

COMMERCIAL LOT/LAND PURCHASE AND SALE AGREEMENTS REVEALED



Developed by:

Linda Olson, REALTOR®, GREEN

Course Author & Instructor

Olson_L@bellsouth.net

www.educatorlinda.com

My blog: www.envirodiva.wordpress.com

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What is a Contract?

- An Agreement between two or more persons to do, or not do, certain things
- Express vs Implied
- Unilateral vs Bilateral
- Executory vs Executed
- Valid vs Void

Essential Elements of a Contract

- Competent Parties
- Mutual Assent
(Offer & Acceptance)
- Lawful Objective
- Valuable Consideration



Validity & Enforceability

Valid Contract

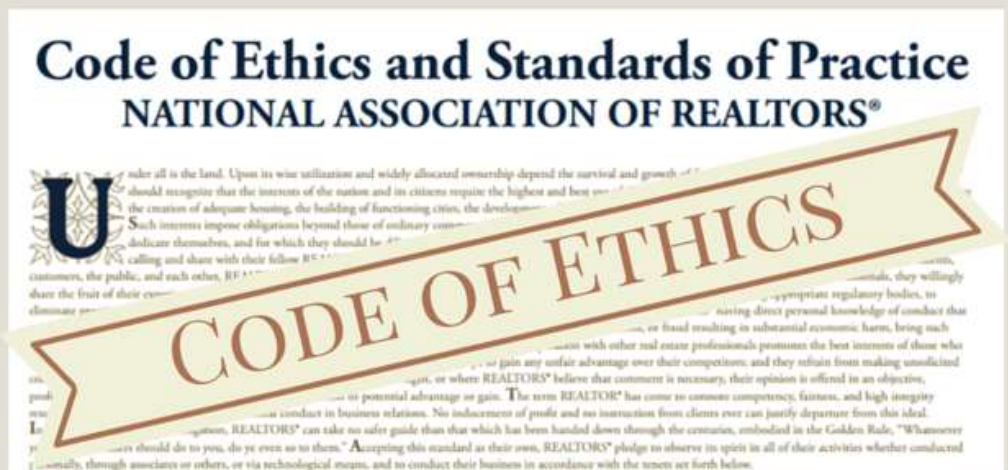
- Includes Essential Elements
- Satisfy Statute of Frauds (In writing)
 - **Sale of Real Property**
 - Not performed within 1 year
 - Lend Money
 - Assume another's debts
 - Contracts of executors & administrators of estates
 - Contracts for sale of goods $\geq \$500$
 - Contracts for marriage

Void or Unenforceable Contract

- No consideration
- Party incompetent
- Objective unlawful
- Forged signature
- No mutual consent

Are You Practicing Law Without a License?

- Article 13 NAR Code of Ethics and Standards of Practice
- DO NOT:
 - Write Contracts
 - Modify Contracts
 - Interpret Contracts



Commercial Mutual Non-Disclosure and Confidentiality Agreement



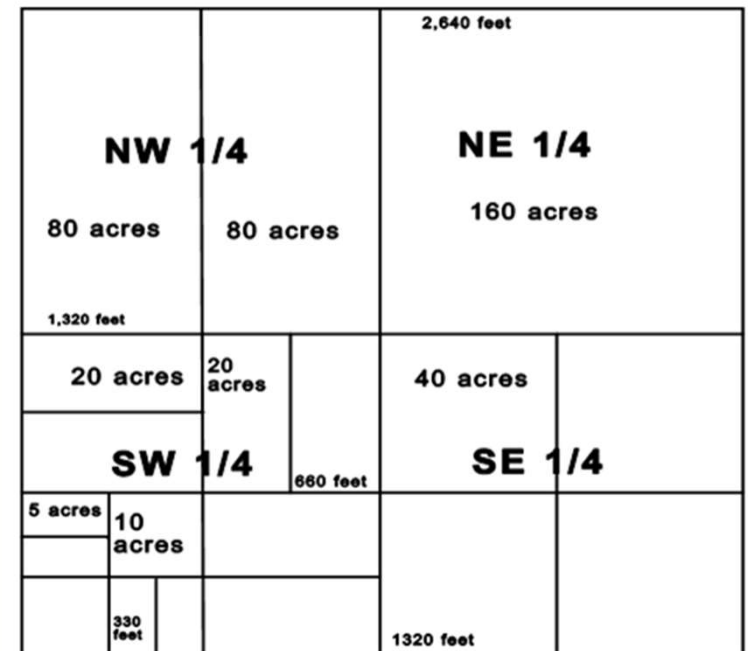
Letter of Intent



Commercial Lot/Land Purchase and Sale Agreement Clauses

- Purchase and Sale (1)
 - Parties
 - Property

FIGURE 2 - Section of land divided into quarters (one Section = 1 square mile, 640 acres)



