

# Building a Wholesaler Purchase Contract

1)	Go to MyOTA/Deal Board
	<ol style="list-style-type: none"> <li>1. Under the Close column, click on “Legal Documents”</li> <li>2. In the “Category” drop-down, select “Real Estate Transactions”             <ol style="list-style-type: none"> <li>1. To the right of the Category drop-down, click on “Real Estate Purchase Agreement”</li> </ol> </li> <li>3. Locate the drop-down that says “Where is the Property Located” and select CA (or whatever state you wish)             <ol style="list-style-type: none"> <li>1. Click “Create My Document”</li> </ol> </li> </ol>
2)	Notice at the top of the page there is a “Progress Bar” that says, “Get Started”, “Parties”, “Property”, “Price and Taxes”, “Misc.”, “Signing” and “Print/Download”
	<ol style="list-style-type: none"> <li>1. One of these bars will be highlighted which tells you what step you are currently working on</li> <li>2. You should be on the “Parties” bar             <ol style="list-style-type: none"> <li>1. Under Seller Name, type in “Carol Ann Siewrek”</li> <li>2. Under “Type”, select Individual</li> <li>3. Under “Address”, enter 877 Nowhere Rd., Everywhere, CA, 98765                 <ol style="list-style-type: none"> <li>1. This is the sellers address, not the address of the property</li> </ol> </li> <li>4. Under Phone, enter 555-987-6543                 <ol style="list-style-type: none"> <li>1. This is the seller's phone number</li> </ol> </li> <li>5. Under Fax, enter 555-123-4567                 <ol style="list-style-type: none"> <li>1. This is the seller's fax, but it is not necessary so enter it only if the seller has a fax</li> </ol> </li> </ol> </li> <li>6. Note that there is a button entitled “Add another seller”. If there are two or more sellers, clicking this button will create a new box for each additional seller. For this exercise, we will only have one seller</li> <li>7. Click “Save and Continue”             <ol style="list-style-type: none"> <li>1. You will still be in the “Parties” bar, but now you will have a Buyer entry form at the top of the page. We will now enter the buyer info, which is YOU ... and/or assignee!</li> </ol> </li> <li>8. In the Buyer Name box, enter “Jaime Casteneda AND/OR ASSIGNEE.”             <ol style="list-style-type: none"> <li>1. When you review the contract with the seller, you will proactively explain what this means</li> </ol> </li> <li>9. Click “Individual”</li> </ol>

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10. In the address field, enter “543 Everywhere Turnpike, Nowhere, CA, 12345”
  1. This is YOUR mailing address
11. In the phone field, enter 555-123-4567
  1. This is YOUR phone number
12. In the Fax field, enter 555-654-0987
  1. This is YOUR fax number
13. For this exercise, we will only include one buyer. The “Add another buyer” button will allow you to add additional buyers if you need to
14. Click “Save and Continue”
  1. Note that at the top of the page, the progress bar that is highlighted is “Property”
  2. Before continuing, scroll down to where you see the title “Real Estate Purchase Agreement”. Below this title, you can see the document that you are building. Click on the “Update Preview” button and the blanks in the form will be replaced with the data that you have entered.

3)

1) While in “Property”,

1. In the Legal description area, enter
  1. 5 in the Lot box, 9 in the Block box, Bellamah in the Addition box, Somewhere in the City box and McKinley in the County box. This information is usually found in the FARM report, the Property Profile report and/or from a document in the seller's file. Legal descriptions are not always lot and block, so if it is a long, wordy description, check the “Attach description” button below and print a copy of the legal as an attachment.
2. Enter 877 Nowhere Rd., Everywhere, CA, 98765 into the Municipal Address box. This is the street address of the property. In this case, since the seller has the same address, this is an owner-occupied property
3. Click “Do not specify” in “Certain fixtures are excluded from the sale? For this example. When you are dealing with a real seller, if that seller wants to exclude “stuff” from the sale, the seller would tell you what those are, and you would select one of the boxes and describe the excluded fixtures

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4. Leave the “Property is subject to a lease” box unchecked. In a real deal, this would be checked if there were an existing lease or rental agreement on the property.
5. Hit Save and Continue; Note that you are still in the “Property” Tab
6. In the “Property Condition”, leave everything unchecked EXCEPT “Seller to perform work, repairs or improvement before closing”. Check that box and enter “Seller to repair missing front door” in the description below.
  1. Familiarize yourself with the check boxes that are available in this section so that you know what is available in the form
7. Click “Save and Continue”. The progress bar will now be on “Price and Taxes”.

