**Chapter Ten**

 **Real Estate**

**I. Sample Test Questions**

**Fill-ins**

 **1. A(n) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is a document that transfers title from the seller to the buyer of any personal property that passes with the real estate.**

 **2. A(n) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is a real property right to use in a particular way land that belongs to another.**

 **3. A(n) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ deed is a document in which title to real property is transferred from one party to another. With this type of deed, the grantor makes no warranties as to his or her interest in the property.**

 **4. A(n) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is a compilation of copies of all of the real estate documents of record pertaining to a particular piece of real property.**

 **5. A buyer agrees to assume the mortgage responsibilities of the seller, who already has a mortgage on the property, and to continue paying on the mortgage after the real estate closing. This is known as a(n) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.**

 **6. A(n) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is the initial contract for a residence signed by the buyer and seller that sets forth the terms of the real estate closing which will take place at a future time.**

 **7. A(n) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is a mortgage in which the last payment is at least twice the regular periodic payments and equals the entire remaining balance of the loan.**

 **8. A(n) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is a party who transfers an interest in real estate to another.**

 **9. A person may purchase \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to cover the possibility that the title examiner has made an error during the title search.**

**10. Filing a document in the public records is known as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.**

**11. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ are pieces of property that are attached or affixed to real estate and are therefore regarded as part of the real estate.**

**12. If a borrower fails to make prompt periodic payments to a lender, then the lender will have the right to take the real estate. This is known as the right of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.**

**13. The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is the document that gives the financial breakdown of all closing figures.**

**14. A(n) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is a party to whom an interest in real estate is transferred.**

**15. A(n) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is an affidavit or sworn statement signed by the seller that indicates that there are no liens or claims against the property that the seller knows of (other than those specifically listed) that would jeopardize the buyer’s claim to the property upon sale.**

**16. A(n) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is a notarized statement from a lender that a mortgage has been paid off and satisfied.**

**17. A(n) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ deed is a document in which title to real property is transferred from one party to another. In this kind of a deed, the grantor is warranting or representing that the grantor has good title to the property being sold.**

**18. A mortgage in which the seller and the mortgagee are the same party is known as a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.**

**19. A loan in which the greater percentage of each payment is attributed to interest at the beginning of the loan is said to be \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.**

**Short Answer**

 **1. Name the two documents involved in any mortgage, and define the purpose of each.**

 **2. Name the three kinds of property ownership in states without community property laws where two or more people may own property together.**

 **3. List three basic ways to create an easement.**

 **4. List three items that are usually included in a deposit receipt contract.**

 **5. Read the following factual situation and then answer each of the three questions that follow it by circling either “yes” or “no.”**

**John and Mary own property together. John can sell his 50% interest in the property to Susan without Mary’s consent. Susan and Mary now own the property by some form of multiple ownership. Would this be true if John and Mary owned the property as:**

**tenants in common? yes no**

**joint tenants with right of survivorship? yes no**

**tenants by the entireties? yes no**

 **6. Read the following factual situation and then answer each of the three questions that follow it by circling either “yes” or “no.”**

**John and Mary own property together. John can leave his 50% interest to the property to Susan in his will. Susan and Mary now own the property by some form of multiple**

**ownership. Would this be true if John and Mary owned the property as:**

**tenants in common? yes no**

**joint tenants with right of survivorship? yes no**

**tenants by the entireties? yes no**

 **7. Circle any of the documents that would generally be recorded in a standard real estate transaction (assuming all of these documents were in fact signed at the closing).**

**deposit receipt contract**

**warranty deed**

**bill of sale**

**mortgage deed**

**satisfaction of mortgage**

**closing statement**

**no lien affidavit**

 **8. Al and Betty own a 5,000-square-foot piece of property equally as tenants in common.**

**Indicate whether the following statements are true or false:**

**T F a. Al can sell the east 2,500 square feet without Betty's signature.**

**T F b. Al can sell his 50% interest without Betty's signature. The buyer and Betty will then become tenants in common.**

**T F c. Al can leave his 50% interest to his son, Carl, in his (Al’s) will.**

 **9. Al and Betty own a 5,000-square-foot piece of property equally as joint tenants with right of survivorship. Indicate whether the following statements are true or false.**

**T F a. Al can sell the east 2,500 square feet without Betty's signature.**

**T F b. Al can sell his 50% interest without Betty's signature. The buyer and Betty will then become joint tenants.**

**T F c. Al can leave his 50% interest to his son, Carl, in his (Al's) will.**

**10. Al and Betty own a 5,000-square-foot piece of property as tenants by the entireties. Indicate whether the following statements are true or false.**

**T F a. Al can sell the east 2,500 square feet without Betty's signature.**

**T F b. Al can sell his 50% interest without Betty's signature. The buyer and Betty will then become tenants by the entireties.**

**T F c. Al can leave his 50% interest to his son, Carl, in his (Al's) will.**

**11. Next to each document, circle the party or parties who would sign the document. Note that in some cases, the answer may be both parties.**

**deposit receipt contract buyer seller**

**warranty deed buyer seller**

**bill of sale buyer seller**

**no lien affidavit buyer seller**

**mortgage deed mortgagor mortgagee**

**closing statement buyer seller**

**12. Which event would generally occur first in a standard real estate transaction? For each pair, write the letter of the correct answer in the space to the left of each pair.**