Commercial Lot/Land Purchase and Sale Agreement Clauses

- Purchase Price (15)
- Earnest Money/Trust Money (26)
 - Failure to Receive (34)
 - Disputes (45)



Commercial Lot/Land Purchase and Sale Agreement Clauses

- Inspection (52)
 - Building Permits (66)
 - Permit for Sanitary Septic Disposal System (74)
 - Rezoning (82)
 - Other (91)



Commercial Lot/Land Purchase and Sale Agreement Clauses

Due Diligence Conflicting Issues

- ❖ Documents
- ❖ Commencement
- ❖ Rights
- ❖ Termination
- ❖ Costs





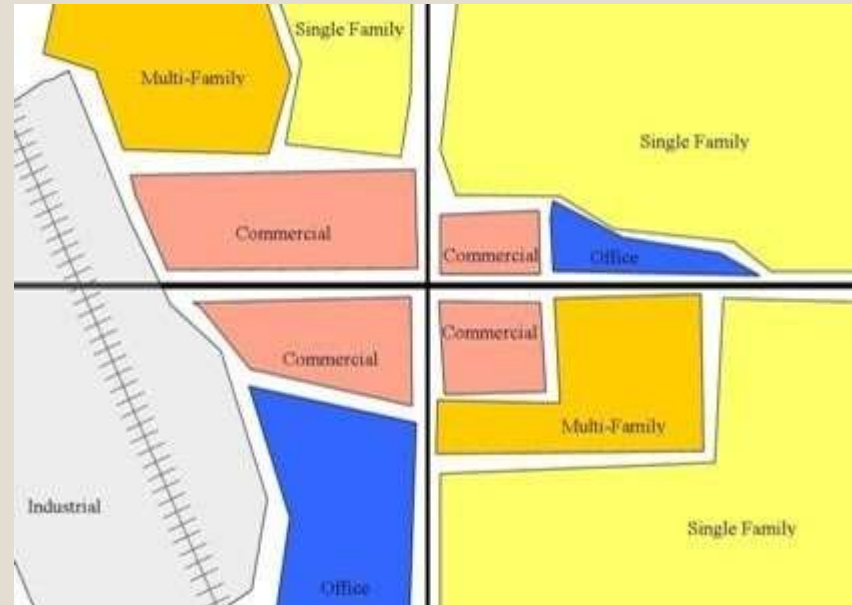
Commercial Lot/Land Purchase and Sale Agreement Clauses

- ❖ Land Use Issues
- ❖ Site Issues
- ❖ Building and Development Issues
- ❖ Transactional/Business/Finance Issues
- ❖ Market Considerations

Commercial Lot/Land Purchase and Sale Agreement Clauses

❖ Land Use Issues

- Zoning/Planning
- Buffers
- Signage
- Local Ordinances/Policies



Commercial Lot/Land Purchase and Sale Agreement Clauses

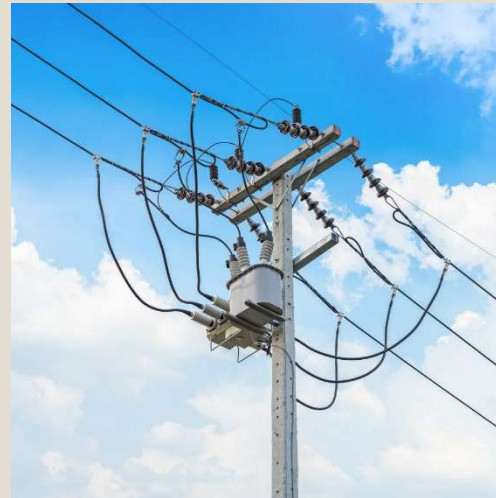
❖ Site Issues

- Size and Shape
- Surveys
- Easements/Rights of Ways
- Traffic/Roads/Access/Ingress/Egress
- Environmental Issues
- Soil characteristics & Topography
- Other

Commercial Lot/Land Purchase and Sale Agreement Clauses

❖ Building Code/Development Issues

- Engineering and Building Plans



- Utilities

Commercial Lot/Land Purchase and Sale Agreement Clauses

❖ Transactional/Financing /Costs of Development

- Transactional
- Financing
- Costs of Development

❖ Market Issues

Commercial Lot/Land Purchase and Sale Agreement Clauses

- Title (92)
 - Warranties of Seller (93)
 - Issues and Objections (102)
- Closing and Possession (117)
 - Closing Date (118)
 - Possession (121)

