

GRAND LODGE GUIDANCE FOR SALE OF REAL ESTATE BY LODGES

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(Updated By The Civil Law Committee-2021)

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DISCLAIMERS

The opinions expressed in this document are those of the Civil Law Committee and not those of any Grand Master nor of the Grand Lodge of Texas. This document does not provide legal advice.

A reader or user of this document should direct any legal questions or inquiries to their own independent legal counsel.

GRAND LODGE GUIDANCE FOR CONSIDERATION OF SALE OF REAL ESTATE TRANSACTIONS BY LODGES

(Sale of Real Property by Lodges)

The lodge should acquire: (1) a real estate broker; and (2) a local attorney to represent the lodge in the sale of real property. Please note that the members of the Civil Law Committee represent the Grand Lodge of Texas. The CLC members DO NOT represent the subordinate lodges.

DO NOT sign the deed or otherwise convey the property without the Grand Master's approval.

Make certain that any contract signed by the lodge as the Seller is **SUBJECT TO THE APPROVAL OF THE GRAND MASTER OF THE GRAND LODGE OF TEXAS A.F. & A.M. PURSUANT TO THE LAWS OF THE GRAND LODGE OF TEXAS.**

When requesting approval, the lodge should forward to the Grand Secretary the following documents:

1. Letter from the Worshipful Master conveying relevant documents to Grand Master (See Attached Example Form A).
2. A Certified Copy of the Resolution from the Lodge indicating the Lodge's approval of the Sale Of Real Estate Property, executed by the Worshipful Master and Attested to by the Lodge Secretary (See Attached Example Form B).
3. A copy of the ownership Deed or other legal documents showing the Lodge's ownership of the subject Real Property and showing the full and correct legal description of the subject Real Property.
4. A copy of the local Central Appraisal District's current tax appraisal value of the subject Real Property, or report from a State-Licensed Appraiser. A copy of any professional appraisals of the subject Real Property available to the Lodge should also be provided.
5. A copy of Any Loans, Collateral Agreements, Deeds of Trust, and other recorded documents reflecting Loans, Debts, or Encumbrances as set out in the Title Commitment regarding the subject Real Property.
6. A real estate purchase or sale transaction by a Texas Masonic Lodge should be set out in a signed contract. A copy of the executed Earnest Money Contract by and between the Contract parties setting out the terms of the concerned real estate transaction, and detailing that the Contract is subject to approval by proper vote of the Lodge, and also subject to the general Laws of the Grand Lodge of Texas. Note also that to better avoid becoming involved in court litigation involving disputes over monetary damages or enforcement of the Contract, the Contract should include appropriate language such that the equitable remedy of specific performance is waived by the Contract parties, and also limiting monetary damages to forfeiture or return (depending on the circumstances) of any Contract Earnest Money deposit sum.

7. A Letter from the current District Deputy Grand Master indicating that he has investigated the proposed Real Property transaction and stating his Recommendation, Approval, Disapproval, or other Comments to the Grand Master (See Attached Example Form C).

8. A copy of the conveyance Special Warranty Deed, prepared with a Certificate appropriate for Signature by the Grand Master, and Attestation by the Grand Secretary.

(Please Do Not Use former Form 76, Laws of the Grand Lodge of Texas, as this form is withdrawn and out of date) See attached Example Form D conveyance deed, with:

A. example language regarding no representations or warranties as to the condition of the subject Real Property;

B. Buyer's acceptance of the condition of the subject Real Property, "AS IS"; and

C. example environmental disclaimer clause.

9. A copy of any professional environmental reports of the subject Real Property available to the Lodge.

10. If the Lodge is selling its regular meeting place Lodge building, then a copy of the invitation Resolution, proposed Lease, or other documents showing the location and terms of Lodge's formal relocation documents and plans should be attached with the package of documents forwarded to the Grand Secretary regarding the sale of the subject Real Property.

GENERAL COMMENTS AND CONSIDERATIONS

1. Please understand that these are only the **basic documents** and **examples** to be used to sell Real Property owned by the Lodge. **The specific language to be included in any real estate documents will vary widely pursuant to the terms and conditions of the subject transaction.**

2. Please understand that these basic documents and examples may not include all terms and conditions requested by either party. These basic documents and examples are suggested forms only, and the actual documents used in a Lodge real estate transaction can be prepared in substantially similar form and content.