**\_\_\_\_\_ a. title searched**

**b. warranty deed signed**

**\_\_\_\_\_ c. deposit receipt contract signed**

**d. abstract ordered**

**\_\_\_\_\_ e. closing**

**f. recording**

**\_\_\_\_\_ g. title insurance policy issued**

**h. chain of title prepared**

**\_\_\_\_\_ i. warranty deed signed**

**j. deposit receipt contract signed**

**II. Answers to the Sample Test Questions**

**Fill-ins**

 **1. bill of sale**

 **2. easement**

 **3. quitclaim**

 **4. abstract (or abstract of title)**

 **5. assumption (or assumption of mortgage)**

 **6. deposit receipt contract (which may also be called a contract for sale and purchase**

**or a receipt for deposit and purchase)**

 **7. balloon mortgage**

 **8. grantor**

 **9. title insurance**

**10. recording**

**11. fixtures**

**12. foreclosure**

**13. closing statement**

**14. grantee**

**15. no lien affidavit**

**16. satisfaction of mortgage**

**17. warranty**

**18. purchase money mortgage**

**19. amortized**

**Short Answer**

 **1. The two documents involved in any mortgage are the mortgage note and the mortgage deed. The mortgage note is the actual instrument signed by the borrower indicating that the borrower unconditionally promises to pay to the order of the lender a certain specified sum of money at a designated rate of interest over a stated period of time. A mortgage deed indicates, among other things, that if the borrower fails to make prompt periodic payments to the lender, then the lender will have the right to foreclose on the real estate.**

 **2. The three types of property ownership in which two or more people may own property**

**together are tenancy in common, joint tenancy, and tenancy by the entireties.**

 **3. in writing, by implication, and by prescriptive right**

 **4. Answers will vary, but may include:**

**a listing of personal property that the parties agree to include in the sale**

**the purchase price**

**the amount of the deposit**

**a listing of any mortgages that are to be assumed by the buyer or given by the sellers**

**the approximate amount of cash that the buyer will have to bring to the closing**

**special optional clauses (e.g., a clause indicating that the property in question is being**

**sold “as is”)**

**the last possible date for the actual closing**

**the amount of the real estate commission to be paid to the agent or broker**

**the closing costs that will be borne by each of the parties**

 **5. Yes**

**Yes**

**No**

 **6. Yes**

**No**

**No**

 **7. The documents that should be circled are the:**

**warranty deed**

**mortgage deed**

**satisfaction of mortgage**

 **8. a. F**

**b. T**

**c. T**

 **9. a. F**

**b. F**

**c. F**

**10. a. F**

**b. F**

**c. F**

**11. deposit receipt contract – both buyer and seller**

**warranty deed – seller only**

**bill of sale – seller only**

**no lien affidavit – seller only**

**mortgage deed – mortgagor only**

**closing statement – both buyer and seller**

**12. a.**

**c.**

**e.**

**h.**

**j.**

**III. Answers to the Review Questions in the Text**

***Note to instructors:*** *The forms are designed for instructional purposes only, and they are not intended for unmodified use in any particular jurisdiction. The instructor should note the particular areas in which the forms from the book differ from any forms that may be used in local practice. Not all of the information contained in the questions that require the use of the forms need be used in preparing the requested documents.*

1. a. “x”

b. “x”

c. “y”

d. “x”

e. “y”

2. a. either a joint tenancy or a tenancy by the entirety

b. tenancy in common

c. tenancy in common

d. tenancy by the entireties

3. ***Teacher’s note:*** *Documents are generally notarized for one of two reasons: 1. they are going to be recorded, and state law will not permit them to be recorded without a notary seal; or 2. the nature of the documents requires a notarization, such as in the case of*

*affidavits. Therefore, the answers to most of the following questions can be discerned by knowing what the following documents are and whether they have to be recorded.*

a. No. It is the warranty deed that will be recorded after the closing and not the original deposit receipt contract that contractually bound the seller and the buyer to have the transfer of the title at a later date.

b. Yes.

c. No. There is no general requirement that bills of sale be notarized. They are not going to be recorded in the land records because bills of sale transfer personal and not real property. ***Teacher’s note:*** *In actual practice, many bill of sale forms do include a place for the signatures of the sellers to be notarized, but it is not unusual for those at the closing to simply cross out the notarization section. There is nothing improper, however, with filling in this section.*

d. Yes, because an affidavit is by definition a sworn statement.

e. Yes. It is obviously a document that the lender will want to record, and it must therefore be notarized.

f. No. ***Teacher’s note:*** *You can explain to the class that many forms of mortgage deeds are written so that a copy of the mortgage note will be attached to the mortgage deed. Since mortgage deeds are generally recorded*, *a separate recording of the mortgage note is not necessary for conventional mortgages in order to establish the rights of the lender in the public records. (An exception exists with government-backed mortgages such as V.A. mortgages.)*

g. No. A closing statement is not a title document, and recording of it is generally not necessary. It only indicates a breakdown of the various amounts owed by and to each of the parties in the real estate transaction. The closing statement will show the total

amount that the seller will receive as a result of the closing as well as the total amount that the buyer must pay at the closing.

 4. ***Teacher’s note:*** *The answers to the following questions should be answerable by analyzing the basic purpose of each document and by referring to the exhibits in this chapter.*

a. Both. The deposit receipt contract is an agreement to buy and sell that must be accepted by both parties.

b. Grantor. There is legal presumption that the purchaser of the real estate is willing to receive the property and that the purchaser’s signature is therefore not required.

c. Grantor/seller only. There is legal presumption that the purchaser of the real estate is willing to receive the personal property listed in the bill of sale because the personal property included is that which is listed on the deposit receipt contract.

d. Grantor. It is the grantor who is signing a sworn statement that no liens exist on the property other than those specifically listed.

e. Grantee, who would be the mortgagor, since it is the grantee who is borrowing the money and putting up the real property as collateral for the loan.

f. Grantee, who would be the mortgagor, since it is the grantee who is borrowing the money.

g. Both, since a closing statement is an agreement between the parties that shows a breakdown of the various amounts owed by and to each of the parties in the real estate transaction.

*All of the remaining review questions for this chapter call for the preparation of exhibits. Those exhibits follow this page.*

Question 5 - Deposit Receipt Contract

Question 6 - Warranty Deed.

