

2019

Oklahoma Real Estate Commission



Contract Forms Committee
Contract Forms Change Guide
1/1/2019

The 2019 Contract Forms & Related Addenda Change Guide

The 2018 Contract Forms Committee (CFC) put in a great deal of effort this past year to develop and fine-tune the forms and addenda contained in this guide. The CFC has worked hard to provide a quality product to the real estate licensees of the State of Oklahoma. Of course, should you have any questions, comments, or suggestions, please contact us at orec.help@orec.ok.gov with your concerns and the CFC will address them during their monthly meeting.

Thank you!

The 2018 Contract Forms Committee

Charles McBride	Tulsa
Don Beach	Tulsa
Don Lorg	Oklahoma City
Keith Taggart	Oklahoma City
L. Chris Tweedy	Norman
Martin Van Meter	Durant
Monica Wittrock	Oklahoma City
Robert "Bob" Bahe	McAlester
Robert Bailey	Oklahoma City
Terry Pufahl	Oklahoma City
Theresa Stewart Smith	Ada
Victoria Caldwell	Edmond

Residential Sale

All Pages

Updated the revision year from **02-2018** to **01-2019**

All Pages

Renumbering of pages affected by the new **Earnest Money Form** (as needed)

Page 1 – Paragraph 2: PURCHASE PRICE, EARNEST MONEY, AND SOURCE OF FUNDS

DELETED THE CURRENT (02-2018) LANGUAGE, REPLACING IT WITH NEW/MODIFIED LANGUAGE:

2. PURCHASE PRICE, EARNEST MONEY, AND SOURCE OF FUNDS. This is a CASH TRANSACTION unless a Financing Supplement is attached. The Purchase Price is \$_____ payable by Buyer as follows: Within three (3) days of the execution of the Contract, Buyer must deliver \$_____ as Earnest Money, which shall be deposited in the trust account of _____, or if left blank, the Listing Broker's trust account, as partial payment of the purchase price and/or closing costs. Buyer shall pay the balance of the purchase price and Buyer's Closing costs at Closing. If Buyer fails to deliver the earnest money within the time required, Seller may terminate this contract or exercise Seller's remedies under Paragraph 15, or both, by providing notice to Buyer before Buyer delivers the earnest money. If the last day to deliver the earnest money falls on a Saturday, Sunday, or legal holiday, the time to deliver the earnest money is extended until the end of the next day that is not a Saturday, Sunday, or legal holiday.

Page 5 – Paragraph 15(B): BREACH AND FAILURE TO CLOSE (UPON BREACH BY BUYER)

DELETED THE CURRENT (02-2018) LANGUAGE, REPLACING IT WITH NEW/MODIFIED LANGUAGE:

B. UPON BREACH BY BUYER. If at any time prior to closing the Buyer's Earnest Money should fail for lack of delivery or lack of collection pursuant to Paragraph 2, then Seller may, at Seller's option, elect to do one of the following: (i) cancel and terminate this Contract upon delivery of notice of termination to Buyer, (ii) pursue any other remedy available at law or in equity, or (iii) enter into a written agreement between Buyer and Seller modifying the terms of Paragraph 2 to cure the lack of delivery or lack of collection of the Earnest Money. If, after the Seller has performed Seller's obligation under this Contract, and Buyer fails to provide funding, or fails to perform any other obligations of the Buyer under this Contract, then the Seller may, at Seller's option, cancel and terminate this Contract and retain all sums paid by the Buyer, but not to exceed 5% of the purchase price, as liquidated damages, or pursue any other remedy available at law or in equity, including specific performance.

Page 6 – Paragraph 20: EXECUTION BY PARTIES / EARNEST MONEY RECEIPT

REDESIGN OF THE NAME, SIGNATURE, AND DATE LINES / COMPLETE REMOVAL OF THE EMRI SECTION

The **ASSOCIATE INFORMATION** section will move up to Page 6 to occupy space with the **EXECUTION BY PARTIES**, and the former **EARNEST MONEY RECEIPT AND INSTRUCTIONS** section will become a single-page document called the **EARNEST MONEY FORM** that will attach to the main contract utilized in the transaction (Residential Sale, New Home, etc.).

