

Other Special Terms and Conditions (retained life estate):

Is Deed Being Given in Fulfillment of a Land Contract: YES NO

If yes, we must obtain a copy of the land contract

DISCLAIMER: This document has been drafted at the request of and upon information provided by the undersigned. No title examination has been made by Landmark Title Corp. with respect to the preparation of the deed and Landmark Title Corp. makes no representations with respect thereto. No legal advice has been rendered by Landmark Title Corp. with respect to the legal effect of the deed. Landmark Title Corp. has not been engaged to perform a closing with respect to the transaction pertaining to this conveyance and is not responsible for any tax filings which may be required by the IRS or State of Michigan with respect thereto, specifically including, but not limited to: 1099S, Property Transfer Affidavit, Homeowner's Principal Residence Exemption Affidavit and Rescission of Homeowner's Principal Residence Exemption. It is strongly recommended that legal counsel be consulted regarding the completion, execution, recording and filing of the deed and any other required documents.

*****NOTE: DUE ON SALE CLAUSE -** If this property is subject to an existing mortgage, any conveyance may trigger a due on sale clause. Grantor should obtain the written consent of any lender holding a mortgage on the property prior to the execution of a deed of conveyance.

I hereby engage Landmark Title Corp. to prepare a deed as I have instructed above and acknowledge that I have read and understand the foregoing disclaimer pertaining thereto.

Dated: _____

Signature

OVERVIEW OF DEED

- I. **Warranty Deed:** A deed where the grantor conveys good, clear, fee simple title in the property to the grantee and warrants that the grantor is lawfully seized of the property, has good right to convey the property, guarantees the quiet possession of the property, is transferring the property free from all encumbrances, and will warrant and defend the title to the property against all lawful claims; except for those matters expressly excluded on the deed by use of "subject to" or similar limiting language.
- II. **Covenant Deed:** A deed where the grantor conveys whatever interest in the property the grantor has to the grantee and covenants that the grantor has not through its acts, errors or omissions impaired the marketability of the title to the premises conveyed; but the grantor does not otherwise warrant that the title is valid against third parties.
- III. **Quit Claim Deed:** A deed where the grantor conveys whatever interest in the property the grantor has to the grantee without any warranty or covenant of title against third parties.
- IV. **Ladybird Deed:** A style of warranty deed or quit claim deed which creates a lifetime power of appointment in the grantor and names a default beneficiary to receive the property upon the death of the grantor in the event the power of appointment is not exercised during the grantor's lifetime. The grantor effectively retains full control over the property during lifetime, but the property passes automatically to the default beneficiary upon grantor's death.

OVERVIEW OF PROPERTY OWNERSHIP'S

- I. **Tenancy in Common:**
 - A. Created by a deed or devise to two or more persons who are not husband and wife, or a deed or devise to two or more persons with the express intention of the grantor (ie. "as tenants in common").
 - B. This is the tenancy presumed by law unless another form of tenancy is specifically established.
 - C. Each tenant in common owns an undivided interest usually expressed as a fraction or percentage (if no fraction or percentage is stated then it is presumed to be equal).
 - D. The interest in title of a deceased tenant in common vests in or passes to that person's estate upon death.
- II. **Joint Tenancy** - a joint tenancy must be created by an express reference to that form of co-ownership:
 - A. Statutory presumption is against joint tenancy, therefore words of conveyance should include "as joint tenants" or "as joint tenants and not as tenants in com mon".
 - B. The main characteristic of a joint tenancy is the vesting of title automatically in the surviving joint tenants upon the death of a joint tenant.
 - C. A joint tenancy can be terminated by a conveyance from either party, by a creditor or by partition.
 - D. A creditor (including federal or state government tax lien foreclosure) can sever a joint tenancy.
- III. **Joint Tenancy with Full Rights of Survivorship** - this form has been called an "indestructible joint tenancy and a "joint life estate with dual contingent remainders":
 - A. This form of ownership can only be destroyed by the act of all joint tenants.

- B. The words “with rights of survivorship” or “or to the survivor” create a joint life estate with the remainder in fee to the surviving joint tenants.
- C. A joint tenancy with full right of survivorship is not subject to partition.
- D. Creditors cannot levy on and sever the interest of a joint tenant with full rights of survivorship.

IV. **Tenancy by the Entireties (may only be created between a husband and wife):**

- A. A tenancy by the entireties is neither tenancy in common or joint tenancy as it arises out of the common law concept that husband and wife are considered one entirety.
- B. A valid marriage must exist at the time this tenancy is created.
- C. A tenancy by the entireties may not be severed by a creditor of one spouse, except where fraud is involved.
- D. A tenancy by the entireties can be terminated only by death or deed from one spouse to the other spouse.

V. **Life Estates:**

- A. Grantor conveys fee simple title to the grantee, but reserves a right to use the property for lifetime.

VI. **Ownership by a Corporation, Limited Liability Company, Partnership, Trust and other legal entities:**

- A. The property is actually owned by the legal entity and not personally by the owners of an interest in the legal entity.
- B. The death of an owner does not affect the legal ownership of property titled in the name of the entity.
- C. Legal entities are sometimes used to consolidate and control ownership of many owners.
- D. The legal entity must be validly in existence under state law.

DISCLAIMER: The above is provided for general informational purposes only. It should not be relied upon and is not provided as legal advice nor a legal opinion. Case and statutory law change frequently. It is strongly recommended that an attorney be consulted prior to the execution of a deed.