
Glossary

Abandonment—Failure to occupy and use property, which may result in loss of rights.

Absolute Fee—*See:* Fee Simple.

Abstract of Judgment—A summary of the provisions of a court judgment which, when recorded, creates a lien on all of the real property of the debtor within the county where recorded.

Abstract of Title—A brief, chronological summary of the recorded documents affecting the title to a particular piece of property.

Abut—To touch, border on, be adjacent to, or share a common boundary with.

Acceptance—1. Agreeing to the terms of an offer to enter into a contract, thereby creating a binding contract. 2. Taking delivery of a deed from the grantor.

Accord and Satisfaction—An agreement to accept something different than, and usually less than, what was called for in the original agreement.

Accretion—A gradual addition to dry land by the forces of nature, as when waterborne sediment is deposited on waterfront property.

Acknowledgment—When a person who has signed a document formally declares to an authorized official, such as a notary public or county clerk, that he signed willingly. The official can then attest that the signature is voluntary and genuine.

Acre—An area of land equal to 43,560 square feet, or 4,840 square yards. There are 640 acres in a section of land in the government survey system.

Actual Notice—Actual knowledge of a fact, as opposed to knowledge imputed by law.

ADA—*See:* Americans with Disabilities Act.

Adjacent—Nearby, next to, bordering, or neighboring; may or may not be in actual contact.

Administrator—A person appointed by the probate court to manage and distribute the estate of a deceased person when no executor is named in the will, or there is no will.

Ad Valorem—A Latin phrase meaning “according to value,” used to refer to taxes assessed on the value of property. Ad valorem taxes are also known as general real estate taxes.

Adverse Possession—Acquiring title to real property owned by someone else, by means of open, notorious, exclusive, continuous and uninterrupted possession of the property, in a manner hostile to the title of the owner, for ten years. If the adverse possessor is claiming under color of title and has paid all taxes assessed on the property, the time period is only seven years.

Affirm—1. To confirm or ratify. 2. To make a solemn declaration that is not under oath.

Affirmative Action—Employment or educational policies and procedures designed to redress past discrimination and/or improve current diversity by promoting the hiring of minorities, women, and other traditionally disadvantaged groups.

After-Acquired Title—Title acquired by a grantor after she attempted to convey an interest in property that she did not own.

Age Discrimination in Employment Act—A federal law that prohibits employment discrimination based on age.

Agency—A relationship of trust created when one person, the principal, delegates to another, the agent, authority to represent the principal in dealings with third parties.

Agency, Apparent—When third parties are given the impression that someone who has not been authorized to represent another is that person’s agent, or else given the impression that an agent has been authorized to perform acts which are in fact beyond the scope of his authority. Also called ostensible agency.

Agency, Dual—When an agent represents both parties to a transaction, as when a real estate agent represents both the buyer and the seller.

Agency, Exclusive—*See:* Listing, Exclusive Agency.

Agency, Ostensible—*See:* Agency, Apparent.

Agency Coupled With an Interest—When an agent has a claim against the property that is the subject of the agency, so that the principal cannot revoke the agent’s authority.

Agent—A person authorized to represent another (the principal) in dealings with third parties.

Agent, Dual—*See:* Agency, Dual.

Agent, General—An agent authorized to handle all of the principal’s affairs in one area or in specified areas.

- Agent, Special**—An agent with limited authority to do a specific thing or conduct a specific transaction.
- Agent, Universal**—An agent authorized to do everything that can be lawfully delegated to a representative.
- Agreement**—*See*: Contract.
- Air Lot**—A parcel of property above the surface of the earth, not containing any land; for example, a condominium unit on the third floor.
- Air Rights**—The right to undisturbed use and control of the airspace over a given parcel of land; may be transferred separately from the land.
- Alienation**—The transfer of title, ownership, or an interest in property from one person to another, by any means.
- Alienation, Involuntary**—Transfer of an interest in property against the will of the owner, or without action by the owner, occurring by operation of law, through natural processes, or by adverse possession.
- Alienation, Voluntary**—Voluntary transfer of real property from one person to another.
- Alluvion**—The solid material deposited along a river bank or shore by accretion. Also called alluvium.
- Alternative Dispute Resolution (ADR)**—Using mediation or arbitration to resolve a legal dispute as an alternative to a courtroom trial.
- Amenities**—Features of a property that contribute to the pleasure or convenience of owning it, such as proximity to public transportation, schools, or shopping, as well as panoramic views, architectural excellence, or the prestige that goes with living in a given community.
- Americans with Disabilities Act (ADA)**—A federal law that prohibits employment discrimination based on disability, and mandates equal access to public accommodations for the disabled.
- Annexation, Actual**—When personal property is physically attached to real property, so that it becomes part of the real property.
- Annexation, Constructive**—When personal property becomes associated with real property in such a way that the law treats it as a fixture, even though it is not physically attached; for example, a house key is constructively annexed to the house.
- Answer**—In a lawsuit, the defendant's response to the plaintiff's complaint.
- Anticipatory Repudiation**—When one party to a contract informs the other before the time set for performance that he does not intend to fulfill the terms of the contract.
- Appeal**—When one of the parties to a lawsuit asks a higher court to review the judgment or verdict reached in a lower court.

Appellant—The party appealing a decision or ruling. Also called the petitioner.

Appellee—In an appeal, the party who did not file the appeal. Also called the respondent.

