

Table of Contents

CHAPTER 1. INTRODUCTORY OBSERVATIONS

- § 1:1 Importance of the contract
- § 1:2 Is it just “paperwork”?
- § 1:3 What law governs
- § 1:4 Preparation of sales contracts by laymen
- § 1:5 Where to find applicable law
- § 1:6 Sales of condominium units
- § 1:7 Sale of condominium unit—Checklist
- § 1:8 Sales of time-sharing estates
- § 1:9 Unconscionability doctrine in land sales
- § 1:10 Manufactured homes
- § 1:11 How to use the forms

CHAPTER 2. PRELIMINARY CONSIDERATIONS

- § 2:1 Essentials of the contract
- § 2:2 Definitions
- § 2:3 Why have a written contract?
- § 2:4 Consideration
- § 2:5 Form of contract
- § 2:6 Mutuality
- § 2:7 Certainty and definiteness
- § 2:8 Effect of mistake
- § 2:9 Illegality of sale
- § 2:10 Use of printed forms
- § 2:11 Preliminary investigations
- § 2:12 Buyer must inspect premises
- § 2:13 Agricultural land disclosure
- § 2:14 Date and place of contract
- § 2:15 Georgia Land Sales Act
- § 2:16 Statute of frauds
- § 2:17 How the statute works
- § 2:18 Public sales under the statute of frauds
- § 2:19 Parol evidence rule
- § 2:20 How the rule works
- § 2:21 Merger rule
- § 2:22 Implied terms
- § 2:23 Comparison of installment sales contracts
- § 2:24 Rights under installment sales contracts

§ 2:25 Bond for title

CHAPTER 3. PARTIES

- § 3:1 In general
- § 3:2 Parties must be legal entities
- § 3:3 Designation of parties—Nominees
- § 3:4 Joining husband or wife
- § 3:5 Nonresident parties
- § 3:6 Seller need not be owner
- § 3:7 Capacity of parties—Minority and insanity
- § 3:8 Special classes of parties—Executors and administrators
- § 3:9 —Corporations, partnerships and limited liability companies
- § 3:10 Vendor-builders
- § 3:11 Corporate deeds
- § 3:12 Corporate resolutions
- § 3:13 Execution of contracts by agent
- § 3:14 Assignment of contract by buyer
- § 3:15 Transfer of title by seller
- § 3:16 Signatures
- § 3:17 Delivery of the contract
- § 3:18 Limiting personal liability

CHAPTER 4. AGREEMENT TO BUY AND SELL (GETTING INTO THE CONTRACT)

- § 4:1 In general
- § 4:2 Offer
- § 4:3 Acceptance
- § 4:4 Conditional acceptance and counteroffer
- § 4:5 Multiple copies

CHAPTER 5. DESCRIPTION OF THE PROPERTY

- § 5:1 In general
- § 5:2 Sufficiency
- § 5:3 Identifying the land
- § 5:4 Buildings as including land
- § 5:5 Presumptions to aid defective description
- § 5:6 Reference to plats
- § 5:7 Description by street number
- § 5:8 Street number alone without city and state
- § 5:9 “Legal description to be attached” or “as shown by survey to be made”

TABLE OF CONTENTS

- § 5:10 “More or less” descriptions
- § 5:11 Special problems of vacant lots and parts of larger tracts
- § 5:12 Deed must conform to contract
- § 5:13 Emergency descriptions
- § 5:14 Drafting descriptions—Further suggestions

CHAPTER 6. FIXTURES AND PERSONAL PROPERTY

- § 6:1 Fixtures
- § 6:2 Personal property
- § 6:3 Specific performance where personal property involved

CHAPTER 7. PRICE AND TERMS OF PAYMENT

- § 7:1 Price should be definite
- § 7:2 “Net” price
- § 7:3 Price to be calculated
- § 7:4 Price per acre
- § 7:5 Medium of payment
- § 7:6 Methods of payment—The squeeze play
- § 7:7 Solutions to the squeeze play
- § 7:8 Need for definite statement of terms of payment
- § 7:9 Cash
- § 7:10 Need for down payment or earnest money
- § 7:11 Cash between parties but existing loan to be paid out of purchase money
- § 7:12 Cash between parties with loan from third party
- § 7:13 Cash between parties but subject to third party loan—
In general
- § 7:14 —Description of proposed loan
- § 7:15 —Examples of descriptions of proposed loans—Good and bad
- § 7:16 —Suggested method of describing loan
- § 7:17 —Contract must obligate purchaser
- § 7:18 —Can parties waive condition?
- § 7:19 —Miscellaneous clauses
- § 7:20 —When is condition fulfilled?
- § 7:21 Purchase money note from purchaser to seller—In general
- § 7:22 Purchase money note to vendor
- § 7:23 Purchase money note from purchaser to seller—
Examples of inadequate descriptions
- § 7:24 —What interest is legal?