***Teacher’s note:***

*In spite of the fact that the purchase price is $125,000, it is customary in many jurisdictions to list the price as “ten dollars and other good and valuable consideration.”*

Question 7 - Quitclaim Deed

Question 8 - Bill of Sale

***Note to instructors:*** *It is customary in many jurisdictions to list the price*

*on the bill of sale as “ten dollars and other good and valuable consideration.”*

Question 9 - Mortgage Note

Mortgage Deed

***Teacher’s note:*** *Failure to include a reference to a prepayment penalty in a note may imply that there is or is not such a penalty depending on which state you are in.*

Question 10 - Satisfaction of Mortgage

Question 11 - No Lien Affidavit

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 DEPOSIT RECEIPT

 CONTRACT FOR SALE AND PURCHASE

THIS CONTRACT FOR SALE AND PURCHASE is being entered into by and between **Bill Buyer, a single man** , whose address and telephone number are: **352 Kendlewood Drive, (your city, state, and zip code) / (987) 555-0466.**

and who is/are hereinafter referred to as the Buyer(s) and **Sam Seller and Sally Seller, husband and wife** whose address and telephone number are: **251 Northeast 83 Terrace, (your city, state, and zip code) / (987)555-3210.**

and who is/are hereinafter referred to as the Seller(s). Under this agreement, the Seller(s) agree(s) to sell, and the Buyer(s) agree(s) to buy the real property described below, together with any and all existing improvements thereon, binding themselves by all of the terms and conditions of this agreement.

1. **LEGAL DESCRIPTION** The legal description of the real property which is the subject of this agreement, and which is located in **(your county)** County, in the State of **(your state)**, is as follows:

**Lot 54, Block 11, Winding Trails Subdivision, according to the plat thereof as recorded in Plat Book 36, page 4555 of the public records of (your county and state)**

**Street Address: 251 Northeast 83 Terrace, (your city, state, and zip code) Tax Folio #132435553**

2. **PURCHASE PRICE** The purchase price in U.S. Dollars **100,000.00**

shall be: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

3. **METHOD OF PAYMENT** The purchase price shall be paid **500.00**

as follows(subject to the usual adjustments at the time of closing): $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Deposit (receipt of which by the Seller or his/her/their agent(s)

is acknowledged by the execution of this document by the Seller)

Additional Deposit to be paid within **10** days.  **14,500.00**

All deposits are to be held in trust by: **Arthur Attorney** $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Principal balance of mortgage to be assumed by Buyer(s):  **47,000.00**

 $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Principal balance of **second** mortgage to be obtained by Buyer(s): **18,000.00**

**ABC Savings and Loan** $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The balance of the purchase price, together with sufficient funds to  **20,000.00**

pay for all of Buyer's closing costs due in U.S. currency in the form $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

of a cashier's or certified check drawn on a local banking institution,

with such funds being placed in escrow if appropriate under this

agreement.

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4. **EXPIRATION OF OFFER** The offer whose terms are contained in this document shall become null and void if not accepted by the Seller(s)/Buyer(s) on or before the **16th** day of **May, 2004**  at **5:00** o'clock  **P.M.**

5. **CLOSING DATE** The Buyer(s) and Seller(s) agree that, unless the same shall be extended by all parties in writing, the closing on the property shall take place and be concluded on or before the **1st** day of **September**, **2004.**

6. **TITLE** The Seller(s) agree(s) that he/she/they shall, at his/her/their own expense, order a complete abstract of title from a reputable title firm and have it delivered to the Buyer(s)(or an attorney or title company designated by the Buyer(s)) at least 14 days prior to the date for which the closing is scheduled. As an alternative, and at the sole option of the Seller(s), the Seller(s) may provide to the Buyer(s), at the expense of the Seller(s), an Owner's Title Insurance Policy in an amount equal to the purchase price under this contract. If the Seller(s) choose(s) this option, then, if the lending institution from which the Buyer(s) secure a mortgage requires a Mortgagee policy of the Buyer(s), then the Seller(s) shall cause such a policy to be issued (but the Buyer(s) shall be responsible for any expense above and beyond the cost of the owner's policy.)

If a defect in title shall be found, the Buyer(s) shall give the Seller(s) notice thereof in writing, after which the Seller(s) shall cure such title defects to the reasonable satisfaction of the Buyer(s). If such defect cannot be corrected, or if Seller(s) refuse(s) to correct the defect, the Buyer(s) shall have the option of either accepting the title as is or canceling the contract, receiving all monies deposited with the Seller(s) or his/her/their agent(s).

7. **ASSUMPTION OF CURRENT MORTGAGES** The Seller(s) shall provide the Buyer(s) with a statement from the current mortgagee(s) stating the principal, interest rate, amount of periodic payments, the status of the mortgage, and whether the mortgage can be assumed (and if so, on what terms); the cost of preparation for such a statement, as well as any mortgage transfer fee, shall be borne equally by the Seller(s) and the Buyer(s). In the event that a current mortgage is to be assumed by the Buyer(s), the Buyer(s) agree(s) to purchase the escrow balance held by the mortgagee, dollar for dollar, from the Seller(s).

8. **PURCHASE MONEY MORTGAGES** A Purchase Money Mortgage and Note may only be part of the agreement evidence by this writing if the Seller(s) explicitly grant(s) the Buyer(s) the right to do so. Any Purchase Money Mortgage shall require the Mortgagor(s) to provide proof of payment of taxes to the Mortgagee(s) annually. Mortgagor(s) shall also be required to annually prove to the Mortgagee(s) that any and all improvements on the property are fully insured to the total value of all secured indebtedness, and that payments on the policy are current. No Purchase Money Mortgage shall be assumed without the explicit written authority of the Mortgagee(s).

