Summary of June 30, 2008 Changes to the TREC Standard Contract Forms

TREC No. 9-7, Unimproved Property Contract
The changes are the same as those listed for TREC No. 20-8 except:
- Paragraph 2 is reformatted but not amended
- The changes referenced in Paragraph 7D in TREC No. 20-8 are made to Paragraph 7B
- A new checkbox is not added to Paragraph 22 regarding the Addendum Containing Required Notices Under §5.01, §420.001, and §420.002, Texas Property Code

TREC No. 20-8, One to Four Family Residential Contract (Resale)
- Paragraph 1
  - Reformatted to extend the blank lines before Buyer and Seller
  - Rewritten to define the parties to the contract
- Paragraph 2
  - 2A is reformatted
  - Text is added to Paragraph 2D to clarify that improvements and accessories retained by seller must be removed prior to delivery of possession
- Paragraph 5 - “both” is replaced by “all”
- Paragraph 6
  - Paragraph 6C
    - “any lender” and “Buyer’s lender” are changed to “Buyer’s lender(s)”
    - The last sentence is bolded
  - Paragraph 6D - the sentence that addresses the time for buyer to object is rewritten for clarity
  - Paragraph 6E(2)
    - “Mandatory owners’ association” is changed to “mandatory membership” in a “property owners’ association”
    - Amended to indicate that the residential community in which the Property is located is identified in Paragraph 2
    - The last sentence is bolded
- Paragraph 7D - amended to provide checkboxes to choose whether buyer accepts property in its present condition or in its present condition with specific repairs
- Paragraph 9
  - Subparagraphs C and D are moved to Paragraph 19
  - New clause, (4), is added to subparagraph B regarding seller’s representations
  - The text for the new clause is moved from Paragraph 19
- Paragraph 12A(1)(b) - the reference to the Veterans Housing Assistance Program is changed to a reference to the Texas Veterans Land Board
- Paragraph 17 - amended to substitute “Buyer, Seller, Listing Broker, Other Broker or escrow agent who prevails” for “The prevailing party”
• Paragraph 18D - amended to clarify that damages for wrongfully failing or refusing to sign a release of earnest money include the sum of the earnest money, three times the earnest money, reasonable attorney’s fees and all costs of suit
• Paragraph 19 - revised to add text that was deleted from subparagraphs 9(C) and (D)
• Paragraph 22
  o Revised to add a checkbox for the Addendum Containing Required Notices Under §5.01, §420.001, and §420.002, Texas Property Code
  o Revise the title of “Addendum for Property Subject to Mandatory Membership in a Property Owners’ Association.”
  o The Seller’s Temporary Lease is added to the list of addenda
• Paragraph 23 - amended to clarify that if the buyer fails to pay the Option Fee to seller within the time prescribed, the option paragraph will not be a part of the contract

TREC No. 23-8, New Home Contract (Incomplete Construction) and TREC No. 24-8, New Home Contract (Completed Construction)
The changes are the same as those listed for TREC No. 20-8 except:
• Paragraph 2 is reformatted but not amended
• Paragraph 7D is not amended
• The checkbox added to Paragraph 22 regarding the Addendum Containing Required Notices Under §5.01, §420.001, and §420.002, Texas Property Code is pre-checked and a parenthetical is included to explain that the addendum must be attached and Paragraphs B and C must be completed

TREC No. 25-6, Farm and Ranch Contract
The changes are the same as those listed for TREC No. 20-8 except:
• Paragraph 2E is amended rather than Paragraph 2D
• Paragraph 6
  o Paragraph 6D is not amended
  o Paragraph 6E is not amended

TREC No. 30-7, Residential Condominium Contract (Resale)
The changes are the same as those listed for TREC No. 20-8 except:
• Paragraph 2A is not reformatted
  o Text is added to 2A(4) instead of 2D regarding improvements and accessories
• Paragraph 6
  o Paragraph 6C is amended rather than 6D regarding the time for buyer to object
  o Paragraph 6E2 is not amended
• Paragraph 22
  o Revised to add a checkbox for the Addendum Containing Required Notices Under §5.01, §420.001, and §420.002, Texas Property Code
  o The Seller’s Temporary Lease is added to the list of addenda

TREC No. 32-2, Condominium Resale Certificate
• Paragraph N and the signature block are changed to conform to TREC No. 37-3
Summary of Changes to TREC Contracts and Addenda

- “E-mail _______________” is added to the signature block
- Buyer and Seller initials are removed at the bottom of the first page
- The buyer signature line is removed
- “Date _____” is moved above the line before “Mailing Address______”

TREC No. 36-4, Addendum for Property Subject to Mandatory Membership in a Property Owners’ Association
- The title of the form is changed to conform to §5.012, Texas Property Code
- The term “mandatory” is added before “membership”
- The term “property” is substituted for “mandatory” to describe a “Property Owners’ Association”
- The term “owners’” is deleted from Paragraph B and the last paragraph

TREC No. 37-3, Subdivision Information, Including Resale Certificate for Property Subject to Mandatory Membership in a Property Owners’ Association
- The title of the form is changed to conform to §5.012, Texas Property Code
- The parenthetical below the title is amended to read “Chapter 207, Texas Property Code”
- “Property owner’s association” is defined as “Association” in the first paragraph and conforming changes are made in the rest of the form
- Buyer and Seller initials are removed at the bottom of the first page
- Another line is added near the end of the form for the name of the person signing the form
- The term “Print” is added before “Name” on page 2

TREC No. 38-2, Notice of Buyer’s Termination of Contract
The termination notice is modified to serve as an all purpose Buyer’s notice of termination to be used to notify the Seller that:
- The contract is terminated under Paragraph 23
- Buyer cannot obtain Financing Approval
- The Property does not satisfy the lenders’ underwriting requirements for the loan
- Buyer elects to termination under Paragraph A of the Addendum for Property Subject to Mandatory Membership in a Property Owners’ Association
- Buyer elects to terminate under Paragraph 7B(2) of the contract
- Buyer is terminating pursuant to a specific paragraph in the contract or addendum to be identified in the form