Apportionment—A division of property (as among tenants in common when the property is sold or partitioned) or liability (as when responsibility for closing costs is allocated between the buyer and the seller) into proportionate, but not necessarily equal, parts.

Appraisal—An estimate or opinion of the value of a piece of property as of a certain date. Also called a valuation.

Appraiser—One who estimates the value of real or personal property, especially an expert qualified to do so by training and experience.

Appreciation—An increase in value; the opposite of depreciation.

Appropriation—Taking property or reducing it to personal possession, to the exclusion of others.

Appropriation, Prior—A system of allocating water rights, under which a person who wants to use water from a certain lake or river in a way that will diminish the quantity or flow is required to apply for a permit. The permit will have priority over other permits that are issued later. *Compare:* Riparian Rights.

Appropriative Rights—The water rights of a person who holds an appropriation permit.

Appurtenances—Rights that go along with ownership of a particular piece of property, such as air rights or mineral rights; they are ordinarily transferred with the property, but may, in some cases, be sold separately.

Appurtenances, Intangible—Rights that go with ownership of real property which do not involve physical objects or substances; for example, an access easement (as opposed to mineral rights).

Arbitration—Submitting a disputed matter to a private party (rather than to the judicial system) for resolution.

Area—1. Locale or region. 2. The size of a surface, usually stated in square units of measure, such as square feet or square miles.

Artificial Person—A person created by law, with legal rights and responsibilities, such as a corporation, as distinguished from a natural person (a human being). *Compare:* Natural person.

Assessment—1. The valuation of property for taxation. 2. A non-recurring specific charge against property for a definite purpose, such as curbs or sewers. Usually called a special assessment.

Assessor—An official who determines the value of property for purposes of taxation.

Asset—Anything of value that a person owns.

Assign—To transfer rights or interests to another.

Assignee—One to whom rights or interests have been assigned.

Assignment—1. A transfer of contract rights from one person to another. 2. In the case of a lease, when the original tenant transfers her entire leasehold estate to another. *Compare:* Sublease.

Assignment of Contract and Deed—The instrument used to substitute a new vendor for the original vendor in a land contract.

Assignor—One who has assigned her rights or interests to another.

Assumption—When a buyer takes on personal liability for paying off the seller's existing mortgage or deed of trust.

Attachment—Court-ordered seizure of property belonging to a defendant in a lawsuit, so that it will be available to satisfy a judgment if the plaintiff wins. In the case of real property, attachment creates a lien.

Attachments, Man-Made—*See:* Fixture.

Attachments, Natural—Plants growing on a piece of land, such as trees, shrubs, or crops.

Attestation—The act of witnessing the execution of an instrument (such as a deed or will).

Attorney in Fact—Any person authorized to represent another by a power of attorney; not necessarily a lawyer (an attorney at law).

Authority, Actual—Authority actually given to an agent by the principal, either expressly or by implication.

Authority, Apparent—Authority to represent another that someone appears to have, although no actual authority has been granted.

Authority, Express—Authority that is specifically communicated from the principal to the agent, either orally or in writing.

Authority, Implied—An agent's authority to do everything reasonably necessary to carry out the principal's express orders.

Avulsion—1. When land is suddenly (not gradually) torn away by the action of water. 2. A sudden shift in a watercourse.

Bankruptcy—1. When the liabilities of a person, firm, or corporation exceed its assets. 2. When a court declares a person, firm, or corporation to be insolvent, so that the assets and debts will be administered under the bankruptcy laws.

Bargain and Sale Deed—A deed that conveys title but does not make the same promises as a full warranty deed.

Base Line—In the government survey system, a main east-west line from which township lines are established. Each principal meridian has one base line associated with it.

Bench Mark—A surveyor's mark on a stationary object at a known point of elevation, used as a reference point in calculating other elevations in a surveyed area; often a metal disk set into cement or rock.

Beneficiary—1. One for whom a trust is created and on whose behalf the trustee administers the trust. 2. One entitled to receive real or personal property under a will; a devisee or legatee. 3. The lender in a deed of trust transaction.

Bequeath—To transfer personal property to another by will.

Bequest—Personal property (including money) that is transferred by a will.

Bilateral Contract—*See:* Contract, Bilateral.

Bill—A proposed law introduced in either house of Congress or a state legislature.

Bill of Sale—A document used to transfer title to personal property from one person to another.

Block—In a subdivision, a group of lots surrounded by streets or unimproved land.

Blockbusting—Attempting to induce owners to list or sell their homes by predicting that members of another race or ethnic group, or people suffering from some disability, will be moving into the neighborhood, with the suggestion that this will lower property values. Also called panic selling.

Bona Fide—In good faith; not fraudulent.

Boundary—The perimeter or border of a parcel of land; the dividing line between one piece of property and another.

Bounds—Boundaries. *See:* Metes and Bounds Description.

Branch Manager—A managing broker appointed by a firm's designated broker to manage the operations of a branch office.

Breach—Violation of an obligation, duty, or law.

Breach, Material—A breach of contract serious enough that the other party is excused from performing her side of the bargain.

Breach of Contract—The unexcused failure to perform according to the terms of a contract.

Broker—A licensed individual acting on behalf of a real estate firm to perform real estate brokerage services, under the supervision of a designated and/or managing broker.

Broker, Designated—A person licensed as a managing broker, who registers with the state to have a designated broker endorsement added to their license. May represent one or more firms, and will have ultimate responsibility for all firm activities.

Broker, Managing—A licensed individual with at least three years' experience as a broker who has passed the managing broker exam; a managing broker performs brokerage services for a firm, under the supervision of a designated broker.