9. **RISK OF LOSS** All risk of loss or damage to the improvements on the property shall be with the Seller(s) until there has been actual delivery of the Deed to the Buyer(s) or his/her/their agent(s). If all, or a substantial portion of the improvements on the property shall be destroyed or rendered unsuitable for use after the execution of this agreement, then the Buyer(s) shall have the option of proceeding with the terms of this agreement, or declaring the contract null, void and of no effect, causing the return of all monies on deposit.

10. **SURVEY** At his/her/their own expense, the Buyer(s) may cause a survey of the property to be done. In the event that the survey shows an encroachment of the improvements on the property of others upon the land in question, or an encroachment of the improvements of this land upon adjoining property, then such encroachments shall be considered to be title defects, and shall be treated as such under paragraph 5 above.

11. **PRORATION OF TAXES** All real property taxes on the property to be conveyed, as well as any other taxes related to the property or the improvements thereon, shall be prorated as of the date of closing, based upon the most

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recent full year's tax billing. Buyer(s) and Seller(s) agree that the proration used for closing may later be adjusted at

the request of either the Buyer(s) or the Seller(s) once the actual figures for the year in which the closing took place

become available, and that this agreement shall continue in full force and effect after the closing.

12. **LEASES AND RENT** If the real property, or any part thereof, is leased for any term, then, at least one week prior to closing, the Seller(s) agree(s) to provide the Buyer(s) with copies of all leases, together with an estoppel letter from each tenant stating the nature and duration of each tenancy, the term thereof, the amount of any advance rents, the rental rate, and the amount and conditions of all deposits. Rents are to be prorated between the Buyer(s) and Seller(s) as of the date of closing, and the Seller(s) will credit an amount equal to all deposits to the Buyer(s) at closing.

13. **INSPECTIONS** The Buyer(s) shall have the right to pay to have the property and all structures thereon inspected. If the Buyer(s) elect(s) to do so, the Seller(s) shall cooperate by allowing full access to inspectors at reasonable times. Such inspections may include, *inter alia*, the following:

(a) **Termite Inspection** At his/her/their own expense, the Buyer(s) shall have the right to hire a licensed pest control company to inspect the premises for signs of damage to structures, and for signs of live, active termites. If either is found, the Seller(s) shall be responsible for all costs associated with treating infestations and for repairing all damage.

(b) **General and Structural Inspections** At his/her/their own expense, the Buyer(s) shall have the right to hire appropriate licensed inspectors to inspect pools, seawalls, electrical and plumbing systems, the roof and general structural soundness of any buildings, and any other reasonable feature of the property which is the subject of this agreement. If there shall be any material, functional defects (as opposed to aesthetic deficiencies) in any items inspected, then the Seller(s) shall be obligated to pay all costs of repairing such defects.

(c) **Personal Property Included in the Sale** The Seller(s) personally guarantee(s) that all personal property included in the sale of this real property is in good working order. This guarantee includes, but is not limited to ovens, stoves, refrigerators, freezers, heating and cooling systems, air conditioners, water softeners and treatment systems, and any and all appliances that are to be sold with the property. If any item of personal property being sold with the real property is not in good working order, then it shall be the Seller's responsibility to pay the cost of repairing the item; this can be accomplished either by having the Seller(s) repair the item prior to closing (with the Buyer(s) having a right to reinspect), or by placing sufficient funds in an escrow account for payment of repair bills after closing.

Notwithstanding the provisions of subparagraphs (a), (b), and (c) above, the Buyer(s) and the Seller(s) agree that the Seller(s) shall not be required by this agreement to make repairs totaling more than **five** percent ( **5** ) (your county and state)) of the purchase price under this contract. If the total repairs exceed that percentage, then the Seller(s) have the option to refuse to make such repairs in excess of the stated percentage; if Seller(s) refuse to make repairs under this provision, then the Buyer(s) may elect to declare the contract null, void, and without effect, and to have all deposits returned in full. (If the Buyer(s) choose(s), he/she/they may elect to have the Seller(s) make repairs up to the designated percentage of the purchase price, and then accept the property with remaining defects.)

14. **DEFAULT** In the event that there is a default by either party, either in the payment of a required sum, or in the failure to meet any other requirement of this agreement, then the remedies for the non-defaulting party shall be as follows:

(a) **Default by Buyer(s)** If the Buyer(s) shall fail to make any payment or to fulfill in any other way the obligations under this agreement, then the Buyer(s) shall forfeit all deposits, which shall be given to the Seller(s) as agreed-upon liquidated damages for the breach.

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(b) **Default by Seller(s)** If the Seller(s) shall fail to perform any obligation under this agreement, then the Buyer(s) shall have the option of either having all deposits returned to him/her/them and declaring the contract to be null, void, and without effect, or having the right of specific performance under the contract.

(c) **Attorneys Fees and Costs** In the event that it becomes necessary to litigate any question concerning a default (or any other aspect of this agreement) then reasonable attorneys fees and other costs of filing and maintaining the action shall be paid by the losing party to the prevailing party. This shall include all costs, fees, and necessary expenses associated with any action or appeal.

15. **FULL AND FINAL AGREEMENT** Buyer(s) and Seller(s) agree that this written document consisting of pages one, two, three, four, **----------------** and five, containing paragraphs numbered one through  **sixteen** constitutes the full and complete agreement between them, and that any further or additional agreements, as well as any amendments hereto, must be made in writing, and must be signed by both Buyer(s) and Seller(s) in order to be valid and enforceable.

16. **ADDITIONAL CLAUSES** (Additional clauses may be added here. If additional space is needed, extra pages can be added, numbering them 4.1, 4.2, 4.3, etc.)

**A. This contract is contingent on the buyer obtaining the required financing within 30 days of the date of application. If the mortgage commitment is not obtained within that time in spite of a good faith**

**attempt to obtain such financing by the buyer, the contract shall be null and void, and all deposits are to be returned to the buyer.**

**READ THIS BEFORE SIGNING THIS CONTRACT!** All parties should understand that once this document has been signed by the Buyer(s) and Seller(s), it becomes a legally binding contract which can be dissolved only by mutual agreement of ALL the parties signing it or by a judge's order after a legal proceeding in civil

court. Be sure you understand each and every provision of this contract before you sign it. If you have any doubt about the meaning of any part of the agreement, consult with an attorney who is looking out for *your* legal interests!