- § 7:25 —Second and other inferior mortgages
- § 7:26 —Release clauses
- § 7:27 —Subordination clauses
- § 7:28 —Miscellaneous provisions
- § 7:29 Assuming or taking subject to existing loan—In general
- § 7:30 —Identifying assumed loan
- § 7:31 —Examples of loan descriptions
- § 7:32 —Purchase of seller's "equity"
- § 7:33 —Partial performance of contract too indefinite to identify loan
- § 7:34 —Reserves for taxes and insurance
- § 7:35 —Loan transfer fee
- § 7:36 —Difference between "assuming" and "taking subject to" loan
- § 7:37 —Objectionable loan deed clauses to avoid
- § 7:38 Other real estate as consideration—Exchanges
- § 7:39 Drafting the exchange contract
- § 7:40 Pricing land and improvements separately

CHAPTER 8. QUALITY OF TITLE AND TYPE OF DEED

- § 8:1 In general
- § 8:2 Georgia deed forms in use
- § 8:3 Quality of title—In general
- § 8:4 Vendors without good title
- § 8:5 Quality of title—What is marketable title?
- § 8:6 —Contract provisions for marketability
- § 8:7 —Title free and clear of all encumbrances
- § 8:8 Title requirement other than marketable title
- § 8:9 —Insurable title
- § 8:10 State bar title standards
- § 8:11 Subject clauses
- § 8:12 Affidavit of title (owner's affidavit)
- § 8:13 Type of deed—In general
- § 8:14 —Contract provisions

CHAPTER 9. PRORATIONS, CLOSING ADJUSTMENTS AND CLOSING EXPENSES

- § 9:1 Prorations—In general
- § 9:2 —Property taxes
- § 9:3 —Special assessments
- § 9:4 —Rents
- § 9:5 —Insurance coverage

TABLE OF CONTENTS

- § 9:6 —Water and other utility bills
- § 9:7 Closing costs—Who pays what
- § 9:8 —Tabulation
- § 9:9 —Georgia intangibles tax
- § 9:10 —Attorney's fees
- § 9:11 —Broker's commission
- § 9:12 —Withholding tax on sale or transfer of real property
by certain nonresidents

CHAPTER 10. REAL ESTATE BROKERS AND COMMISSION RIGHTS

- § 10:1 Need for a license
- § 10:2 Licensing of corporations, limited liability companies,
and partnerships
- § 10:3 Nonresident brokers
- § 10:4 Buying and selling without a broker
- § 10:5 What a broker does
- § 10:6 Risks of employing broker
- § 10:7 Practice of law distinguished
- § 10:8 The Brokerage Relationships in Real Estate
Transactions Act (BRRETA)
- § 10:9 Contract of employment
- § 10:10 What the broker must do to earn his commission
- § 10:11 Loyalty required of brokers
- § 10:12 Procuring cause
- § 10:13 Effect of binding sales contract on prior listing
agreement
- § 10:14 Buyer's liability for commission
- § 10:15 Where commission depends upon sales contract
instead of listing agreement
- § 10:16 Amount of commission under sales contract—
Exchanges
- § 10:17 Enforcement rights of broker
- § 10:18 Interference with the brokerage rights
- § 10:19 Performance required of broker
- § 10:20 Termination of employment
- § 10:21 Right to commission
- § 10:22 Buyer-seller liability as affecting commission rights
- § 10:23 Quantum meruit liability
- § 10:24 Election of remedies by broker
- § 10:25 Authority of broker to bind his or her principal
- § 10:26 Brokers in court—Litigation prospects
- § 10:27 Liability of broker in damages
- § 10:28 Civil rights violations of broker

CHAPTER 11. SPECIAL STIPULATIONS AND MISCELLANEOUS PROVISIONS

- § 11:1 Possession
- § 11:2 Conditions precedent and subsequent
- § 11:3 Time limits on performance
- § 11:4 Basis of “time is of the essence” rule
- § 11:5 Time and place of closing
- § 11:6 Time to cure title defects
- § 11:7 Earnest money
- § 11:8 Risk of loss stipulations
- § 11:9 Performance to party’s “satisfaction”
- § 11:10 Limitations on liability
- § 11:11 Miscellaneous conditional clauses
- § 11:12 Notice to other party
- § 11:13 Access to public streets or highways
- § 11:14 Termite clauses
- § 11:15 Municipal ordinances and state regulations
- § 11:16 Condemnation (eminent domain)
- § 11:17 Merger
- § 11:18 Condition of improvements
- § 11:19 Condition of appliances and equipment
- § 11:20 Buyer protection plans
- § 11:21 Inspection of premises—Buyer’s right and duty
- § 11:22 Residential Lead-Based Paint Hazard Reduction Act
of 1992
- § 11:23 Closing in escrow
- § 11:24 Recording of the contract
- § 11:25 Arbitration
- § 11:26 Interval between contract and closing
- § 11:27 Equitable conversion—Legal theory
- § 11:28 Right of possession
- § 11:29 Where house is under construction by seller
- § 11:30 Risk of loss before closing
- § 11:31 Transfer by seller to third party
- § 11:32 Where buyer assigns contract
- § 11:33 Protection of bona fide purchasers
- § 11:34 Contingency as to appraisal
- § 11:35 Other warranties