Brokerage—*See:* Real Estate Firm.

Brokerage Fee—The commission or other compensation charged for a real estate agent's services.

Building Codes—Rules set up by local governments regarding minimum construction standards.

Building Restrictions—Rules concerning building size, placement, or type; they may be public restrictions (in a zoning ordinance, for example) or private restrictions (CC&Rs, for example).

Bump Clause—A provision in a purchase and sale agreement that allows the seller to keep the property on the market while waiting for a contingency clause to be fulfilled; if the seller receives another good offer in the meantime, he can require the buyer to either waive the contingency clause or terminate the contract.

Bundle of Rights—The rights inherent in ownership of real property, including the right to use, lease, enjoy, encumber, will, sell, or do nothing with the property.

Business Opportunity—A business that is for sale.

Buyer Representation Agreement—An employment contract between a buyer and a real estate firm in which the firm agrees to act as the buyer's agent in the search for a property to purchase.

Call—In a metes and bounds description, a specification that describes a segment of the boundary; for example, "south 15° west 120 feet" is a call.

Cancellation—Termination of a contract without undoing acts that have already been performed under the contract.

Capacity—The legal ability or competency to perform some act, such as entering into a contract or executing a deed or will. *See:* Competent.

Capture, Rule of—A legal rule that grants a landowner the right to all oil or gas produced from wells on his land, even if the oil or gas migrated from underneath land belonging to someone else.

Case Law—*See:* Common Law.

CC&Rs—A declaration of covenants, conditions, and restrictions; usually recorded by a developer to place restrictions on all lots within a new subdivision.

CCARA—The Condominium and Cooperative Abuse Relief Act, a federal law enacted to minimize the adverse impact of condominium and cooperative conversions.

Cease and Desist Order—An order issued by the Director of the Department of Licensing in a disciplinary action, to stop a violation of the license law.

CERCLA—The Comprehensive Environmental Response, Compensation and Liability Act; a federal law that established a fund to clean up hazardous waste sites, and a process for determining liability for the cleanup costs.

Certificate of Occupancy—A statement issued by a local government verifying that a newly constructed building is in compliance with all building codes and may be occupied.

Certificate of Title—A statement of opinion by an attorney that describes the status of title to the property.

Chain of Title—*See:* Title, Chain of.

Civil Law—The body of law concerned with the rights and liabilities of one party in relation to another, as distinguished from criminal law. Contract law is an example of civil law.

Civil Penalty—An amount of money that a court orders a defendant in a civil lawsuit to pay to the government; a fine.

Civil Rights—Fundamental rights guaranteed to a person by the law. The term is most often used in reference to constitutional and statutory protections against discrimination or government interference.

Civil Rights Act of 1866—A federal law guaranteeing all citizens the right to purchase, lease, sell, convey, and inherit property, regardless of race or ancestry.

Civil Wrong—*See:* Tort.

Clean Air Act—A federal law passed to maintain and enhance air quality.

Clean Water Act—A federal law passed to maintain and enhance the quality of the nation's water resources.

Client—One who employs a real estate agent, a lawyer, or an appraiser. A real estate agent's client can be the seller, the buyer, or both.

Closing—The final stage in a real estate transaction, when the seller delivers the deed and the buyer pays the purchase price. Also called settlement.

Closing Costs—The expenses incurred in the transfer of real estate in addition to the purchase price. A typical list might include the appraisal fee, title insurance premium, real estate commission, excise tax, etc.

Closing Date—The date by which the terms of a contract must be met, or else the contract is terminated.

Closing Disclosure Form—A disclosure of the actual closing costs for a transaction, along with any credits that apply; must be given to a residential borrower at least three business days before closing, and to the seller at closing.

Cloud on Title—Any claim, encumbrance, or apparent defect that makes title to real property unmarketable. *See:* Title, Marketable.

Codicil—An addition to or revision of a will. It must be executed with the same formalities as a will.

- Codification**—The collection and organization of piecemeal laws into a systematic, comprehensive statute called a code.
- Collateral**—Anything of value used as security for a debt or obligation.
- Collusion**—An agreement between two or more persons to defraud another.
- Color of Title**—Title that appears to be good title, but which in fact is not; commonly based on a defective instrument, such as an invalid deed.
- Commercial Property**—Property zoned and used for business purposes, such as restaurants, hotels, retail stores, and office buildings; distinguished from residential, industrial, or agricultural property.
- Commingling**—Illegally mixing trust funds held on behalf of a client with personal or general business funds.
- Commission**—1. The compensation or fee paid to a brokerage for services rendered in a real estate transaction. 2. A group of people organized for a particular purpose or function.
- Common Areas**—1. In a condominium, planned unit development, or cooperative housing project, the land and improvements that are owned and used collectively by all the residents. Common areas usually include driveways, recreational facilities, and stairwells. Also called common elements. 2. In a building with leased units or space, the areas that are available for use by all of the tenants.
- Common Areas, Limited**—In a condominium, areas outside of the units (such as balconies or assigned parking spaces) that are designated for the use of particular unit owners, rather than all of the residents. Also called limited common elements.
- Common Law**—The body of law based on the decisions of judges, developed in England and incorporated into the American system of justice. This is the basis of the laws of every state but Louisiana, which based its laws on French civil law.
- Community Property**—Property owned jointly by a married couple in Washington and other community property states, as distinguished from each spouse's separate property; generally, any property acquired during marriage through the labor or skill of either spouse (but not through gift or inheritance) belongs to both spouses equally. Washington's community property laws also apply to registered domestic partners.
- Competent**—1. Of sound mind. 2. Legally qualified to enter into a contract, by virtue of being of sound mind and having reached the age of majority.
- Complaint**—A legal document that outlines a dispute; it is filed to begin a lawsuit.
- Comprehensive Environmental Response, Compensation and Liability Act**—*See*: CERCLA.