  **May 12, 2004**

Date:

***/s/ Bill Buyer***

Buyer **Bill Buyer**  Buyer

***/s/ John Jones***   ***/s/ Bill Pillsbury***

WitnessWitness

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ACCEPTANCE AND AGREEMENT TO PAY BROKER’S COMMISSION The Seller(s) hereby accept(s) the offer

from the Buyer(s) to purchase the above-described real property from the sellers. In accepting the offer, the Seller(s) confirm(s) and agree(s) to pay **N/A** the real estate broker(s), the **N/A** commission agreed-upon in their separate listing agreement.

  **May 12, 2004**

Date:

***/s/ Sam Seller*** ***/s/ Sally Seller***

Seller **Sam Seller**  Seller

***/s/ Bill Meyerson /s/ Betty Meyerson***

Witness Witness

THIS IS TO CERTIFY that on this, the **12th** day of **May, 2004**  at **2.00 P.M.**, I have received a deposit in the amount of **Five Hundred ---------------------------------------00/100** Dollars ($ **500.00**) under the terms of this agreement, and that the disposition of the deposit will henceforth be governed by the terms of this contract.

By: ***/s/Arthur Attorney***

 Arthur Attorney

Return to (enclose a self- This form is designed for instruction

addressed stamped envelope) and not for use in all jurisdictions

**Grace Grantee**

**453 Angler Street**

**(your city, state, and zip code)**

This instrument prepared by:

 **Philip Grantor**

**971 Park Drive**

**(your city, state, and zip code)**

Property Appraiser's Parcel

Identification Number

 **#987654**

Grantee(s) SS#(s):

**123-45-6789**

 WARRANTY DEED

THIS INDENTURE is entered into on this the **2nd** day of **March**

20 **04** , by and between **Philip Grantor, a single man** , hereinafter referred to as the Grantor(s), of the County of  **(your county)** and the State of  **(your state)**, and **Grace Grantee, a single woman** whose mailing address is **453 Angler Street, (your city, state, and zip code),**

in the county of **(your county)**, the state of **(your state)**, hereinafter referred to as the Grantee(s).

WITNESSETH That the Grantor(s), for and in consideration of the sum of **Ten--------------------------------------------------------------00/100** Dollars($ **10.00** ), and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged does/do hereby forever grant and transfer unto the Grantee(s) and to his/her/their/its heirs, assigns, and legal representatives,

the following-described real property located in the County of **(your county)**, State of **(your state)**, to-wit:

**Lot 22, Block 7, Mayberry Estates South according to the plat thereof as recorded in Official Records Book 5405 at Page 32 of the public records of (your county and state).**

**Subject to a mortgage in favor of XYZ Savings and Loan Institution, dated August 8, 1991, in the original amount of $49,000.00 and recorded in Official Records Book 4928 at Page 250 of the public records of (your county and state).**

**Subject to taxes for the year 2003 and all subsequent years, and to easements, restrictions, applicable zoning, reservations, and limitations of record.**

and the Grantor(s) does/do hereby fully warrant the title to said real property and will defend the same against any and all lawful claims.

IN WITNESS WHEREOF, the Seller(s) has/have hereunto set his/her/their hand(s) and seal(s) on the date set out above.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Seal)

Witness **Warren Halverson** **Philip Grantor**

**971 Park Drive**

**(your city, state, and zip code)**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Seal)

Witness **Sandra Dawson**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Seal)

Witness

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Seal)

Witness

STATE OF **(your state)**

COUNTY OF **(your county)**

I HEREBY CERTIFY that, on this day personally appeared before me, an officer duly authorized to administer oaths and take acknowledgments,

**Philip Grantor**

They are/(s)he is personally known to me or has produced **a valid (your state) driver’s license**  as identification. They have/(s)he has acknowledged before me that he/she/they executed the same freely and voluntarily for the purpose therein expressed.

WITNESS my hand and official seal in **(your county)**, the state of **(your state)** this, the **2nd** day of **March, 2004.**

My commission expires: **John Panlow**

**June 10, 2005** NOTARY PUBLIC, State of **(your state)**

Return to (enclose a self- This form is designed for

addressed stamped envelope) instruction, and not for use in all jurisdictions

**Susan Carrington**

**21 Saunders Way**

**(your city, state, and zip code)**

This instrument prepared by:

 **Gail Chambers**

**333 43rd Drive**

**(your city, state, and zip code)**

Property Appraiser's Parcel

Identification Number

 **#456789**

Grantee(s) SS#(s):

**987-65-4321**

 QUIT-CLAIM DEED

 (Individual)

THIS TRANSFER OF THE SELLER’S INTEREST in real estate is entered into this **4th** day of **January, 2004** , by and between**,** **Gail Chambers** , hereinafter referred to as the Grantor(s), of the County of  **(your county)** and the State of  **(your state)**, and **Susan Carrington (SS# 987-65-4321)** whose mailing address is **21 Saunders Way, (your city, state, and zip code)** in the county of **(your county)**, the state of **(your state)**, hereinafter referred to as the Grantee(s).

