Essential Elements of An Agreement… Writing the Deal
By Mark Ira Lefkowitz vs 2.0

THE FOLOWING IS AN EXAMPLE OF MANY REQUIRED ELEMENTS THAT MUST BE INCLUDED IN ANY AGREEMENT.

In many cases there are many more clauses and exact clarifications of the terms, considerations, and details that should also be embodied into the agreement. The agreement is referred to as The **PSA** (Purchase and Sale Agreement), or the **CONTRACT**, or even the ONA (Offer and Acceptance).

The purpose is to demonstrate there is a meeting of the minds and the writing is the required way to express those promises from one party onto the other.

In real estate agreements must be in writing! There is something called "The Statute of Frauds" which is a requirement that the deal is in wring and fully signed (executed) by the parties. The below is just a quick example of the bullet points of a typical agreement. I have included some agreements in the following pages.

I will write in detail at the end of this chapter some of the basics such as the five elements of an agreement, contractual ability, specific terms, recitals, representations, and certain duties to perform, mitigation, etc. Here is an outline of some of the recitals.

PURPOSE: To create a binding agreement the following elements should be present at a bare bones' minimum. Below is an example of a PSA (Purchase and Sale Agreement) or called ONA (Offer and Acceptance) or sometimes REPC (real estate purchase contract) for real property or other assets. It could be for services or a lease with some changes such as scope of work or tenure of time.

AGREEMENT MADE: Start with the Date and Label the reason "Agreement made this 1st day of January 2020 for the **Purchase and Sale of Real Property** etc. Seller agrees to sell, and purchaser agrees to purchase. (or rent /lease, option, merge, joint venture, trade, exchange, or myriad of other possibilities etc.)

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PARTIES: Name the parties and their positions to the contract. ie. Mark Smith hereafter referred to as "**Seller**" and Bob Jones as "**Purchaser**"

PROPERTY: Identify the property and be specific. Example, the 2.5 acres known as APN (assessor parcel number) 123-45-00-012 located in San Diego County at the Southwest corner of Main St and Broadway or commonly known as 4567 Main Street San Diego 92109 etc. Make sure to include any improvements or appurtenances (things that run with the land like a well)

TERMS: Detail the terms! Purchase price to be $100,000.00 to be paid all in cash at the closing, or a down-payment with a loan etc. Include SPECIFICS! Earnest Money Deposits, Dates and times for performance and the closing.

CLOSING: Itemize where, when, and what happens at the closing example. Transfer of the title executed by the seller as evidenced by the deed and bill of sale, and purchaser paying the money and executing any required documents etc. Allocation of closing costs, legal fees, third party fees etc.

CONTINGENCY: This offer is subject to and conditioned upon the purchaser's approval of the property inspection (feasibility study, due diligence study, or financial evaluation or???) to be completed by a certain date. Purchaser's ability to secure a loan or financing by such time frame, or governmental approvals such as a zone change, permits business license, etc. Or **"AS IS"** with all benefits and faults.

Include what happens if approved or dis-approved. If disapproved in writing by such date, then this transaction and this agreement is null and void and parties returned to status quo. Or if approved purchaser to execute certain documents, fund the transaction and Seller to transfer his/her rights at the closing.

CONSIDERATION: Have a clause that sums up the quid pro quo, something for something, obligation for obligation, promise for promise. *from and to each party*. In consideration of the mutual promises by each party unto the other they affix their signature below in complete agreement.

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SIGNATURES: Make sure there is a place to sign with a date. And expiration date if you make an offer!

EXPIRATION You should place an expiration date at the end of the agreement. To Wit: If this agreement is not accepted by 5:00 pm on August 5th 026 then the offer and all counter parts shall expire and be void, AND NEITHER PARTY SHALL HAVE CLAIN AGAINST THE OTHER!

MISCL: The above is just a starting point for you as an entrepreneur in writing, signing, creating, a binding agreement and should NOT be taken as a formal class in the legal aspects of contracts and their enforceability. There are many other elements to consider, such as: details of performance, death of a party, destruction of the property or asset, impossibility, contractual ability of each party, legal object, remedies in case of breech, assignability of rights, etc.