Comprehensive Plan—An overall plan for the development of a city or county, which is used as a guide for the development of zoning regulations. Also called a master plan.

Concurrent Ownership—*See:* Ownership, Concurrent.

Condemnation—1. The taking of private property for public use (for streets, sewers, airports, railroads, etc.) through the government's power of eminent domain. 2. A declaration that a structure is unsafe and must be closed or destroyed.

Condition—A provision in an agreement or contract, limiting the rights and obligations of the parties or making them contingent on the occurrence or nonoccurrence of a specified event.

Conditional Fee—An ownership estate that may be terminated by the previous owner if specified conditions are not met. Also called a fee simple subject to condition subsequent. *See:* Fee Simple Defeasible.

Conditional Use Permit—A permit that allows a special use, such as a school or hospital, to operate in a neighborhood where it would otherwise be prohibited by the zoning. Also called a special exception permit.

Condominium—Property developed for concurrent ownership, where each co-owner has a separate interest in an individual dwelling unit, combined with an undivided interest in the property's common areas.

Condominium Act—A state law passed in Washington in 1989 which governs all condominiums created after July 1, 1990.

Condominium Association—*See:* Unit Owners Association.

Condominium Bylaws—The rules governing the operation of a condominium development.

Condominium Declaration—A document recorded to establish a condominium, which contains detailed information about the project.

Confidential Information—Information from or concerning a principal that was acquired during the course of an agency relationship, that the principal reasonably expects to be kept confidential, that the principal has not disclosed to third parties, that would operate to the detriment of the principal (if disclosed), and that the principal would not be legally obligated to disclose to the other party.

Confirmation of Sale—Court approval of a sale by an executor, administrator, or guardian.

Conflict of interest—A circumstance that creates an incentive for an agent (or anyone in a similar position of trust) to act against the principal's interests in order to benefit herself or a third party.

Consent—To agree, to give permission or assent.

- Conservation**—1. Regarding real estate, preservation of structures or neighborhoods in a sound and favorable condition. 2. Regarding natural resources, preserving or using them in a way that provides the most long-term benefit.
- Consideration**—Anything of value given to induce another person to enter into a contract, such as money, services, goods, or a promise. Sometimes called valuable consideration.
- Conspiracy**—An agreement or plan between two or more persons to perform an unlawful act.
- Construction Lien**—*See:* Lien, Construction.
- Constructive Annexation**—A doctrine holding that some moveable items are so strongly connected with real property that they are considered fixtures.
- Constructive Eviction**—When a landlord's actions interfere with a tenant's rights seriously enough to force the tenant to vacate the premises.
- Constructive Severance**—When an interest in the land has been sold or transferred separately from the real property, but the interest in question still remains in, on, or attached to the land itself; for example, when timber is sold before the trees are cut down.
- Contiguous**—Physically adjoining, abutting, or in close proximity.
- Contingency**—An event or condition that must occur before a contract becomes binding.
- Contour**—The surface shape or configuration of land. A contour map depicts the topography by means of lines, called contour lines, which connect points of equal elevation.
- Contract**—An agreement, for consideration and between competent parties, to do or not do a certain thing. It is an agreement enforceable at law.
- Contract, Bilateral**—A contract in which each party promises to perform something in exchange for the other's promise to perform.
- Contract, Executory**—A contract in which one or both parties have not yet completed performance. (An executed contract, on the other hand, is one in which both parties have completely performed their obligations under the contract.)
- Contract, Express**—A clear and definite contract set forth in words.
- Contract, Implied**—One implied by the actions of the principals; in contrast to an express contract, in which the words forming the agreement are stated, orally or in writing.
- Contract, Oral**—A spoken agreement.

Contract, Real Estate—1. A contract for the sale of real property in which the buyer (the vendee) pays in installments; the buyer takes possession of the property immediately, but the seller (the vendor) retains legal title until the full price has been paid. Also called a land contract, installment sales contract, or contract for deed. 2. An earnest money agreement. 3. Any contract having to do with real property.

Contract, Unenforceable—One that will not be enforced through the courts because its contents can't be proven (usually an oral contract); or because it is of a type required to be in writing (such as a real estate contract), but is not.

Contract, Unilateral—A contract that is accepted by performance. The offeror is not required to perform her part of the contract until the offeree has performed.

Contract, Valid—A binding, legally enforceable contract.

Contract, Void—A “contract” that is really not a contract because it lacks one of the key elements, such as consideration or a lawful objective.

Contract, Voidable—A valid contract that may be terminated without liability by one or both of the parties (because of fraud, undue influence, duress, or mistake, or because the party seeking to terminate the agreement is a minor).

Contract of Sale—An agreement in which a buyer agrees to buy a parcel of land for a certain price and the seller agrees to convey title; also called an earnest money agreement, purchase and sale agreement, or deposit receipt.

Contractor—One who contracts to provide labor or materials, or construct a building, or do other work for a certain price.

