address: _____ Email: _____
Phone: _____ Fax or Other: _____
Mobile: _____

Buyer: _____
Address: _____ Email: _____
Phone: _____ Fax or Other: _____
Mobile: _____

2. **PROPERTY:**
A. "Property" means that real property situated in _____ County, Texas at _____ (address) and that is legally described on the attached Exhibit _____ or as follows:

B. Seller will sell and convey the Property together with:
(1) all buildings, improvements, and fixtures;
(2) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
(3) Seller's interest in all licenses, rents, and security deposits for all or part of the Property;
(4) Seller's interest in all licenses and permits related to the Property;
(5) Seller's interest in all third party warranties or guarantees, if transferable, relating to the Property or any fixtures;
(6) Seller's interest in any trade names, if transferable, used in connection with the Property; and
(7) all Seller's tangible personal property located on the Property that is used in connection with the Property's operations except _____
Any personal property not included in the sale must be removed by Seller prior to closing.
(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)
(If mineral rights are to be reserved an appropriate addendum should be attached.)
(If the Property is a condominium, attach Commercial Contract Condominium Addendum (TDR-1930) or (TDR-1948).)

3. **SALES PRICE:** At or before closing, Buyer will pay the following sales price for the Property:
A. Cash portion payable by Buyer at closing _____ \$
B. Sum of all financing described in Paragraph 4 _____ \$
Sales price (sum of 3A and 3B) _____ \$

4. **LEASES:**
A. Except as disclosed in this contract, Seller is not aware of any leases affecting the Property. After the Effective Date, Seller may not, without Buyer's written consent, create a new lease, amend any existing lease, or convey any interest in the Property.
B. **NATURAL RESOURCE LEASES:** "Natural Resource Lease" means an existing oil and gas, mineral, water, wind, or other natural resource lease affecting the Property to which Seller is a party. Seller is is not a party to a Natural Resource Lease. If Seller is a party to a Natural Resource Lease, check one of the following:
 (1) Seller has delivered to Buyer a copy of all the Natural Resource Leases.
 (2) Seller has not delivered to Buyer a copy of all the Natural Resource Leases. Seller shall provide to Buyer all the Natural Resource Leases within 3 days after the Effective Date. Buyer may terminate the contract for EARNEST MONEY AND OPTION FEE if Seller is a party to a Natural Resource Lease and the earnest money shall be refunded to Buyer.

5. **EARNEST MONEY AND TERMINATION OPTION:**
A. **DELIVERY OF EARNEST MONEY AND OPTION FEE:** Within 3 days after the Effective Date, Buyer must deliver to _____ (Escrow Agent) at _____ (address): \$ _____ as earnest money and \$ _____ Fee shall be made payable to Escrow Agent and may be paid separately or combined in a single payment.
(1) Buyer shall deliver additional earnest money of \$ _____ (Escrow Agent) at _____ days after the Effective Date of this contract.
(2) If the last day to deliver the earnest money, Option Fee, or the additional earnest money and Option Fee, falls on a Saturday, Sunday, or legal holiday, the time to deliver the earnest money and Option Fee, or the additional earnest money, as applicable, is extended until the end of the day that is not a Saturday, Sunday, or legal holiday.
(3) The amount(s) Escrow Agent receives under this paragraph shall be applied to Escrow Agent within _____ day after the Effective Date of this contract.
(4) Buyer authorizes Escrow Agent to release and deliver the earnest money and Option Fee, then to the Seller, and to release and deliver the earnest money and Option Fee to Seller. The Option Fee, and the earnest money, is extended until the end of the day that is not a Saturday, Sunday, or legal holiday.
B. **TERMINATION OPTION:** For nominal _____ and Buyer's agreement to pay _____, Buyer shall have an unrestricted right to terminate this contract for any reason, at any time, by giving _____ days' written notice to Seller. The Option Fee shall be refunded to Buyer.

TREC
UNIMPROVED PROPERTY CONTRACT
PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)
NOTICE: Not For Use For Condominium Transactions
11-07-2022
EQUAL HOUSING OPPORTUNITY

1. **PARTIES:** The parties to this contract are _____ (Buyer). Seller agrees to sell and convey to Buyer and Buyer agrees to buy from Seller the Property defined below.

2. **PROPERTY:** Lot _____ Block _____ County of _____ Addition, _____ City of _____ Texas, known as _____ (address/zip code), or as described on attached exhibit together with all rights, privileges and appurtenances pertaining thereto (Property).
RESERVATIONS: Any reservation for oil, gas, or other minerals, water, timber, or other interests is made in accordance with an attached addendum.

3. **SALES PRICE:**
A. Cash portion of Sales Price payable by Buyer at closing _____ \$
The term "Cash portion of the Sales Price" does not include proceeds from borrowing of any kind or selling other real property except as disclosed in this contract.
B. Sum of all financing described in the attached: Third Party Financing Addendum, Loan Assumption Addendum, Seller Financing Addendum _____ \$
C. Sales Price (Sum of A and B) _____ \$

4. **LEASES:**
A. Except as disclosed in this contract, Seller is not aware of any leases affecting the Property. After the Effective Date, Seller may not, without Buyer's written consent, create a new lease, amend any existing lease, or convey any interest in the Property.
B. **NATURAL RESOURCE LEASES:** "Natural Resource Lease" means an existing oil and gas, mineral, water, wind, or other natural resource lease affecting the Property to which Seller is a party. Seller is is not a party to a Natural Resource Lease. If Seller is a party to a Natural Resource Lease, check one of the following:
 (1) Seller has delivered to Buyer a copy of all the Natural Resource Leases.
 (2) Seller has not delivered to Buyer a copy of all the Natural Resource Leases. Seller shall provide to Buyer all the Natural Resource Leases within 3 days after the Effective Date. Buyer may terminate the contract for EARNEST MONEY AND OPTION FEE if Seller is a party to a Natural Resource Lease and the earnest money shall be refunded to Buyer.