3. It is important to understand that the Grand Master is charged to protect and preserve the good name and special reputation of the Most Worshipful Grand Lodge of Texas and of Masonry in general. Accordingly, the Lodge should be able to provide the current DDGM and the Civil Law Committee with the following relevant information (at a minimum) concerning a real estate sales contract and the sales contract Buyer:

- A. to what purpose will the Lodge real estate be put to after the sale (office building, post office, etc);
- B. how will any Masonic ornamentation and signage be handled after the sale (will a cornerstone be removed, Masonic emblems on doors, ceilings, outside signage with Masonic emblems, be removed and preserved, etc); and
- C. other information relevant to the real estate sales contract Buyer.

4. Please understand that should there be environmental issues related to the sale of any real estate these Example instruments MAY NOT be sufficient to protect the Lodge from potential environmental claims.

5. A Buyer who purchases real property through a recognized title company becomes the Insured beneficiary under a title policy of insurance. Neither the Grand Master, nor the Civil Law committee, is likely to approve or recommend a real estate transaction that is not to be closed through a recognized tile insurance company.

6. AGAIN, it is always the best practice **to have an attorney represent the Lodge** in any real estate transaction. There are potential civil liabilities associated with a real estate transaction and the Lodge will be best protected with retaining legal counsel to represent the lodge in any real estate transaction.

7. Please understand that **the Members of the Civil Law Committee represent the Grand Lodge of Texas and do not represent the Lodge** in any real estate transaction. The Civil Law Committee reviews the documents on behalf of the Grand Lodge and protects the interest of the Grand Lodge of Texas.

8. If you have questions about any of the documents necessary to complete a real estate transaction, you (or an attorney hired by the Lodge) may call any member of the Civil Law Committee. The Committee will be

available to tell you what forms need to be completed, but **the Committee cannot give you legal advice** or recommendations of any policy or business decisions that are the sole responsibility of the Lodge and its Officers.

9. After all documents are submitted to the Grand Master, Article 340, Laws of The Grand Lodge of Texas, requires that such documents be first reviewed by the Civil Law Committee. Please understand that all of the attorneys on the Civil Law Committee are actively involved in other legal matters, and **it will take some time to get the documents reviewed by the Committee**, and its' recommendation forwarded to the Grand Master. On most occasions, the Committee will need to communicate with the Lodge to make sure the concerned transaction is proper and the submitted instruments are in proper and legal order. **Please do not sign any contracts with a short closing date that does not give the Grand Lodge a sufficient opportunity to comply with Article 340.**

10. Many, if not most, recognized title insurance companies will accept an electronic scan copy of a completed acknowledgment and attestation page(s) to be attached to a proper conveyance Deed, with the digital signatures of the Grand Master and Grand Secretary affixed to the same. A Texas Masonic Lodge involved in a real estate transaction should (well before any scheduled closing date) confirm with the title insurance company handling the closing of the subject real estate matter that this document delivery process is acceptable.

FORM A

Honorable _____
Grand Master
The Grand Lodge of Texas
P.O. Box 446
Waco, Texas 76703

RE: (Identify Transaction)

Dear Most Worshipful Grand Master:

_____ Lodge No. _____ desires to sell real property owned by the Lodge. (State the reasons for the sale.)

The Lodge has entered into a contract with _____ for the sale of the property. The terms and conditions of the sale are as follows: (Either describe the terms of the sale or attach a sales contract).

The proceeds from the sale of this property will be used as follows: (State what the Lodge intends to do with the proceeds of the sale).

I hereby submit the following documents for your review:

- a) A resolution from the Lodge approving the transaction;
- b) A copy of the Deed or Title Report showing the Lodge's ownership of the property and a legal description of the property;
- c) A copy of the Central Appraisal District's current appraisal and evaluation of the property or a current appraisal;
- d) A copy of loans, collateral agreements, or Deeds of Trust reflecting outstanding loans or liens on the property or any other instrument of record affecting the title of the property;
- e) A copy of the Earnest Money Contract for sale/purchase;
- f) A letter from the District Deputy Grand Master with his recommendations;
- g) A Special Warranty Deed, duly executed by the Worshipful Master and Secretary of the Lodge.

_____ Lodge No. _____ respectfully requests your consideration and approval of this sale of real property.

Respectfully and fraternally yours,

Worshipful Master

_____ Lodge No. _____
(Address)

FORM B

RESOLUTION

THE STATE OF TEXAS

COUNTY OF _____

I, _____, certify I am Secretary of _____ Lodge No. _____ A.F. & A.M., duly chartered under the Grand Lodge of Texas, that I have in my custody, control and possession various records of said Lodge including the minutes of the meetings of said Lodge and that the following is a true, correct and compared copy of a Resolution duly adopted by said Lodge at a Stated Meeting duly held on the _____ day of _____, 20____, in accordance with the laws of the Grand Lodge of Texas, and the By-Laws of said Lodge; that there was present and acting throughout said meeting a quorum as required by the laws of the Grand Lodge and the By-Laws of said Lodge to act upon said Resolution, and that said Resolution has not been amended, rescinded, or superseded and is in full force and effect:

"RESOLVED that _____ Lodge No. _____, A.F. & A.M., sells and conveys to _____ by Special Warranty Deed the following described property: *(complete description of property)* for \$_____ cash and the balance, if any, payable *in *monthly, quarterly, semi-annual, annual* installments of \$_____ each including plus interest at the rate of _____ percent per annum; and be it

"FURTHER RESOLVED that the Worshipful Master is authorized to execute a Deed conveying said property in the form herein prescribed, which Deed shall not be delivered until approved by the Grand Lodge and until the purchaser has complied with the terms of the sale as above set out, said Deed to be attested by the Secretary who shall affix the seal of this Lodge thereto."

WITNESS my hand and the seal of the Lodge _____ day of _____, 20____.

Secretary, _____ Lodge No. _____ A.F. & A.M.

(Lodge Seal)

**Note to Secretaries: Strike out the underlined words which are not applicable, leaving one applicable underlined word in each line.*

FORM C

Honorable _____
Grand Master
The Grand Lodge of Texas
P.O. Box 446
Waco, Texas 76703

RE: (Identify Lodge & Type of Transaction)

Dear Most Worshipful Grand Master:

_____ Lodge No. _____ desires to sell real property owned by the Lodge. The Lodge has approved this sale pursuant to a Resolution duly passed by the _____ Lodge No. _____ on _____.

The Officers of _____ Lodge No. _____ advise me that they desire to sell the real property for the following reasons:

I have made an investigation into the reasons for the sale of the property, the current Central Appraisal District's appraisal of the property, the contractual provisions of this sale, and all other matter that I thought might be relevant to this sale.

After my investigation into this matter, it is my recommendation (fully state a recommendation).

Respectfully and fraternally yours,

District Deputy Grand Master

Masonic District _____

(Address)

FORM D

SPECIAL WARRANTY DEED

(Please understand that there may be other terms and conditions that arise with a real estate transaction.

Any other relevant provisions should be added as needed.)

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SPECIAL WARRANTY DEED (SURFACE ONLY)

Effective Date: _____

Grantor: Worshipful Master, on behalf of _____ Lodge No. _____, A.F. & A.M.

Grantee:

Grantee's Mailing Address:

Consideration: Ten Dollars (\$10.00) and other good and valuable consideration.

Property (including any improvements): All that certain tract of land being situated in _____ County, Texas, and being more fully described as:

Reservations from conveyance: All oil, gas and other minerals in and under and that may be produced from the Property.

Exceptions to Conveyance and Warranty:

All encumbrances, whether of record or unrecorded or whether known or unknown to Grantor or Grantee regarding validly existing easements, rights-of-way, and prescriptive rights, whether of record or not; all presently recorded and validly existing restrictions, reservations, covenants, conditions, oil and gas leases, mineral interests, and water interests outstanding in persons other than Grantor, and other instruments, other than conveyances of the surface fee estate, that affect the Property; validly existing rights of adjoining owners in any walls and fences situated on a common boundary; any discrepancies, conflicts, or shortages in area or boundary lines; any encroachments or overlapping of improvements; all rights, obligations, and taxes for the year(s) 20____, which Grantee assumes and agrees to pay, and subsequent assessments for that and prior years due to change in land usage, ownership, or both, the payment of which Grantee assumes.

Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty, grants, sells, and conveys to Grantee the Property, together with all and singular the

rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through, or under Grantor but not otherwise, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