Conversion—1. Misappropriating property or funds belonging to another; for example, converting trust funds to one's own use. 2. The process by which an existing building is turned into a condominium. The Washington Condominium Act has special rules for residential conversions.

Conveyance—The transfer of title to real property from one person to another by means of a written document, such as a deed.

Cooperating Agent—A member of a multiple listing association who helps find a buyer for property listed by another brokerage company within the same multiple listing association.

Cooperative—A building or project owned by a nonprofit corporation. In a cooperative, the residents purchase shares in the corporation that owns the building. A resident receives a proprietary lease on a living unit and the right to use the common areas.

Corporation—An association organized according to certain laws, in which individuals may purchase ownership shares; regarded by the law as an artificial person, separate from the individual shareholders.

Corporation, Domestic—A corporation doing business in the state where it was created (incorporated).

Corporation, Foreign—A corporation doing business in one state, but created (incorporated) in another state.

Corporation, Nonprofit—A corporation formed for the purpose of serving a purpose of public or mutual benefit other than the pursuit or accumulation of profits.

Correction Lines—Adjustment lines used in the government survey system to compensate for curvature of the earth. They occur at 24-mile intervals, every fourth township line, where the distance between north and south range lines is corrected to six miles.

Co-Tenancy—*See:* Ownership, Concurrent.

Counteroffer—A new offer made by the offeree in reply to an offer to enter into a contract. It constitutes a rejection of the first offer, and the roles of the two parties are now reversed. The original offeror is the offeree and can accept or reject the counteroffer. This situation commonly arises when the original offeree wants to make some change in the offer she has received. Any change, however slight, constitutes a rejection of the original offer.

County—An administrative subdivision of the state, created by the state and deriving all of its powers from the state.

Course—In a metes and bounds description, a direction, stated in terms of a compass bearing.

Covenant—1. A written agreement or promise to do or not do something. 2. A stipulation that a property will be used or will not be used for a particular purpose or purposes. 3. A guarantee that some state of facts exists (such as the fact that a grantor has good title to real property).

Covenant, Restrictive—A promise to do or refrain from doing an act relating to real property, especially such a promise that runs with the land; usually imposed by a grantor on all subsequent owners of the property. Also called deed restrictions.

Covenant Against Encumbrances—In a warranty deed, a promise that the property is not burdened by any encumbrances other than those that are disclosed in the deed.

Covenant of Quiet Enjoyment—A promise that a buyer or tenant's possession of the property will not be disturbed by the previous owner, the landlord, or anyone else making a lawful claim against the property.

Covenant of Right to Convey—In a warranty deed, a promise that the grantor has the legal ability to make a valid conveyance.

Covenant of Seisin—In a warranty deed, a promise that the grantor actually owns the interest he is conveying to the grantee.

Covenant of Warranty—In a warranty deed, a promise that the grantor will defend the grantee's title if it is challenged in court.

Credit—A payment that is receivable (as opposed to a debit, which is a payment due).

Creditor, Secured—A creditor who has a lien on specific property, such as a mortgagee.

Customer—In real estate, usually a prospective purchaser.

Damage Deposit—*See*: Security Deposit.

Damages—The amount of money one can recover as compensation for an injury to his person or property resulting from an act or failure to act.

Damages, Compensatory—The amount of money awarded for an injury, intended to compensate the injured party for the actual loss incurred. Also called actual damages.

Damages, Liquidated—A sum that the parties to a contract agree in advance (at the time the contract is made) will serve as full compensation in the event of a breach.

Datum—A reference point used by surveyors to determine elevation.

Debit—A charge listed on a settlement statement, showing a debt or payment owed by one of the parties.

Debtor—One who owes something (usually money) to another.

Decedent—A person who has died.

Decisional Law—Law that evolves from published opinions of the courts. Also called case law.

Declarant—The term used to refer to the developer of a condominium in the Washington Condominium Act.

Declaration of Abandonment—A recorded document voluntarily releasing a property from homestead protection.

Declaration of Homestead—A document claiming homestead protection for a property.

Declaration of Restrictions—*See*: CC&Rs.

Dedication—An appropriation or granting of private property for public use; may be a grant of the entire fee simple interest or just an easement (such as an easement for sidewalks or streets).

Dedication, Common Law—Transfer of land from private to public ownership or use by virtue of the private owner's acquiescence in public use of the land for an extended period of time.

Dedication, Statutory—Transfer of land from private to public ownership as required by law, as a prerequisite to subdivision approval, for example.