4) In the “Sales Price and Financing” area, enter:

1. \$500,000 into the “Sales Price” box. This is the amount you and the seller have agreed to. This is also the amount that will go into the “Sales Price” column in the Deal Tracker.
2. Click on “No Financing”, which means that your Flip Investor has cash to purchase the property.
3. Click “Save and Continue” ... you will still be in the “Price and Taxes” bar
4. In the Earnest Money section enter the following
  1. \$500.00 in the Amount of earnest money to deliver on effective date.
    1. \$500 is typical, but if you can negotiate a smaller amount, or if the seller requires a larger amount, you'll enter that actual amount you negotiate in this box. You will not make this check payable to the seller; it will be made payable to the escrow agent (see below)
  2. 45 in Number of days to deliver earnest money after effective date.
    1. This is the number of days you, the Wholesaler, have to close the deal. The longer the time period that you can negotiate, the better it is for you.
3. First American Title in Name of escrow agent
  1. You will take this completed contract to the escrow agent (or attorney in some states, or title company in other states) along with the earnest money check
4. 721 3<sup>rd</sup> Ave, Tustin, CA, 87654 in Address of escrow agent

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5. Click “Save and Continue”; you are still in the “Price and Taxes” tab
6. In the Title Policy & Survey area, click Seller under “Title policy paid for by:” box. In an actual deal, this would be negotiated.
7. Enter “First American Title” in the Name of title company issuing title policy
8. Under “Provision of survey:”, select Existing Survey by Seller from the drop down. This is also a negotiable item.
9. Select “Seller” from the drop down under “Who pays if existing survey is unacceptable to lender”.
10. Enter 10 under “Number of days the Buyer may object to title defects”. Remember that short time frames are the enemy of the Wholesaler, so always negotiate the maximum amount of time you can.
11. Select “Do not specify” under “Buyer may object if commitment, exception documents or survey prevents certain uses”
12. Click “Save and Continue”; you will now be in the “Misc.” progress bar

## 5) Now in the “Misc.” progress bar

1. Enter a date that is 60 days in the future. For example, if the day you are building the contract is January 1, enter March 1. The date is entered by a calendar drop down
2. Select “Upon closing and funding” under “Seller provide possession to Buyer:”
3. Click “Save and Continue” you are still in the “Misc.” progress bar
4. In the “Settlement Expenses” area, enter \$1000.00 under “Maximum amount Seller to pay towards prohibited Buyer's expenses:”
5. Click “Save and Continue” you are still in the “Misc.” progress bar
6. In the “Mediation/Arbitration” area, select “Do not specify” under “Unresolved disputes to toe mediation before arbitration”
7. Click “Save and Continue”; you are still in the “Misc.” progress bar
8. In the Attorney Fees area, select “Do not specify” under “Payment of legal costs/attorney fees”
9. Click “Save and Continue” you are still in the “Misc.” progress bar

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10. In the “Option to Terminate” area,
  1. Click “Yes” under “Buyer has option to terminate contract in addition to existing statutory rights to terminate. See description for what this area means
  2. Enter \$5.00 into the “Option fee for this right to terminate”
  3. Enter “10” into the box under “Number of days that the Buyer can terminate the contract after the Execution Date and/or after the end of the statutory right to terminate:”
  4. Click “Yes” under “Option Fee to be credited to Sales Price at Closing?”
11. Click “Save and Continue” you are still in the “Misc.” progress bar
12. IMPORTANT: in the Additional Clauses area, click Yes!!!
  1. Enter the all-important clause in the “Additional Clause” box “This contract is subject to approval of Buyers partner and/or investor”
  2. You can add more clauses if you like, such as “Subject to buyers or buyers partner/investor approval of an inspection within 45 days of acceptance”. You add additional clauses by clicking the Add another clause button. For this example, we will add only the one clause
  3. Click “Save and Continue” you are now in the “Signing” progress bar

6)	In the “Signing” bar
	<ol style="list-style-type: none"> <li>1. In the “Signing Details” area, click “Today”</li> <li>2. Click Save and Continue. You are now in the “Print/Download” progress bar</li> </ol>
7)	In the “Print/Download” bar:
	<ol style="list-style-type: none"> <li>1. Depending you what state you are in, you will see a list of documents that are part of the required forms for your state. You can download those PDF's from this page</li> <li>2. You will see a button entitled “Select a License”. If you choose to proceed, you will have to provide a credit card number. For this exercise, you won't need to go any further. However, when you have a real deal, then you will click the Select a License button and follow the instructions</li> </ol>