

# REAL ESTATE BUYOUT AGREEMENT

This Real Estate Buyout Agreement ("Agreement"), dated this \_\_\_\_\_, is made by and between \_\_\_\_\_ ("Buyer"), with a mailing address of \_\_\_\_\_, and \_\_\_\_\_ ("Seller"), with a mailing address of \_\_\_\_\_. Buyer and Seller are collectively referred to as the "Parties."

WHEREAS, Seller owns an undivided \_\_\_\_\_% interest, held as ☐ tenants in common ☐ joint tenants, in the real property located at \_\_\_\_\_, legally described in Exhibit \_\_\_\_\_ (the "Property"), which interest is referred to herein as the Seller's "Interest";

WHEREAS, Seller wishes to sell to Buyer, and Buyer wishes to purchase from Seller, the Interest, subject to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. **PURCHASE AND SALE.** For the consideration specified under Section 4 of this Agreement, Seller shall sell to Buyer, and Buyer shall purchase from Seller, all of Seller's right, title, and interest in and to the Interest, free and clear of any mortgage, pledge, lien, charge, security interest, claim, or other encumbrance, except for any such encumbrance stated here: \_\_\_\_\_, and except as addressed under Section 6 of this Agreement.

2. **PARTITION WAIVER.** From the Effective Date until Closing or the earlier termination of this Agreement, neither Party shall commence, join, or support any action for partition of the Property, whether under applicable partition statutes or otherwise.

3. **CLOSING.** The purchase and sale of the Interest and any related transactions contemplated by this Agreement shall take place on \_\_\_\_\_ ("Closing Date"), at a time and location agreeable to the Parties.

4. **PURCHASE PRICE.** The purchase price for the Interest shall be as follows:

- ☐ – **Fixed Amount.** Buyer agrees to pay a fixed price of \$\_\_\_\_\_.
- ☐ – **Appraised Value.** Buyer agrees to pay the fair market value of the Interest, as determined by an appraiser jointly selected by the Parties, who shall perform a valuation on \_\_\_\_\_. All such appraisal costs will be borne \_\_\_\_\_.
- ☐ – **Formula.** Buyer agrees to pay an amount equal to: (the appraised value of the Property, less the outstanding mortgage balance, less a selling-cost offset of \_\_\_\_\_).

\_\_\_\_\_ of appraised value) multiplied by Seller's  
\_\_\_\_\_ % ownership share, adjusted by the contribution ledger  
attached as Schedule \_\_\_\_\_, determined as of  
\_\_\_\_\_.

☐ – **Other.** Buyer agrees to pay as follows:  
\_\_\_\_\_.

Property taxes, homeowners-association dues, insurance, utilities, and (if the Property is rented) rents shall be prorated between the Parties as of the Closing Date, and any tenant security deposits shall be transferred to Buyer.

**5. PAYMENT.** Buyer shall pay the above-described purchase price for the Interest (hereafter, the "Purchase Price") to Seller in the following manner:

☐ – **Lump Sum.** The full Purchase Price shall be paid on the Closing Date.

☐ – **Installments.** The Purchase Price shall be paid in installments, the first of which shall be due on \_\_\_\_\_, in the amount of \$ \_\_\_\_\_. The remaining installments shall be subject to the following schedule:

☐ – **Weekly Intervals.** Buyer shall pay and deliver any subsequent installments every week, with the final payment due on \_\_\_\_\_.

☐ – **Monthly Intervals.** Buyer shall pay and deliver any subsequent installments every month, with the final payment due on \_\_\_\_\_.

☐ – **Yearly Intervals.** Buyer shall pay and deliver any subsequent installments every year, with the final payment due on \_\_\_\_\_.

☐ – **Other Intervals.** Buyer shall pay and deliver any subsequent installments as follows: \_\_\_\_\_. The final payment shall be due on \_\_\_\_\_.

☐ – **Specific Dates.** Buyer shall pay and deliver subsequent installments on the following dates: \_\_\_\_\_.

Buyer hereby agrees that interest shall accrue on any unpaid balance at \_\_\_\_\_ % per annum.