WITNESSETH That the Grantor(s), for and in consideration of the sum of **Ten--------------------------------------------------------------00/100** Dollars($ **10.00** ), and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged does/do hereby forever grant and transfer unto the Grantee(s) and to his/her/their/its heirs, assigns, and legal representatives, any and all interest of which he/she is or may be seized in the following-described real property

located in the County of **(your county)**, State of **(your state)**, to-wit:

**Lot 13, Block 17, Manor Villa Subdivision, according to the plat thereof as recorded in OR 28889, page 9223 of the public records of (your county and state).**

IN WITNESS WHEREOF, the Seller(s) has/have hereunto set his/her/their hand(s) and seal(s) on the date set out above.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Seal)

Witness **Caroline Stevens**  **Gail Chambers**

**333 43rd Drive**

**(your city, state, and zip code)**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Seal)

Witness **Donald Benson**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Seal)

Witness

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Seal)

Witness

STATE OF **(your state)**

COUNTY OF **(your county)**

I HEREBY CERTIFY that, on this day personally appeared before me, an officer duly authorized to administer oaths and take acknowledgments,

**Gail Chambers**

They are/(s)he is personally known to me or has produced **a valid (your state) driver’s license** as identification. They have/(s)he has acknowledged before me that he/she/they executed the same freely and voluntarily for the purpose herein expressed.

WITNESS my hand and official seal in **(your county)**, the state of **(your state)** this, the **4th** day of **January, 2004.**

My commission expires: **Phyllis Snoke**

**October 10, 2004** NOTARY PUBLIC, State of **(your state)**

This form is designed for

instruction, and not for use

in all jurisdictions.

 BILL OF SALE

KNOW ALL YE BE THESE PRESENTS that I/We, **Arthur Fell,** of the  **city** of  **(your city)** , in the County of **(your county)** and the State of  **(your state)** , being the Seller(s) for and in consideration of the sum of **Ten-------------------------------------------------------00/100** Dollars

($**10.00** ) in U.S. currency paid to the seller(s) by **Cynthia Gaynor** , of **989 11th Court, (your city, state, and zip code),**  the Buyer(s). The Seller(s) does/do acknowledge the receipt of the purchase price, and does/do hereby sell transfer and deliver to the Buyer(s) and his/her/their heirs, executors, administrators and assigns full and complete title to the following goods and chattels:

**a refrigerator, a stove, a washer, and a dryer all located at 65121 Crossover Avenue, (your city, state, and zip code)**

AND BE IT FURTHER KNOWN that the Seller(s) does/do/hereby covenant to and with the Buyer(s), and with the heirs, executors, administrators and assigns of the Buyer(s) that the Seller(s) is/are the true and lawful owner(s) with the legal right and authority to sell such goods and chattels, and that they are free from all encumbrances. The Seller(s) further promise(s) to defend the sale of the goods and chattels against the claims and challenges of any third party.

IN WITNESS WHEREOF, I/We have set my/our hands and seal(s) this **9th** day of **July, 2004.**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Seal)

Witness **Edward Simpson** Seller **Arthur Fell**

**65121 Crossover Avenue**

**(your city, state, and zip code)**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Seal)

Witness **George Carton** Seller

STATE OF **(your state)**

COUNTY OF **(your county)**

I HEREBY CERTIFY that, on this day personally appeared before me, an officer duly authorized to administer oaths and take acknowledgments,

 **Arthur Fell**

They are/(s)he is personally known to me or have produced **a valid driver’s license**  as identification. They have/(s)he has acknowledged before me that he/she/they executed the same freely and voluntarily for the purpose therein expressed.

WITNESS my hand and official seal in **(your county)** County, the State of **(your state)** this the  **9th** day of **July, 2004.**

 (Seal)

My commission expires: **Brian Masters**

**April 14, 2005** NOTARY PUBLIC, State of **(your state)**

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instruction, and not for use

in all jurisdictions.

 **85,500**  **August 1, 2004**

$ Date:

 MORTGAGE NOTE

IN RETURN FOR VALUE RECEIVED, the undersigned person(s) (jointly and severally if more than one) promise(s) to pay to the order of **ABC Savings and Loan**

the principal sum of **Eighty Five Thousand Five Hundred-------00/100** Dollars($ **85,500.00** ) together with interest thereon at the rate of **seven and one half** percent (**7 ½** %) per annum on the balance from **September 1, 2004** until the total principal amount plus accrued interest is paid in full. Said principal and interest shall be payable in lawful money of the United States of America at **25 Main Street, (city, state, and zip code)** , or such other place as the holder may designate in writing delivered to the maker. Payment(s) on this note shall be as follows:

**The sum of $747.01, including principal and interest, shall be payable on the 1st day of September, 2004, and on the first of every subsequent month for 359 months; on August 1, 2034, the total remaining principal balance plus all interest accrued and unpaid, shall be payable in full.**

**This note may be prepaid in whole or in part at any time without penalty.**

Any and all payments made on the obligation arising hereunder shall first be applied to interest accrued under this note, with all additional amounts paid serving to reduce the principal balance due.

The principal obligation under this note, together with the interest due under it, is secured by a mortgage executed on this same date and made by the Maker of this note in favor of the Payee. The terms of this Note and of the said Mortgage shall be construed and enforced according to the laws of the jurisdiction in which the subject real estate is situated.

In the event that there is a default in the payment of either principal or interest due under this Note, or in the performance of any of the other terms of this Note or of the said Mortgage, then the entire principal sum and all accrued interest shall, at the sole option of the holder hereof, become due and payable at once without notice; in such event, the total principal and accrued interest due hereunder

shall bear the part of the holder to exercise this option shall not constitute a waiver of the holder's

right to exercise such right at a later time, or in the event of a subsequent default.

Each person liable hereunder, either as a Maker, Endorser, or in any other way, hereby waives presentment, protest, notice or protest and notice of dishonor and agrees to pay all costs permitted under law, including attorney's fees reasonably necessary to collect amounts due, whether suit is brought or not.