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(1) Buyer shall deliver additional earnest money of \$ _____ (Escrow Agent) at _____ days after the Effective Date of this contract.
(2) If the last day to deliver the earnest money, Option Fee, or the additional earnest money and Option Fee, falls on a Saturday, Sunday, or legal holiday, the time to deliver the earnest money and Option Fee, or the additional earnest money, as applicable, is extended until the end of the day that is not a Saturday, Sunday, or legal holiday.
(3) The amount(s) Escrow Agent receives under this paragraph shall be applied to Escrow Agent within _____ day after the Effective Date of this contract.
(4) Buyer authorizes Escrow Agent to release and deliver the earnest money and Option Fee, then to the Seller, and to release and deliver the earnest money and Option Fee to Seller. The Option Fee, and the earnest money, is extended until the end of the day that is not a Saturday, Sunday, or legal holiday.
B. **TERMINATION OPTION:** For nominal _____ and Buyer's agreement to pay _____, Buyer shall have an unrestricted right to terminate this contract for any reason, at any time, by giving _____ days' written notice to Seller. The Option Fee shall be refunded to Buyer.

Real Estate Forms Manual (REFM) (Subscription; attorneys)

Real Estate Sales Contract

This Contract to buy and sell real property between Kenneth Dahl ("Seller") and Barbara Dahl ("Buyer") is effective on the date of the last of the signatures by Seller and Buyer and by the Title Company as escrow agent as defined below to acknowledge receipt of the Contract and the Earnest Money in good funds ("Effective Date").

A. Purchase and Sale of Property

A.1. Purchase and Sale Agreement. Subject to the terms and provisions of this Real Estate Sales Contract (the "Contract"), Seller agrees to sell and convey to Buyer and Buyer agrees to buy and pay Seller for the property known as Lot 1, Block 1, located at 3841 Enchilada Avenue, Pinksville, state of Texas, and more fully described in Exhibit A ("Land"), together with improvements to the Land ("Improvements"), the leases associated with the Land and Improvements ("Leases"), and the personal property described in Exhibit A], all collectively referred to as the "Property."

A.2. Purchase Price. The purchase price is \$10,000.00 (the "Purchase Price") to be paid by Buyer to Seller for the sale and conveyance of the Property and will be payable in cash at the Closing.

A.3. Payment of the Purchase Price. The Purchase Price will be paid in cash or certified funds, as required by the Title Company.

A.4. Performance. All deadlines in this Contract expire at 5:00 P.M. local time where the Property is located. If a deadline falls on a Saturday, Sunday, or holiday, the deadline will be extended to the next day that is not a Saturday, Sunday, or holiday. A holiday is a day, other than a Saturday or Sunday, on which state or local governmental agencies and financial institutions are not generally open for business where the Property is located. Time is of the essence.

B. Earnest Money

B.1. Deposit of Earnest Money. Upon execution of this Contract, Buyer will deposit Earnest Money in good funds in the amount of \$500.00, along with this fully executed Contract by Seller and Buyer with RGV Abstract (the "Title Company"), as escrow agent, located at Tyler Avenue in Harlingen, Texas, which sum may be invested by the Title Company in a federally insured, interest-bearing account pending disposition thereof in accordance with this Contract (such sum and the interest accrued thereon being hereinafter referred to collectively as the "Earnest Money") and applied according to the terms of this Contract. The Title Company will acknowledge receipt of the Earnest Money by signing Title Company's "Receipt for Earnest Money Deposit" at the end of this Contract and send copies thereof to Seller and Buyer.

B.2. Interest on Earnest Money. Buyer may direct the Title Company to invest the Earnest Money in an interest-bearing account in a federally insured financial institution by giving notice to the Title Company and satisfying the Title Company's requirements for investing the Earnest Money in an interest-bearing account. Any interest earned on the Earnest Money become part of the Earnest Money.

Components



At minimum, contract should:

- 1. Identify parties**
- 2. State buyer is agreeing to buy and seller agreeing to sell the property**
- 3. Provide property description**
- 4. Consideration: price or means to calculate price**
- 5. Outside closing date**
- 6. Signatures**



Effective Date

**Title Company Receipts
Earnest Money**

Earnest Money

**Usually 3%-5% of total
purchase price; usually
partially or mostly refundable
if Buyer terminates before
Feasibility Period**

Feasibility Period

**Shouldn't be too short;
can be REALLY long**

Title Objections

Title Commitment/Schedule B
Allow enough time!

Closing

Closing Date
Closing Documents
(HUD-1, tax certificate, y más)

Costs, Rules, Statutes



Typical Closing Costs

Buyer

New survey; extra title insurance premiums and endorsements; half of escrow fees; recording costs

Seller

Basic (T-1) title policy (formulaic); seller records; tax certificates; half of escrow

And Stuff



Assignability

**Default: generally yes
unless specified**

**Time of
the Essence**

**Generally considered a
material term (waivable)**

“As Is”

Ugh.

Disclosures

Residential v Non-Res

It's no big deal*



Fin

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DNRBS  **Z**

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