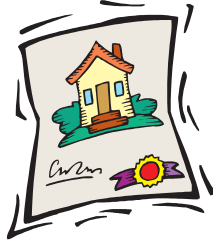


Deeds

Basic Requirements

The basic requirements for a Deed (and for most other instruments) are:

1. Operative words (in a Deed the usual word is “Grant”);
2. Definite parties who are identified in the heading of the Deed;
3. A grantee who can own property (deceased persons and business firms that are just fictitious names cannot own property);
4. A complete legal description (a street address does not give the exact location of the properties boundaries, so it is not adequate);
5. A Deed must be delivered to the control of the grantee before it takes effect (signed Deeds in our files waiting for escrow to close are not effective because they have not been delivered).



GRANT DEEDS & QUITCLAIM DEEDS

Grant Deeds and Quitclaim Deeds have pretty much the same effect. Grant Deeds are usually used for a sale of property or to transfer a specific interest. A Quitclaim Deed is usually used to clear up some indefinite claim on the property.



GIFT DEEDS

A Gift Deed is just as effective as any other Deed in transferring property. However taxes are due on the gift and must be paid or a lien will be placed on the property. We sometimes question whether the Deed was delivered because people frequently make a Gift Deed to take effect after they die which is illegal.

“BONA-FIDE PURCHASER FOR VALUE”

There are many title problems that can occur when property is deeded to a “bona-fide purchaser for value” who does not know about the problem. If a person acquires property without paying value, he/she could face possible problems such as an unrecorded Deed of Trust made by his/her grantor.

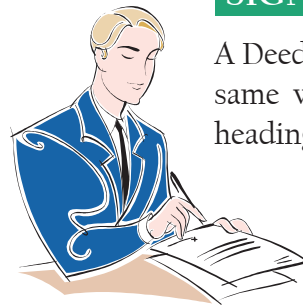
WHAT A DEED TRANSFERS

In some cases, a Deed transfers more than ownership of land. It also transfers buildings on the land, as well as equipment and fixtures in the building that are fastened down. A Deed can also transfer all appurtenances to the property such as easements for the benefit of the property, the right to collect rent from the tenants, etc.

CORRECTING ERRORS

Deeds and other instruments are considered complete once they are signed and can't be changed in any major respect. When a Deed is wrong, the only way to correct it is to get a new Deed or have the grantors initial changes made on the old Deed.

SIGNATURE



A Deed must be signed by the grantor the same way his/her name appears on the heading of the Deed. This is important because we usually have no other means of assuring that the grantor is the same as the person signing.

MINORS OR INCOMPETENT PERSONS

You can Deed property to minors or to incompetent or insane persons. However they cannot sign a Deed or any other instrument themselves. They must have a Guardian appointed in court to sign for them. An Escrow Officer is frequently the only one who can determine if a seller is a minor or is unable to understand what he/she is signing. This is because the Escrow Officer is usually the only one to see the seller.



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