

## COMMERCIAL REAL ESTATE TRANSACTIONS - PART II

### **Does it make any difference how I take title to commercial real property?**

In the commercial context, there are many issues that could potentially arise with respect to how you take title to property. If you take title to the property as an individual, you may be exposing yourself to potential liability exposure that you likely want to avoid or at least minimize. It is for that reason that we always recommend that our clients take title to commercial real properties in the name of a single purpose limited liability company.

### **What should be in a commercial real estate purchase contract?**

Typically, the following items should be set forth in a real estate purchase contract: the parties; a description of the property; the sales price and terms of payment; matters dealing with title and title insurance; any financing contingencies; closing date and location; conditions to closing; representations and warranties; environmental and hazardous waste provisions; zoning and land use issues; rights to inspection and due diligence; remedies if a party breaches; term and termination' rights to assignment; attorneys' fees and costs; dispute resolution matters; governing laws; time is of the essence; notice provisions and other standard contractual provisions.

### **What does "as is where is" mean?**

The use of an "as is where is" clause in a real estate purchase contract for commercial property essentially excludes or limits any warranty claims pertaining to the condition of the property sold. It is important to note, that where a contract for the sale of commercial property contains an "as is" clause, the seller does not owe a duty to the purchaser to disclose facts in his or her knowledge as to defects in the property; but an "as is" clause in a contract for the sale of residential property does not waive the seller's duty to disclose hidden defects in the property of which he or she has knowledge.

To view the above discussions on video, visit <http://schechterrealestatelaw.com/video-faq/commercial-real-estate-law/>, as featured on Law.TV.