Maker's Address:

**21 Hector Street**

 (SEAL)

**Bill Buyer, a single man**

**(your city, state, and zip code)**

 (SEAL)

Return to (enclose a self-addressed This form is designed for

stamped envelope instruction, and not for use in all jurisdictions  **John Smith**

**Attorney for ABC**

**Savings and Loan**

**134 Viceroy Lane**

**Cotswell, (your city, state,**

**and zip code)**

This instrument prepared by:

**John Smith**

**Attorney for ABC**

**Savings and Loan**

**134 Viceroy Lane**

**Cotswell, (your city, state,**

**and zip code)**

Property Appraiser’s Parcel

Identification Number

**#246800**

 MORTGAGE DEED

THIS MORTGAGE DEED is being executed on this, the **1st** day of **August, 2004,**

by **Bill Buyer, a single man**

hereinafter in this document referred to as the Mortgagor(s), to and for the Mortgagee(s).

 **ABC Savings and Loan**

WITNESSETH, That for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in consideration of the sum named in the Mortgage Note of this same date, the Mortgagor(s) hereby grant, sell, bargain, release and convey to the Mortgagee(s) and his/her/its/their heirs and assigns in fee simple that certain real property which the Mortgagor(s) now own(s) and possess(es), and which is located in the County of  **(your county)** , in the State of **(your state)** , and which is described as follows:

**Lot 16, Block 8, Country Meadows Estates, according to the plat thereof as recorded in OR 78524, Page 425 of the public**

**records of (your city, state, and zip code)**

**Notwithstanding any provisions herein contained to the contrary, this mortgage is non-assumable, and in the event any interest in the mortgaged property shall be transferred, the note secured by this mortgage shall immediately become due and payable in full.**

TO HAVE AND TO HOLD together with the tenements, hereditaments, and appurtenances unto the said Mortgagee(s) and his/her/its/their heirs and assigns outright in fee simple.

AND THE MORTGAGOR(S), for himself/herself/themselves and for his/her/their heirs assigns and legal representatives do/does covenant with the Mortgagee(s), his/her/its/their heirs, assigns and legal representatives, that the Mortgagor(s) is/are indefeasibly seized of said land in fee simple; that the Mortgagor(s) has/have the legal right to convey the real property; that the real property is free and clear of all encumbrances, whether or not they are now of record; that the Mortgagee(s) shall have the right at all times to enter upon, occupy and enjoy the use of the real property and that the Mortgagor(s) does/do hereby warrant the title to the real property and will defend against any and all claims.

PROVIDED, HOWEVER, that if, and for as long as the Mortgagor(s) and his/her/their heirs, assigns, and legal representatives shall meet and continue to meet the obligations of this Mortgage Deed and the terms and conditions of the Mortgage Note that it secures, a copy of which is attached, then the estate created hereunder, and all rights created hereby shall be null, void, and of no effect whatsoever.

THE MORTGAGOR(S) FURTHER AGREE(S) on behalf of himself/herself/themselves and his/her/their heirs, assigns, and other legal representatives to do the following things:

1. To pay all principal and interest and all other amounts due and payable under the Mortgage Note and/or Mortgage Deed in a timely fashion when they become due.

2. To pay all taxes, assessments and other obligations of every nature on the real property. If such obligations are not promptly paid, then the Mortgagee(s), and his/her/their heirs, assigns, and legal representatives, shall have the right to pay those amounts on behalf of the Mortgagor(s) with every such payment bearing interest at the highest rate allowed by the jurisdiction from the date thereof until said amount is repaid to the Mortgagee(s) in full. Advancing such monies shall not limit in any way the right the Mortgagee(s) has/have to foreclose.

3. To commit or allow no waste, impairment or deterioration of said real estate or of any structure thereon at any time.

4. To maintain insurance in an amount at least equal to the balance remaining due under the

Mortgage Note secured by this Mortgage Deed with a company or companies approved by the Mortgagee(s),

with such policy or policies held by and payable to the Mortgagee(s) and his/her/its/their heirs, assigns, and legal representatives.

In the event that amounts become payable under the terms of such insurance policy or policies, then the Mortgagee(s) shall have the option to receive such amounts and apply them to the payment of the indebtedness or to permit the Mortgagor(s) to receive the said amount to use for any purpose agreed to by the Mortgagee(s). In the event that the Mortgagor(s) fail(s) to make payments on the premiums for such policy or policies, the Mortgagee(s) shall have the right to pay premiums on behalf of the Mortgagor(s), with every such payment bearing interest at the highest rate allowed by the jurisdiction from the date thereof until said amount is repaid to the Mortgagee(s) in full.

5. To comply with each and every requirement, condition, obligation and agreement contained in either this Mortgage Deed or the Mortgage Note(s) which it secures.

6. To pay any and all costs and expenses, even including attorney's fees, reasonably incurred by Mortgagee(s) or his/her/its/their heirs, assigns, or legal representatives as a result of the failure of the Mortgagor(s) to perform any of the obligations under this Mortgage Deed or the Mortgage Note it secures. All such amounts shall bear interest at the highest rate allowed by the jurisdiction from the date they become due until said amounts are paid to the Mortgagee(s) in full.

7. That, if any amounts due under this Mortgage Deed or the Mortgage Note(s) it secures, whether they are interest, principal, or other payments, are not paid in full within thirty day from the time they become due, then at the sole option of the Mortgagee(s), and upon his/her/its/their written notice delivered to the Mortgagor(s) at the location of the real property or elsewhere, the total of all obligations under the Mortgage Note(s) shall become immediately due, as if that total amount had been originally stipulated as being due on that day.

IN WITNESS WHEREOF, the Mortgagor(s) has/have hereunto set his/her/their hand(s) and seal(s) on the date set out above.

 (Seal)

Witness **Walter Witness** **Bill Buyer, a single man**

**21 Hector Street**

**(your city, state, and zip code)**

  (Seal)

Witness **Wilma Witness**

 (Seal)

Witness

 (Seal)

Witness

STATE OF **(your state)**

COUNTY OF **(your county)**

I HEREBY CERTIFY that, on this day personally appeared before me, an officer duly authorized to administer oaths and take acknowledgments,

**Bill Buyer**

They are/(s)he is personally known to me or has produced **a valid (your state) driver’s license** as identification. They have/(s)he has acknowledged before me that he/she/they executed the same freely and voluntarily for the purpose therein expressed.