New Home Construction

All Pages

- Updated the revision year from **02-2018-R1** to **01-2019**

All Pages

- Renumbering of pages affected by the new **Earnest Money Form** (as needed)

Page 1 – Paragraph 2: PURCHASE PRICE, EARNEST MONEY, AND SOURCE OF FUNDS

DELETED THE CURRENT (02-2018) LANGUAGE, REPLACING IT WITH NEW/MODIFIED LANGUAGE:

2. PURCHASE PRICE, EARNEST MONEY, AND SOURCE OF FUNDS. This is a CASH TRANSACTION unless a Financing Supplement is attached. The Purchase Price is \$_____ payable by Buyer as follows: Within three (3) days of the execution of the Contract, Buyer must deliver \$_____ as Earnest Money, which shall be deposited in the trust account of _____, or if left blank, the Listing Broker's trust account, as partial payment of the purchase price and/or closing costs. Buyer shall pay the balance of the purchase price and Buyer's Closing costs at Closing. If Buyer fails to deliver the earnest money within the time required, Seller may terminate this contract or exercise Seller's remedies under Paragraph 15, or both, by providing notice to Buyer before Buyer delivers the earnest money. If the last day to deliver the earnest money falls on a Saturday, Sunday, or legal holiday, the time to deliver the earnest money is extended until the end of the next day that is not a Saturday, Sunday, or legal holiday.

Page 4 – Paragraph 17(B): BREACH AND FAILURE TO CLOSE (UPON BREACH BY BUYER)

DELETED THE CURRENT (02-2018) LANGUAGE, REPLACING IT WITH NEW/MODIFIED LANGUAGE:

B. UPON BREACH BY BUYER. If at any time prior to closing the Buyer's Earnest Money should fail for lack of delivery or lack of collection pursuant to Paragraph 2, then Seller may, at Seller's option, elect to

do one of the following: (i) cancel and terminate this Contract upon delivery of notice of termination to Buyer, (ii) pursue any other remedy available at law or in equity, or (iii) enter into a written agreement between Buyer and Seller modifying the terms of Paragraph 2 to cure the lack of delivery or lack of collection of the Earnest Money. If, after the Seller has performed Seller's obligation under this Contract, and Buyer fails to provide funding, or fails to perform any other obligations of the Buyer under this Contract, then the Seller may, at Seller's option, cancel and terminate this Contract and retain all sums paid by the Buyer, but not to exceed 5% of the purchase price, as liquidated damages, or pursue any other remedy available at law or in equity, including specific performance.

Page 5 – Paragraph 23: EXECUTION BY PARTIES / EARNEST MONEY RECEIPT

REDESIGN OF THE NAME, SIGNATURE, AND DATE LINES / COMPLETE REMOVAL OF THE EMRI SECTION

The **ASSOCIATE INFORMATION** section will move up and share space with the **EXECUTION BY PARTIES** section, and the former **EARNEST MONEY RECEIPT AND INSTRUCTIONS** segment of the contract will become a single-page document called the **EARNEST MONEY FORM** that will attach to the main contract utilized in the transaction (Residential Sale, New Home, etc.).

Vacant Lot / Land

All Pages

- Updated the revision year from **02-2018-R1** to **01-2019**

All Pages

- Renumbering of pages affected by the new **Earnest Money Form** (as needed)

Page 1 – Paragraph 2: PURCHASE PRICE, EARNEST MONEY, AND SOURCE OF FUNDS

DELETED THE CURRENT (02-2018) LANGUAGE, REPLACING IT WITH NEW/MODIFIED LANGUAGE:

2. PURCHASE PRICE, EARNEST MONEY, AND SOURCE OF FUNDS. This is a CASH TRANSACTION unless a Financing Supplement is attached. The Purchase Price is \$_____ payable by Buyer as follows: Within three (3) days of the execution of the Contract, Buyer must deliver \$_____ as Earnest Money, which shall be deposited in the trust account of _____, or if left blank, the Listing Broker's trust account, as partial payment of the purchase price and/or closing costs. Buyer shall pay the balance of the purchase price and Buyer's Closing costs at Closing. If Buyer fails to deliver the earnest money within the time required, Seller may terminate this contract or exercise Seller's remedies under Paragraph 15, or both, by providing notice to Buyer before Buyer delivers the earnest money. If the last day to deliver the

earnest money falls on a Saturday, Sunday, or legal holiday, the time to deliver the earnest money is extended until the end of the next day that is not a Saturday, Sunday, or legal holiday.