- Deed**—A written instrument that, when properly executed and delivered, conveys title to real property from the grantor to the grantee.
- Deed, Bargain and Sale**—A deed that conveys title but does not make the same promises as a full warranty deed.
- Deed, Correction**—A deed used to correct minor mistakes in an earlier deed, such as misspellings of names or errors in description of the parcel.
- Deed, General Warranty**—A deed in which the grantor warrants the title against defects that might have arisen before or during her period of ownership.
- Deed, Gift**—A deed freely given in which the consideration is love and affection (rather than valuable consideration such as money, goods, or services).
- Deed, Quitclaim**—A deed that operates to convey and release any interest in a piece of real property that the grantor may have. It contains no warranties of any kind, but does transfer any right, title, or interest the grantor has at the time the deed is executed.
- Deed, Sheriff's**—A deed delivered by the sheriff, on court order, to the holder of the Certificate of Sale following the period of redemption after a mortgage foreclosure.
- Deed, Special Warranty**—A deed in which the grantor warrants title only against defects that may have arisen during his period of ownership.
- Deed, Tax**—A deed given to the successful bidder when property is sold to satisfy unpaid property taxes.
- Deed, Trustee's**—A deed given to the successful bidder at a trustee's sale in the nonjudicial foreclosure of a deed of trust.
- Deed, Warranty**—A deed containing warranties or guarantees of clear title and the right to convey, as well as the grantor's willingness to defend against claims that the title conveyed is not good.
- Deed, Wild**—A deed that cannot be located under the grantor-grantee system of indexing.
- Deed Executed Under Court Order**—A deed, such as a sheriff's deed or tax deed, that is the result of a court action, such as foreclosure.
- Deed of Partition**—A deed used by co-owners, such as joint tenants or tenants in common, to divide up the co-owned property so that each can own a separate portion.
- Deed of Trust**—A type of security instrument used to finance the purchase of real estate. Under the deed of trust, the power to sell the secured property in the event of default by the trustor (the borrower) is given to an independent third party (the trustee) to protect the interests of the beneficiary (the lender). A deed of trust can be foreclosed at a trustee's sale. Unlike foreclosure of a mortgage, judicial intervention is not required, and there is no period of redemption following the trustee's sale. A trustee's deed is issued after the sale.

Deed Restrictions—Limitations in a deed restricting the use of the property, such as “Residential use only” or “No building over 35 feet in height.” Also called restrictive covenants.

Default—Failure to fulfill an obligation, duty, or promise, as when a borrower fails to make loan payments or a tenant fails to pay rent.

Default Judgment—*See:* Judgment, Default.

Defeasance Clause—A clause in a mortgage, deed of trust, or lease that cancels or defeats a certain right upon the occurrence of a certain event.

Defeasible Fee—*See:* Fee Simple Defeasible.

Defendant—In a lawsuit, the individual or entity being sued.

Deficiency Judgment—*See:* Judgment, Deficiency.

Degree—In surveying, a unit of circular measurement equal to $\frac{1}{360}$ of one complete rotation around a point in a plane.

Delivery—The legal transfer of an instrument evidencing title or ownership. A valid deed does not convey title unless it has been delivered (actually or constructively) to the grantee.

Density—The number of buildings or the number of occupants per unit of land (square mile, acre, etc.).

Department of Licensing—The state agency in charge of administering the real estate license law in Washington.

Deposit—1. Money offered as an indication of good faith in regard to the future performance of a contract to purchase real property. Also called earnest money.
2. A security deposit given to a landlord by a tenant.

Deposition—Formal out-of-court testimony of a witness taken before trial, for possible use later in the trial. Testimony taken either for discovery, to determine the facts of the case, or when a witness will be unable to attend the trial, or both.

Depreciation—A loss in value. For appraisal purposes, depreciation results from physical deterioration (such as cracks in the foundation), functional obsolescence (such as old fashioned plumbing or lighting fixtures), or economic obsolescence (such as deterioration in the neighborhood).

Detached Residence—A home physically separated from other houses; not connected to another house by a common wall.

Detrimental Reliance—*See:* Promissory Estoppel.

Developed Land—Land that has been improved by man-made additions, such as buildings, roads, or sidewalks.

Developer—Someone who makes changes to bring land to its most profitable use by subdividing and/or improving it.

- Devise**—1. A gift of real property transferred by will. The donor is the testator and the recipient is the devisee. 2. To transfer real property by will. *Compare:* Bequest.
- Devisee**—A recipient of real property under a will. *Compare:* Beneficiary; Legatee.
- Disability**—According to the Americans with Disabilities Act and the Fair Housing Act, a physical or mental impairment that substantially limits a person in one or more major life activities.
- Disaffirm**—To ask a court to terminate a voidable contract.
- Discovery**—The stage of a lawsuit in which each party is required to provide information about the case to the other party, in response to interrogatories (written questions), depositions (formal interviews of witnesses), and requests for the production of documents.
- Discrimination**—Unequal treatment, either favorable or unfavorable, based on the class, race, or other group to which a person or persons belong.
- Disparate Impact**—When a statute or ordinance appears neutral on its face (seems to apply to everyone equally), but actually has a greater impact on members of a protected class than it has on other people, so that the law has a discriminatory effect.
- Diversity Jurisdiction**—The federal courts' power to hear cases in which a citizen of one state sues a citizen of another state (or country).
- Domestic Corporation**—*See:* Corporation, Domestic.
- Dominant Tenement**—Property that receives the benefit of an appurtenant easement.
- Downzoning**—Rezoning land for a more restricted use.
- Dual Agent**—An agent who represents both the buyer and the seller in the same transaction.
- Due Process**—A fair hearing by an impartial judge. Under the U.S. Constitution, no one may be deprived of life, liberty, or property without due process of law.
- Duress**—Unlawful force, constraint, threats, or other actions used to compel someone to do something (such as sign a contract) against her will.
- Dwelling**—A building or part of a building used or intended to be used as living quarters.
- Earnest Money**—A deposit made by a prospective purchaser of real estate as evidence of a good faith intention to complete the purchase. Also called a good faith deposit.
- Earnest Money Agreement**—A contract in which a property owner agrees to sell the property to a buyer for a specified price. Also called a purchase and sale agreement or deposit receipt.
- Easement**—A right to use some part of another person's property for a particular purpose; for example, as a driveway, or for installing and maintaining a water line.

Easement, Implied—*See:* Easement by Implication.

Easement, Negative—An easement that prevents the landowner from using the land in a certain way; essentially the same thing as a restrictive covenant.