CHAPTER 12. CLEARING THE TITLE

- § 12:1 What to do about title objections
- § 12:2 Expense of clearing title
- § 12:3 Survey problems
- § 12:4 Breaks in the title

TABLE OF CONTENTS

§ 12:5	Affidavits of possession
§ 12:6	Outstanding easements or rights in land
§ 12:7	Tax searches
§ 12:8	Party walls
§ 12:9	Utility easements
§ 12:10	Encroachments
§ 12:11	Mortgages and security deeds
§ 12:12	Tax titles
§ 12:13	Construction liens
§ 12:14	Judgments
§ 12:15	Zoning problems
§ 12:16	Joint driveways and alleys
§ 12:17	Deficiency of acreage
§ 12:18	Real property settlement agreements
§ 12:19	State tax liens

CHAPTER 13. CONSTRUCTION OF CONTRACT AND MISCELLANEOUS PROBLEMS

§ 13:1	Some general rules of construction
§ 13:2	Implied terms
§ 13:3	Independent or dependent covenants
§ 13:4	Effect of breach on other party's obligations
§ 13:5	Blank spaces
§ 13:6	The "kited" contract—Price padding
§ 13:7	Modification of contract
§ 13:8	Unauthorized changes or alterations
§ 13:9	Riders

CHAPTER 14. OPTIONS

§ 14:1	In general
§ 14:2	Nature and form
§ 14:3	Need for consideration
§ 14:4	Time of exercise
§ 14:5	Manner and effect of exercise
§ 14:6	Transfer
§ 14:7	Operation and effect
§ 14:8	Problems caused by recording

CHAPTER 15. CHECKLISTS FOR GEORGIA REAL ESTATE CONTRACTS

§ 15:1	Introduction
§ 15:2	Purchaser's checklist

- § 15:3 Seller's checklist
- § 15:4 Broker's checklist
- § 15:5 Checklist for all parties

CHAPTER 16. CLOSING SALES CONTRACTS

- § 16:1 Introductory
- § 16:2 Advance preparation
- § 16:3 What seller should watch
- § 16:4 What buyer should watch
- § 16:5 Preparation of deeds and security deeds
- § 16:6 A look at the Georgia "security deed"
- § 16:7 Home equity loans
- § 16:8 Closing statements and prorations
- § 16:9 Signing of documents at closing—Filing fees
- § 16:10 Transfer of possession
- § 16:11 Powers of attorney
- § 16:12 Use of preexecuted deeds
- § 16:13 Sale by a fiduciary to himself
- § 16:14 Closing husband and wife transactions
- § 16:15 Handling of fixtures and personalty
- § 16:16 Winding up the closing
- § 16:17 Other closing procedures
- § 16:18 The ethical side of sales closing
- § 16:19 Georgia Residential Mortgage Fraud Act
- § 16:20 Uniform Real Property Electronic Recording Act

CHAPTER 17. ENFORCEMENT OF SALES CONTRACTS

- § 17:1 Introductory
- § 17:2 Valuation of property
- § 17:3 Entire or severable contracts
- § 17:4 Mutual rescission of contract
- § 17:5 Equitable lien of rescinding purchaser
- § 17:6 Rescission in bankruptcy
- § 17:7 What seller can do
- § 17:8 Rescission by seller
- § 17:9 Forfeiture of earnest money
- § 17:10 Right of seller to claim inadequacy of price
- § 17:11 Action for purchase price
- § 17:12 Lien for purchase price
- § 17:13 Seller's claim for damages
- § 17:14 Specific performance against buyer

TABLE OF CONTENTS

§ 17:15	What buyer can do
§ 17:16	Rescission by buyer
§ 17:17	Failure of title
§ 17:18	Partial failure of title
§ 17:19	Deficiency in acreage
§ 17:20	Specific performance against seller
§ 17:21	Buyer's right to damages
§ 17:22	Fraud and deceit of seller