WITNESS my hand and official seal in **(your county)**, the state of **(your state)** this, the **1st** day of **August , 2004.**

My commission expires: **Nancy Notary**

**December 15, 2005**  NOTARY PUBLIC, State of **(your state)**

This form is designed for

instruction, and not for use

in all jurisdictions.

 SATISFACTION OF MORTGAGE

KNOW ALL YE BE THESE PRESENTS, That I/We, **Ward Stack, 622 Castleberry Lane, (your city, state, and zip code)**

 , am/are the owner(s) and holder(s) of a Mortgage Deed executed by **Michael Reavers**

to **Jeffrey Johanssen, 65 Pine Terrace, (your city, state, and zip code)**

dated the **11th** day of **January** , 19**97** , and recorded in **(your county)** County, in the State of **(your state)** , in the Official Records Book **4466** , at Page **1441** , in the office of the Clerk of court, with such Mortgage Deed securing a Mortgage Note in the amount of **Seventy Eight Thousand---------------------------00/100** Dollars ($**78,000.00** ), together with the promises and obligations set forth therein, all related to the real property described as follows:

**Lot 6, Block 6, Orangewood Manor, according to the plat thereof as recorded in OR 40132, Page 2603 of the public records of (your county and state)**

And I/we hereby acknowledge full satisfaction of the obligations under the Note and Mortgage deed, and hereby surrender(s) said Note, directing the Clerk of the Court to cancel all such obligations under the Note and Mortgage Deed, and hereby surrender(s) said Note, directing the Clerk of the Court to cancel all such obligations of record.

WITNESS my/our hand(s) and seal(s) on this, the **29th** day of **December, 2004.**

 (Seal)

Witness **Allison Pasque** **Ward Stack**

**622 Castleberry Lane**

**(your city, state, and zip code)** (Seal)

Witness **Norma** **Daniels**

STATE OF **(your state)**

COUNTY OF **(your county)**

I HEREBY CERTIFY that, on this day personally appeared before me, an officer duly authorized to administer oaths and take acknowledgments,

 **Ward Stack**

They are/(s)he is personally known to me or has produced **a valid (your state) driver’s license** as identification. They have/(s)he has acknowledged before me that he/she/they executed the same freely and voluntarily for the purpose therein expressed.

WITNESS my hand and official seal in **(your county)**, the state of **(your state)** this, the **29th** day of **December, 2004.**

My commission expires: **Ben Pace**

**December 31, 2006**  NOTARY PUBLIC, State of **(your state)**

This form is designed for

instruction, and not for use

in all jurisdictions.

 "NO LIEN" AFFIDAVIT FROM SELLER(S)

STATE OF **(your state)**

COUNTY OF **(your county)**

Before the undersigned authority, personally appeared **Beatrice Crawford**

who, being first duly sworn by me on oath deposes and says:

 1. THAT the Affiant(s) is/are the fee simple owner(s) of the real estate described as follows:

**Lot 19, Block 24, Forest Hills Subdivision according to the plat thereof as recorded in OR 49022, Page 2579 of the public records of (your county and state)**

 2. THAT the property described above is free and clear of all taxes, liens, encumbrances and claims of every kind and description whatsoever, except for personal property and real estate taxes for the year **2004** and all subsequent years, and the mortgage or mortgages described as follows:

**That mortgage in favor of QRS Savings and Loan in the initial principal amount of $85,000, dated April 24, 1992, and recorded in OR 36788, Page 3255 of (your county and state).**

 3. THAT there have been no improvements, alterations, or repairs to the above-described property for which the costs remain unpaid during the 90 days that have immediately preceded this affidavit, and that there have been no claims for labor or material furnished for repairing or improving the same, which remain unpaid, unless such are listed herein.

 **None**

 4. THAT there are no mechanic's liens, materialmen's liens, or laborer's liens against the above-described property.

 5. THAT any personal property being sold in conjunction with the sale of the above-described real property, if any, is also free and clear of all liens, encumbrances, and claims.

 6. THAT said Affiant(s), in the use of the above-described property, has/have compiled in all respects with applicable sales tax and other laws of the jurisdiction.

 7. THAT no judgment or decree has been entered in any jurisdiction against the Affiant(s) that remains unsatisfied.

 8. THAT there are no unrecorded easements pertaining to the property, nor has there been a history of boundary disputes or claims of title against the owner(s) affecting the property.

 9. THAT Affiant(s), whose taxpayer identification numbers is/are **979-99-6223**, is/are not residents of a foreign country.

10. THAT Affiant(s) has/have not executed any documents or done any acts since that would in any way affect the title to the property including the signing of any documents conveying interests in the property or causing liens to be placed on the property.

11. THAT Affiant(s) know(s) of no violation of municipal ordinances pertaining to the above-described property.

12. THAT this affidavit is being made to induce the Buyer(s), **Gregory Liston**, to purchase the above-described property from the Affiant(s).

 (Seal) (Seal)

Affiant **Beatrice Crawford** Affiant

STATE OF **(your state)**

COUNTY OF **(your county)**

I HEREBY CERTIFY that, on this day personally appeared before me, an officer duly authorized to administer oaths and take acknowledgments,

 **Beatrice Crawford**

They are/(s)he is personally known to me or has produced **a valid (your state) driver’s license**  as identification. They have/(s)he has acknowledged before me that he/she/they executed the same freely and voluntarily for the purpose therein expressed.

WITNESS my hand and official seal in **(your county)**, the state of **(your state)** this, the **22nd** day of **May, 2004.**

My commission expires: **Pamela Evers**

**November 8, 2005** NOTARY PUBLIC, State of **(your state)**