☐ – **Other.** \_\_\_\_\_

Buyer shall deliver any payments toward the Purchase Price using the following methods of payment: *(check all that apply)*

☐ – Bank Wire

☐ – Cash

☐ – Cashier's Check

☐ – Other: \_\_\_\_\_

**6. MORTGAGE RELEASE / REFINANCE.** The Property is encumbered by a \_\_\_\_\_ held by \_\_\_\_\_, with an approximate balance of \$ \_\_\_\_\_. If the Property is encumbered, Closing is conditioned on one of the following:

- ☐ – **Refinance.** Buyer shall refinance the debt in Buyer's sole name, with Seller receiving the lender's written release of liability at or before Closing.
- ☐ – **Assumption.** The lender shall provide written approval of Buyer's assumption of the debt together with a release of Seller.
- ☐ – **Indemnification Pending Release.** Seller acknowledges remaining liable to the lender, and Buyer shall indemnify Seller for all payments and obligations on the debt from the Closing Date until Seller is released. Buyer shall use \_\_\_\_\_ efforts to obtain Seller's release within \_\_\_\_\_ months.
- ☐ – **Not Applicable.** The Property is unencumbered, and this Section does not apply.

The Parties acknowledge that this Agreement alone does not release either Party from obligations to the lender.

**7. TITLE AND ESCROW.** The Parties elect one of the following:

- ☐ – **Title Company Closing.** Closing shall be conducted through \_\_\_\_\_. Buyer may obtain a title search and owner's title insurance policy at ☐ Buyer's ☐ Seller's ☐ shared expense. Liens identified shall be ☐ paid at Closing from the Purchase Price ☐ assumed by Buyer as stated in the Liabilities section.
- ☐ – **Direct Closing.** The Parties waive title insurance and will close directly between themselves.

**8. CONDITION OF PROPERTY.** Buyer, as an existing co-owner familiar with the Property, accepts it in its present "AS IS" condition. Seller represents having no knowledge of material defects not known to Buyer. Any disclosure forms required by applicable state law are attached as Exhibit \_\_\_\_\_, or noted here:

\_\_\_\_\_.

**9. REPRESENTATIONS AND WARRANTIES OF SELLER.** Seller hereby represents and warrants to the Buyer that all the following statements are true and correct:

- i. Seller has full power, authority, and capacity to enter into this Agreement and any documents to be delivered pursuant to this Agreement;
- ii. Seller has full power and authority to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery, and performance of this Agreement by the Seller does not, and the consummation of the transaction contemplated hereby will not, result

- in a breach of or default under any agreement to which the Seller is a party or by which the Seller is bound;
- iii. This Agreement and the documents to be delivered hereunder have been duly executed and delivered by Seller, and, assuming due authorization, execution, and delivery by Buyer, this Agreement and the documents to be delivered hereunder constitute legal, valid, and binding obligations of Seller, enforceable against Seller in accordance with their respective terms;
  - iv. There is no claim, action, suit, proceeding, or governmental investigation of any nature pending or, to Seller's knowledge, threatened against or by Seller relating to or affecting the Interest or that challenges or seeks to prevent, enjoin, or otherwise delay the transactions contemplated by this Agreement. No event has occurred, nor do circumstances exist, that may give rise to, or serve as a basis for, any such action; and
  - v. Seller is the sole legal, beneficial, record, and equitable owner of the Interest, free and clear of all encumbrances whatsoever, unless any encumbrances have otherwise been disclosed in this Agreement.

**10. REPRESENTATIONS AND WARRANTIES OF BUYER.** Buyer hereby represents and warrants to the Seller that all the following statements are true and correct:

- i. Buyer has full power, authority, and capacity to enter into this Agreement and any documents to be delivered pursuant to this Agreement;
- ii. Buyer has full power and authority to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery, and performance of this Agreement by the Buyer does not, and the consummation of the transaction contemplated hereby will not, result in a breach of or default under any agreement to which the Buyer is a party or by which the Buyer is bound; and
- iii. Buyer has, or has access to, funds sufficient to pay the Purchase Price as required under this Agreement.