CHAPTER 18. FORMS

§ 18:1	Introduction
§ 18:2	Exclusive seller listing agreement
§ 18:3	Open listing agreement
§ 18:4	Authorization to show unlisted property
§ 18:5	Agreement to work with buyer as customer
§ 18:6	Purchase and sale agreement
§ 18:7	New construction purchase and sale agreement
§ 18:8	<i>[Deleted]</i>
§ 18:9	Lot/land purchase and sale agreement
§ 18:10	Special stipulations exhibit
§ 18:11	Seller's property disclosure statement exhibit
§ 18:12	Sale or lease of buyer's property contingency exhibit
§ 18:12.20	Lead-based paint exhibit
§ 18:12.40	Conventional loan exhibit
§ 18:12.60	Unilateral notice to terminate; agreement to disburse earnest money
§ 18:12.80	Commercial purchase and sale agreement
§ 18:13	Exchange contract
§ 18:14	Sales contract with warranties—No broker
§ 18:15	Power of attorney to execute sales contract
§ 18:16	Execution of contract by attorney in fact
§ 18:17	General power of attorney
§ 18:18	Assignment of sales contract by purchaser
§ 18:19	Assumption of transferor's obligations
§ 18:20	Description—Personal property and fixtures
§ 18:21	Fixtures—Right to remove
§ 18:22	Statement of price per acre
§ 18:23	Purchase price per acre—"Arbitration" by surveyors
§ 18:24	Allocation of purchase price
§ 18:25	Subject to purchaser's obtaining loan on property being bought
§ 18:26	Purchase money note to seller—Various types and clauses

GEORGIA REAL ESTATE SALES CONTRACTS

§ 18:27	Subordination of purchase money security deed
§ 18:28	Release clauses in purchase money security deed— Alternative forms
§ 18:29	Description of assumed loan
§ 18:30	Assumption clause in sales contract
§ 18:31	Subject to existing loan
§ 18:32	Purchase of seller's equity
§ 18:33	Principal reductions made on existing loans between contract and closing dates
§ 18:34	Seller to obtain release from dragnet clause
§ 18:35	Quality of title and type of conveyance—In general
§ 18:36	Insurable title
§ 18:37	Prorations—In general
§ 18:38	—Effect on cash payment
§ 18:39	Tax prorations
§ 18:40	Pay as you enter assessments
§ 18:41	Rent proration
§ 18:42	Proration of casualty and liability insurance
§ 18:43	Water bills
§ 18:44	Operating expenses of small apartment—Proration
§ 18:45	Rental commission contract and management fee
§ 18:46	Alternative representations concerning services of broker
§ 18:47	Possession
§ 18:48	Earnest money—Paid to seller
§ 18:49	—Protection for broker
§ 18:50	Earnest money paid to attorney
§ 18:51	Time and place of closing
§ 18:52	Risk of loss by fire or casualty [optional forms]
§ 18:53	Conditioned on rezoning
§ 18:54	Contingent on sale of present property— Alternative clauses
§ 18:55	Notice provisions providing for facsimile transmission
§ 18:56	Access to public road
§ 18:57	Violations of municipal laws and ordinances
§ 18:58	Condemnation or eminent domain
§ 18:59	Provisions to remain in force after closing of sale
§ 18:60	Warranty against defects in workmanship and materials
§ 18:61	Warranty as to condition of systems and roof
§ 18:62	Availability of utilities
§ 18:63	Warranty as to septic tank
§ 18:64	Detailed air conditioning warranty

TABLE OF CONTENTS

§ 18:65	Warranty that all improvements are within property lines
§ 18:66	Seller to give affidavit of completion of improvements
§ 18:67	Right of inspection—Investment property
§ 18:68	Escrow closing
§ 18:69	Arbitration—By American Arbitration Association
§ 18:70	Leases and tenancies
§ 18:71	Apartments—Special provisions in sale of
§ 18:72	Option
§ 18:73	Quitclaim deed on non-exercise of option
§ 18:74	FHA—Contingent on appraisal
§ 18:75	VA loans—Representation of veteran's status
§ 18:76	No occupancy before closing
§ 18:77	Seller's liability limited to earnest money
§ 18:78	Encumbrances—Discharge out of purchase money
§ 18:79	Entire contract—Where two or more parcels
§ 18:80	Commission clause
§ 18:81	Broker's lien paragraph for owner's affidavit
§ 18:82	Settlement statement
§ 18:83	Settlement statement (HUD-1)
§ 18:83.50	TILA/RESPA closing disclosure
§ 18:84	Transfer tax declaration
§ 18:85	Withholding tax—Resident seller's paragraph to be added to owner's affidavit
§ 18:86	—Nonresident seller's affidavit
§ 18:87	Deed of conservation easement
§ 18:88	Form of attorney's affidavit to support release of execution

Table of Laws and Rules

Table of Cases

Index