Easement, Positive—An easement that allows a landowner to use another's land for a specific purpose.

Easement Appurtenant—An easement for the benefit of a particular piece of property (the dominant tenement). *Compare:* Easement in Gross.

Easement by Express Grant—An easement granted to another by means of a deed or other document.

Easement by Express Reservation—An easement created by deed in favor of the grantor, who transfers the property (or part of the property) but reserves an easement for his own use.

Easement by Implication—An easement created by law (not by express grant) when a property is divided into more than one parcel, when there was apparent prior use of the easement and it is reasonably necessary for the enjoyment of the dominant tenement. Also called an implied easement.

Easement by Necessity—An easement implied by law when a property is divided into more than one parcel if the dominant tenement would be completely useless without an easement, even though it was not a long-standing, apparent use.

Easement in Gross—An easement for the benefit of a person instead of a piece of land. *Compare:* Easement Appurtenant.

Egress—A passageway leading from property; a means of exiting. It is the opposite of ingress (entry). The terms ingress and egress usually refer to easements.

Emancipated Minor—A person under 18 who is or has been married, is on active duty in the military, or has a declaration of emancipation from a court.

Emblements—Crops, such as wheat or corn, that are produced annually through the labor of the cultivator.

Emblements, Doctrine of—The right of an agricultural tenant to enter land after termination of the lease for the purpose of harvesting crops.

Eminent Domain—The power of the government to take (condemn) private property for public use, upon payment of just compensation to the owner.

Employee—Someone who works under the direction and control of another. *Compare:* Independent Contractor.

Employee Retirement Income Security Act (ERISA)—A federal law that protects individuals who have voluntarily established pension and health plans with their employers, by requiring employers to act as a fiduciary in regards to their employees' funds.

Encroachment—Unlawful physical intrusion onto the property of another, usually as the result of mistake.

Encumber—To place a lien or other encumbrance against the title to a property.

Encumbrance—A nonpossessory interest in property; a lien, easement, or restrictive covenant burdening the property owner's title.

Enjoin—To prohibit an act, or command performance of an act, by court order; to issue an injunction.

Environmental Impact Statement (EIS)—A statement evaluating the impact of a development on the surrounding community and the environment.

Equal Credit Opportunity Act—A federal law prohibiting credit providers from discriminating based on race, color, religion, national origin, sex, marital status, age, or because the applicant receives public assistance.

Equal Protection—Under the U.S. Constitution, all citizens are entitled to the equal protection of the laws; no law may arbitrarily discriminate between different groups, or be applied to different groups in a discriminatory manner.

Equitable Redemption Period—The period between the initial complaint and the sale of a foreclosed property, during which time a borrower may redeem the property by paying the amount of the debt plus costs.

Equitable Remedy—A remedy granted to a plaintiff that is something other than an award of money (damages), when money alone cannot adequately correct the problem, such as an injunction or an order of specific performance.

Equity—1. The difference between the value of a piece of property and the liens against it; an owner's unencumbered interest in her property. 2. In law, a judge's power to soften or set aside strict legal rules, to bring about a fair and just result in a particular case.

Equity Skimming—An illegal scheme in which homeowners are defrauded out of equity in their homes.

Erosion—Gradual loss of soil due to the action of water or wind.

Escheat—The reversion of property to the state when a person dies without leaving a will and no heirs entitled to the property can be located.

Escrow—An arrangement in which something of value (such as money or a deed) is held by a disinterested third party, called an escrow agent, until certain conditions specified in the escrow instructions have been fulfilled.

Escrow Agent—1. A neutral third party who holds money and documents in trust and carries out the closing process. 2. A company (not a natural person) that is licensed to engage in the escrow business.

Escrow Instructions—A written document that tells the escrow agent how to proceed and states the conditions each party must fulfill before the transaction can close.

Escrow Officer—A person licensed to work for an escrow agent.

Estate—1. A possessory interest in real property; either a freehold or a leasehold. 2. The property left by someone who has died.

Estate at Will—A leasehold estate for an indefinite period of time, which can be terminated at any time by either landlord or tenant without notice. Also called a tenancy at will.

Estate for Life—*See:* Life Estate.

Estate for Years—A leasehold estate set to last for a definite period of time (one week, six months, three years, etc.), after which it terminates automatically.

Estate, Fee Simple—*See:* Fee Simple.

Estate in Remainder—*See:* Remainder.

Estate in Reversion—*See:* Reversion.

Estate of Inheritance—An estate that can be inherited by the owner's heirs, such as a fee simple estate.

Estoppel—A legal doctrine that prevents a person from asserting rights or facts that are inconsistent with his earlier actions or statements.

Eviction—Dispossession, expulsion, or ejection of a person from real property.

Eviction, Actual—Physically forcing someone off of property (or preventing them from re-entering), or using the legal process to make someone leave.

Eviction, Constructive—When a landlord's act (or failure to act) interferes with the tenant's quiet enjoyment of the property, or makes the property unfit for its intended use, to such an extent that the tenant is forced to move out.

Eviction, Retaliatory—When a landlord evicts a tenant in retaliation for requesting repairs, filing a complaint against the landlord, or organizing or participating in a tenants' rights group.

Eviction, Self-Help—When a landlord uses physical force, a lock-out, or a utility shut-off to get rid of a tenant, instead of using the legal process. (This is generally illegal.)

Excise Tax—*See:* Tax, Excise.