Commercial Lot/Land Purchase and Sale Agreement Clauses

Sellers Obligations at Closing (123)

- Closing Statement (124)
- Deed (125)
 - Statutory
 - General
 - Limited
 - Fiduciary
 - Quit Claim
- Buyer Title Policy (128)
- Additions to Seller's Closing Documents (132)

Commercial Lot/Land Purchase and Sale Agreement Clauses

- Conditions to Closing (135)
- Costs (147)
 - Seller (148)
 - Buyer (160)
 - Additional (163)

Fees & Charges





Commercial Lot/Land Purchase and Sale Agreement Clauses

- Taxes and Prorations (172)
- Greenbelt (180)
- Representations and Warranties (190)
- Disclaimer (203)

Commercial Lot/Land Purchase and Sale Agreement Clauses

- Agency and Brokerage (225)
 - Agency (226)
 - Agency Disclosure (245)
 - Brokerage (278)



Name: _____

Broker Relationships

Write the letter of the correct match next to each problem.

Created on TheTeachersCorner.net Match-up Maker

1.	No Agency	a. Chosen by Broker to represent party as an exclusive agent
2.	Client	b. No formal agency relationship/no fiduciary
3.	Customer	c. Seller pays commission only if Broker sells property
4.	Dual Agency	d. Used if Buyer & Seller not represented by Broker
5.	Designated Agent	e. Does not represent either party
6.	Transaction Broker	f. Exclusive relationship including fiduciary
7.	Exclusive Agency	g. Broker represents Buyer & Seller whose interests may not align
8.	Exclus Right to Sell	h. Relationship between Broker and owner or property
9.	Material Relationship	i. Seller pays commission no matter who sells property

Commercial Lot/Land Purchase and Sale Agreement Clauses

- Destruction of Property Prior to Closing (286)



Commercial Lot/Land Purchase and Sale Agreement Clauses

Other Provisions (295)

- Binding Effect, Entire Agreement, Modification, Assignment, Binding Agreement Date (296)
- Survival Clause (307)
- Governing Law and Venue (312)
- Time of Essence (314)
- Terminology (315)
- Responsibility to Cooperate (324)

Commercial Lot/Land Purchase and Sale Agreement Clauses

Other Provisions Cont'd

- Notices (331)
- Remedies (337)
- Equal Opportunity (347)
- Termination by Buyer (349)
- Severability (353)
- Construction (356)



Commercial Lot/Land Purchase and Sale Agreement Clauses

- Method of Execution (358)
- Exhibits and Addenda (361)
- Special Stipulations (372)
- Time Limit of Offer (383)

Commercial Lot/Land Purchase and Sale Agreement Clauses

- Signature Block (391)

Buyer hereby makes this offer.	
BUYER	BUYER
By: _____	By: _____
Title: _____	Title: _____
Entity: _____	Entity: _____
_____ at _____ o'clock <input type="checkbox"/> am/ <input type="checkbox"/> pm	_____ at _____ o'clock <input type="checkbox"/> am/ <input type="checkbox"/> pm
Offer Date	Offer Date

Seller hereby:	
<input type="checkbox"/> ACCEPTS – accepts this offer.	
<input type="checkbox"/> COUNTERS – accepts this offer subject to the attached Counter Offer(s).	
<input type="checkbox"/> REJECTS this offer and makes no counter offer.	
SELLER	SELLER
By: _____	By: _____
Title: _____	Title: _____
Entity: _____	Entity: _____
_____ at _____ o'clock <input type="checkbox"/> am/ <input type="checkbox"/> pm	_____ at _____ o'clock <input type="checkbox"/> am/ <input type="checkbox"/> pm
Date	Date

Binding Agreement Date. This instrument shall become a "Binding Agreement" on the date ("Binding Agreement Date") the last offeror, or licensee of the offeror, receives notice of offeree's acceptance.

Notice of acceptance of the final offer was received by _____ on _____ at _____ o'clock ☐ am/ ☐ pm

For Information Purposes Only:

Listing Company: _____	Selling Company: _____
Independent Licensee: _____	Independent Licensee: _____
Licensee Email: _____	Licensee Email: _____

Commercial Lot/Land Purchase and Sale Agreement Clauses

- Exhibits
 - Exhibit A – Legal Description (CF508)
 - Exhibit B – Due Diligence Documents (CF509)
 - Exhibit C – Additions to Seller's Closing Documents (CF510)
 - Exhibit D - Seller's Warranties and Representations (CF511)

Thank you and Go Close Those Deals!!!



Linda Olson

Olson_L@bellsouth.net

321-848-4835