**11. INDEMNIFICATION BY SELLER.** Subject to the other terms and conditions of this Agreement, Seller shall defend, indemnify, and hold harmless the Buyer from and against all claims, judgments, damages, liabilities, settlements, losses, costs, and expenses, including attorneys' fees and disbursements, arising from or relating to any inaccuracy in or breach of any of the representations or warranties of Seller contained in this Agreement or any document to be delivered hereunder, and any such loss arising from or relating to any breach or non-fulfillment of any covenant, agreement, or obligation to be performed by Seller pursuant to this Agreement or any document to be delivered hereunder.

**12. INDEMNIFICATION BY BUYER.** Subject to the other terms and conditions of this Agreement, Buyer shall defend, indemnify, and hold harmless Seller from and against all claims, judgments, damages, liabilities, settlements, losses, costs, and expenses, including attorneys' fees and disbursements, arising from or relating to any inaccuracy in or breach of any of the representations or warranties of Buyer contained in this

Agreement or any document to be delivered hereunder, or any breach or non-fulfillment of any covenant, agreement, or obligation to be performed by Buyer pursuant to this Agreement or any document to be delivered hereunder.

13. **RELEASE.** Effective upon the transfer of the Interest and Seller's receipt of all amounts then due at Closing, Seller releases and waives all claims, rights, and interests in and to the Interest, and acknowledges that Seller shall have no further rights or claims to the Interest. Each Party releases the other from all claims arising from their shared ownership of, or relationship to, the Property prior to Closing, except for obligations created by this Agreement and claims arising from fraud.

14. **SELLER'S CLOSING DELIVERIES.** At the Closing Date, Seller shall deliver to Buyer a ☐ quitclaim ☐ special warranty ☐ general warranty deed conveying the Interest to Buyer, in recordable form with notarized signature(s). Buyer shall record the deed with the \_\_\_\_\_ recorder within \_\_\_\_\_ days after Closing. Recording fees and any transfer taxes shall be paid by ☐ Buyer ☐ Seller ☐ split equally. Seller shall additionally deliver: \_\_\_\_\_.

15. **BUYER'S CLOSING DELIVERIES.** At the Closing Date, Buyer shall deliver to Seller the following: \_\_\_\_\_.

16. **LIABILITIES.** The Buyer agrees to assume:

☐ – **No Liabilities.** The Buyer assumes no debts, obligations, or liabilities of the Seller relating to the Interest, whether known or unknown, except as expressly stated in this Agreement.

☐ – **Some Liabilities.** The Buyer agrees to assume the following liability(ies):  
(check all that apply)

☐ – Debts secured by the Interest

☐ – Contractual obligations relating to the Interest

☐ – Taxes attributable to the Interest

☐ – Other: \_\_\_\_\_

All liabilities not expressly assumed by the Buyer remain the sole responsibility of the Seller.

17. **ENTIRE AGREEMENT.** This Agreement and the documents to be delivered hereunder constitute the sole and entire agreement of the Parties with respect to the subject matter contained herein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

18. **SUCCESSORS AND ASSIGNS.** This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party may assign its rights or obligations hereunder without the prior

written consent of the other Party, which consent shall not be unreasonably withheld or delayed. No assignment shall relieve the assigning Party of any of its obligations hereunder.

19. **AMENDMENT AND MODIFICATION.** This Agreement may only be amended, modified, or supplemented by an agreement in writing signed by each Party.

20. **GOVERNING LAW.** This Agreement shall be construed, interpreted, and enforced in accordance with, and shall be governed by, the laws in the State of \_\_\_\_\_ without reference to, and regardless of, any applicable choice or conflicts of laws principles.

21. **SEVERABILITY.** In the event any provision or part of this Agreement is found to be invalid or unenforceable, only that particular provision or part so found, and not the entire Agreement, will be inoperative.

22. **COUNTERPARTS.** This Agreement may be executed in any number of counterparts and by the several parties hereto in separate counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same Agreement.

23. **ADDITIONAL TERMS AND CONDITIONS.**

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above.

**Buyer Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
**Print Name:** \_\_\_\_\_

**Seller Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
**Print Name:** \_\_\_\_\_

**NOTARY ACKNOWLEDGMENT** (required for recording)

State of \_\_\_\_\_, County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to this instrument, and acknowledged executing the same.

**Notary Signature:** \_\_\_\_\_ **Seal:** \_\_\_\_\_