Page 1 – Paragraph 7: DELIVERY OF PROPERTY INSPECTION REPORTS AND TEST RESULTS

CORRECTED A TYPOGRAPHICAL ERROR OCCURRING DURING THE FINAL DRAFTING PROCESS IN 2018
(“Thank You” to Karen Lee of Durant)

Page 3 – Paragraph 11(C): LAND OR BOUNDARY SURVEY OR REPORT

DELETED THE CURRENT LANGUAGE AND REPLACED IT WITH APPLICABLE MODIFIED LANGUAGE:

C. LAND OR BOUNDARY SURVEY OR REPORT. Seller agrees that Buyer, at Buyer’s expense, may have a licensed surveyor enter upon the Property to perform:

(Check One)

- A Land or Boundary (Pin Stake) Survey, or
- A Mortgage Inspection Report that shall then be considered as part of the Title Evidence.
- Seller shall furnish Seller’s existing survey of the Property to Buyer and the Title Company, along with Seller’s affidavit acceptable to the Title Company for approval of the survey. The existing Survey **(check one)**: will will not be re-certified to a date subsequent to the Time Reference Date of this Contract at the expense of **(check one)**: Buyer Seller. If the existing survey is not approved by the Title Company or Buyer’s Lender, a new survey will be obtained at the expense of **(check one)**: Buyer Seller no later than _____ days (three (3) days if left blank) prior to the Closing Date.
- Survey Not Required

Page 4 – Paragraph 15(B): BREACH AND FAILURE TO CLOSE (UPON BREACH BY BUYER)

DELETED THE CURRENT LANGUAGE AND REPLACED IT WITH THE FOLLOWING MODIFIED LANGUAGE:

B. UPON BREACH BY BUYER. If at any time prior to closing the Buyer’s Earnest Money should fail for lack of delivery or lack of collection pursuant to Paragraph 2, then Seller may, at Seller’s option, elect to do one of the following: (i) cancel and terminate this Contract upon delivery of notice of termination to Buyer, (ii) pursue any other remedy available at law or in equity, or (iii) enter into a written agreement between Buyer and Seller modifying the terms of Paragraph 2 to cure the lack of delivery or lack of collection of the Earnest Money. If, after the Seller has performed Seller’s obligation under this Contract, and Buyer fails to provide funding, or fails to perform any other obligations of the Buyer under this Contract, then the Seller may, at Seller’s option, cancel and terminate this Contract and retain all sums paid by the Buyer, but not to exceed 5% of the purchase price, as liquidated damages, or pursue any other remedy available at law or in equity, including specific performance.

Page 5 – Paragraph 20: EXECUTION BY PARTIES / EARNEST MONEY RECEIPT

REDESIGN OF THE NAME, SIGNATURE, AND DATE LINES / COMPLETE REMOVAL OF THE EMRI SECTION

The ASSOCIATE INFORMATION section will move up and share space with the EXECUTION BY PARTIES section, and the former EARNEST MONEY RECEIPT AND INSTRUCTIONS segment of the contract will become a single-page document called the EARNEST MONEY FORM that will attach to the main contract utilized in the transaction (Residential Sale, New Home, etc.).

Notice of Treatments, Repairs, and Replacements

All Pages: Update of the revision year from 11-2011 to 01-2019

MODIFIED LANGUAGE REGARDING THE PAYMENT OF TREATMENTS, REPAIRS, AND REPLACEMENTS

Buyer and Seller shall have the time agreed to negotiate items to be completed prior to the Closing Date, per Paragraph 7(C)(2)(b)(i) of the Contract.

Earnest Money Form – NEW!

THIS NEWLY DESIGNED FORM GIVES THE LICENSEE PRECISE DETAILS ABOUT RECEIPTING AND DEPOSITING EARNEST MONEY.

Farm, Ranch, and Recreational Land

All pages: Update of the revision year from 11-2011 to 01-2019

Page 3 – Paragraph 6(B)(1)(a) – TITLE EVIDENCE / REQUIRED FORM OF TITLE EVIDENCE

DELETED THE SECOND PART OF THE PROVISION ADDRESSING THE MORTGAGE INSPECTION REPORT

B. Required Form of Title Evidence:

(Check one)

1) Abstract of Title (unless otherwise specified in the Special Provisions Paragraph 16).

a. Seller, at **Seller's Expense** shall pay all abstracting pursuant to subparagraph 6A. ~~and a Mortgage Inspection Report (a representation of the boundaries of the Property and the improvements thereon, if required by Lender).~~

Page 8 EARNEST MONEY RECEIPT, INSTRUCTIONS, AND ASSOCIATE INFORMATION

REDESIGN OF THE NAME, SIGNATURE, AND DATE LINES / COMPLETE REMOVAL OF THE EMRI SECTION

The **ASSOCIATE INFORMATION** section will move up and share space with the **EXECUTION BY PARTIES** section, and the former **EARNEST MONEY RECEIPT AND INSTRUCTIONS** segment of the contract will become a single-page document called the **EARNEST MONEY FORM** that will attach to the main contract utilized in the transaction (Residential Sale, New Home, etc.).
