The Basic Steps for a Real Estate Transaction

1. Brokerage
2. Negotiations
   - “Earnest Money Contract” or “Agreement of Purchase and Sale”

The Basic Steps Cont’d

3. Fulfillment of Financing Conditions Precedent
4. Fulfillment of Inspection Conditions Precedent
5. Fulfillment of Title Conditions Precedent
The Basic Steps Cont’d

Preparation of the Core Documents: Note, Deed, and Mortgage or Deed of Trust

Preparation of Ancillary Documents

Closing: Execution of the Documents

The Basic Steps Cont’d

Title Insurance, Funding, Recording, Delivery, Possession

Housewarming Party/Grand Opening
Marketable Title

A title not subject to such reasonable doubt as would create a just apprehension of its validity in the mind of a reasonable, prudent and intelligent person, one which such persons, *guided by competent legal advice* would be willing to take and for which they would be willing to pay fair value.

*Lohmeyer v. Bower*
227 P.2d 102 (Kan. 1951)
*Casebook, p. 479*

- Marketable title
  - Restrictive covenant
  - Zoning
- Purpose of marketable title
- Complete unimpeachable chain of title back to the sovereign
Equitable Conversion

- Equity regards as done what ought to be done.
- Equitable title v. legal title
- Risk of loss
- Inheritance

Stambovsky v. Ackley,

The Duty to Disclose Defects

- Poltergeist? Haunted House?
- Caveat Emptor
  - Rule
  - Exceptions
- “As is”
- Subjective v. Objective
- Evidence of FMV