GRANTEE ACKNOWLEDGES AND AGREES THAT GRANTOR AND THE GRAND LODGE OF TEXAS, A.F.&A.M. HAVE NOT MADE, DO NOT MAKE AND SPECIFICALLY NEGATE AND DISCLAIM ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTEES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (A) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING WITHOUT LIMITATION, THE WATER, SOIL, AND GEOLOGY (B) THE INCOME TO BE DERIVED FROM THE PROPERTY (C) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH GRANTEE MAY CONDUCT THEREON (D) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES, OR REGULATIONS FO ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY (E) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY (F) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO THE PROPERTY (G) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY OR (H) EXCEPT FOR ANY WARRANTIES OF TITLE SET OUT IN THE CLOSING DOCUMENTS, ANY OTHER MATTER WITH RESPECT TO THE PROPERTY, AND SPECIFICALLY, THAT GRANTOR AND THE GRAND LODGE OF TEXAS, A.F.&A.M. HAVE NOT MADE, DO NOT MAKE AND SPECIFICALLY DISCLAIM ANY REPRESENTATIONS REGARDING COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS, OR THE DISPOSAL OR EXISTENCE, IN OR ON THE PROPERTY, OF ANY HAZARDOUS SUBSTANCE, INCLUDING, BUT NOT LIMITED TO, SOLID WASTE, AS DEFINED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R., PART 261, AND THOSE AS DEFINED BY THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, AND REGULATIONS PROMULGATED THEREUNDER OR ANY OTHER FEDERAL, STATE OR LOCAL LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS. GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY, GRANTEE IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY GRANTOR OR THE GRAND LODGE OF TEXAS, A.F.&A.M. GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT GRANTOR AND THE GRAND LODGE OF TEXAS, A.F.&A.M. ARE NOT LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS, OR INFORMATION PERTAINING TO THE PROPERTY, OR THE OPERATION THEREOF, FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON. GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS" CONDITION AND BASIS WITH ALL FAULTS. IT IS UNDERSTOOD AND AGREED THAT THE PURCHASE PRICE HAS BEEN ADJUSTED BY PRIOR NEGOTIATION TO REFLECT THAT ALL THE PROPERTY IS SOLD BY GRANTOR AND PURCHASED BY GRANTEE SUBJECT TO THE FOREGOING. GRANTEE EXPRESSLY WAIVES, TO THE EXTENT ALLOWED BY LAW, ANY CLAIMS UNDER FEDERAL, STATE OR OTHER LAW THAT GRANTEE MIGHT OTHERWISE HAVE AGAINST GRANTOR AND/OR THE GRAND LODGE OF TEXAS, A.F.&A.M. RELATING TO THE CONDITION OF THE PROPERTY.

Preservation and Removal of Symbols and Emblems: Grantee agrees and stipulates that should any modifications, repairs, or remodeling of the Property by Grantee be reasonably anticipated to result in the destruction of any Masonic symbols, emblems, or other adornments affixed, painted, or attached to the Property, that in such event Grantee shall first notify the Grantor of such anticipated work, and Grantor shall be afforded the opportunity to remove such Masonic symbols, emblems, or other adornment from the Property after removal of the same by Grantee. This obligation of Grantee shall be a continuing obligation and shall be a covenant running with the land.

When the context requires, singular nouns and pronouns include the plural.

IN WITNESS WHEREOF, Grantor has caused these presents to be executed by its Worshipful Master and attested by its Secretary with its official seal affixed on this ____ day of _____, 20____, as authorized by a resolution duly adopted by the undersigned Lodge on the _____ day of _____, 20____, in accordance with laws of the Grand Lodge of Texas, A.F. & A.M., a copy of which resolution, certified by said Secretary, is hereto attached and made a part hereof.

_____ Lodge No. _____ A.F. & A.M.

[Signature Pages Follow]

BY: _____
_____, Worshipful Master

ATTEST:

_____, Secretary

STATE OF TEXAS §
 §
COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this day personally, appeared _____, known to me to be the person who executed the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed as the act and deed of _____ Lodge No. _____ A.F. & A.M., and in the capacity as Worshipful Master of said Lodge.

WITNESS MY HAND AND SEAL OF OFFICE this _____ day of _____, 20____ .

Notary Public In and for _____ County, Texas

Certificate

The Grand Lodge of Texas A.F. & A.M. not being in session, but being in vacation, and the above and foregoing deed from _____ No. _____ A.F. & A.M. to _____ dated _____ day of _____, being presented to and considered during recess, the undersigned Grand Master of the Grand Lodge of Texas does hereby give consent for and on behalf of said Grand Lodge of Texas to the execution and delivery of said deed; provided that neither the Grand Lodge, nor the Grand Master, incurs or assumes any liability by reason of granting this consent or otherwise.

Witness the hand of the undersigned Grand Master and the seal of said Office on this the _____ day of _____, 20____.

BY: _____
Grand Master of the Grand Lodge of Texas, A.F. & A.M.

ATTEST: _____

Grand Secretary,
The Grand Lodge of Texas, A.F. & A.M.

Grantee's Acceptance of Deed

_____, Grantee, accepts the attached deed and consents to its form and substance. Grantee acknowledges that the terms of the deed conform to Grantee's intent and that they will control in the event of any conflict with the contract Grantee signed regarding the Property described in the deed.

BY: _____

BY: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this day personally, appeared _____, known to me to be the person who executed the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

WITNESS MY HAND AND SEAL OF OFFICE this ____ day of _____, 20__.

Notary Public In and for _____ County, Texas]