

MULTIFAMILY LAUNCHPAD

WITH JONATHAN TWOMBLY

REAL ESTATE INVESTMENT
EDUCATION



THE PURCHASE & SALE AGREEMENT

Module 5 – Video 6

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DISCLAIMER



Disclaimer: I'm a lawyer, but I am not a real estate lawyer. And I am definitely not *your* lawyer. LOIs and contracts involve complicate legal issues requiring specialized expertise. You may not rely on anything here for legal advice. You must hire your own lawyer to review your LOIs and contracts.

CONTRACT OVERALL CONSIDERATIONS



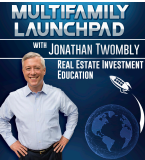
- Real property transfer requires a written contract
- Property contracts have special, unique provisions; commercial property contracts have specific provisions not common to SF contracts
- Every state has different requirements
- Use a local attorney who is an expert in commercial property transactions
- Have your lawyer draft the contract – DO NOT ATTEMPT TO DO THIS YOURSELF
- Just as with LOI, party that drafts it controls the negotiation. Much harder to negotiate off someone else's draft than to create your own. You want to submit to seller, not reverse.

REVIEWING THE DRAFT PSA



- Review the draft your attorney sends you!
 - It's okay to be confused – I am, and I'm a lawyer
 - Have attorney explain what you don't understand
- Compare the PSA to your LOI side-by-side
 - Ensure important LOI items are in PSA
 - ✓ Purchase price
 - ✓ Commissions
 - ✓ Contingencies
 - ✓ Timing issues
 - ✓ Due diligence items
 - ✓ Correct purchasing entity

GETTING PSA SIGNED



- Signing will likely take several rounds of negotiations with seller
- Signed contract means you control property
 - Seller may not offer to anyone else
 - You can compel seller to sell to you at that price



NEXT MODULE

MODULE 6 – VIDEO 1

“Due Diligence – Overview”