Exclusive Right to Sell—*See:* Listing, Exclusive Right to Sell.

Execute—1. To perform or complete. 2. To sign a document and take any other formal steps that may be necessary for its validity (such as acknowledgment).

Execution—A legal process in which the court orders the sheriff or another official to seize and sell the property of a debtor to satisfy a judgment lien or other lien.

Executor—A person named in a will to carry out the provisions of the will.

Exemption—A provision holding that a law or regulation does not apply to a particular person or group. For example, a person entitled to a property tax exemption is not required to pay property taxes. An exemption can be full or partial.

Express—Stated in words, spoken or written (rather than merely implied by actions). *Compare:* Implied.

Extender Clause—A clause in a listing agreement providing that the listing agent will still receive the commission if the property is sold during a specified period of time after the listing expires to someone who was a prospect during the listing term. Also called a carryover clause or safety clause.

Failure of Purpose—An excuse for rescinding a contract; if the contract cannot achieve its intended purpose, the parties are released from their obligations.

Fair Labor Standards Act—A federal law, administered by the U.S. Department of Labor, that sets forth rules for minimum wage, overtime, recordkeeping, and child labor for many full- and part-time employees.

Family and Medical Leave Act—A federal law that entitles eligible employees to take up to 12 weeks of unpaid, job-protected leave in a 12-month period for specified family and medical reasons.

Federal Employment Tax Act—A federal law that is used to fund state workforce agencies, subsidize extended unemployment benefits when necessary, and provide loans to states who need help providing benefits.

Federal Question—A legal question involving the U.S. Constitution, a treaty, or a federal statute. Federal question cases may be heard in federal court.

Federal Trade Commission (FTC)—A federal agency responsible for investigating and eliminating unfair and deceptive business practices. It is also the agency charged with enforcing the Truth in Lending Law.

Fee—*See:* Fee Simple.

Fee Simple—The greatest estate one can have in real property; of indefinite duration; with no conditions on the title; freely transferable or inheritable. Also known as a fee or a fee simple absolute.

Fee Simple Defeasible—A fee estate in real property that is subject to being defeated or undone if a certain event occurs or a certain condition is not met.

Fee Simple Determinable—A defeasible fee that is terminated automatically if certain events occur.

Fee Simple Subject to Condition Subsequent—A defeasible fee that may be terminated by the grantor after breach of a condition specified in the grant. The grantor has a power of termination.

Fiduciary Relationship—A relationship of trust and confidence, in which one party owes the other (or both parties owe each other) loyalty and a higher standard of good faith than they owe to third parties. For example, an agent is a fiduciary in relation to the principal; husband and wife are fiduciaries in relation to one another.

Financing Statement—A brief document that, when recorded, gives notice of a creditor's security interest in an item of personal property.

Finder's Fee—A referral fee paid to someone for directing a buyer or seller to a real estate agent.

FIRPTA— *See:* Foreign Investment in Real Property Tax Act.

First Lien Position—The position held by a mortgage or deed of trust that has higher lien priority than any other mortgage or deed of trust against the property.

First Refusal, Right of—*See:* Right of First Refusal.

Fiscal Year—Any 12-month period used as a business year for accounting, tax, and other financial purposes, as opposed to the calendar year.

Fixed Term—A period of time which has a definite beginning date and ending date.

Fixture—An item that was personal property, but which has become affixed to or associated with real property in such a way that it has legally become part of the real property.

Fixture, Trade—Article of personal property annexed to real property by a tenant for use in her trade or business, which the tenant is allowed to remove at the end of the lease.

Foreclosure—When a lienholder causes property to be sold, so that the unpaid lien can be satisfied from the sale proceeds.

Foreclosure, Judicial—A lawsuit filed by a mortgagee or deed of trust beneficiary to foreclose on the security property when the borrower has defaulted.

Foreclosure, Nonjudicial—Foreclosure by a trustee under the power of sale clause in a deed of trust.

Foreign Corporation—*See:* Corporation, Foreign.

Foreign Investment in Real Property Tax Act (FIRPTA)—A federal law that requires a percentage of the amount realized on a real estate sale to be withheld and submitted to the IRS if the seller is a foreign person (not a U.S. citizen or resident alien).

Forfeiture—Loss of a right or something else of value as a result of failure to perform an obligation or condition.

Fraud—An intentional or negligent misrepresentation or concealment of a material fact, which is relied upon by another, who is induced to enter a transaction and harmed as a result.

Fraud, Actual—Intentional deceit or misrepresentation.

- Fraud, Constructive**—Negligent misrepresentation, or a breach of duty that misleads the person to whom the duty was owed, without an intention to deceive.
- Free and Clear**—Title to real property that is completely free of encumbrances such as mortgages, liens, and so forth.
- Freehold**—An ownership estate in real property; either a fee simple or a life estate. The holder of a freehold estate has title, whereas the holder of a less-than-freehold estate (leasehold estate) is merely a tenant, having a temporary right to possession, but no title.
- Future Estate**—An interest in property that will or may become possessory at some point in the future, such as an estate in remainder or an estate in reversion.
- Garnishment**—A legal process by which a creditor may gain access to a debtor's personal property or funds that are in the hands of a third party. Items that may be garnished include wages, debts owed, security interests, and goods or personal effects concealed in the possession of third parties.
- General Agent**—*See:* Agent, General.
- General Lien**—*See:* Lien, General.
- General Warranty Deed**—*See:* Deed, General Warranty.
- Goodwill**—An intangible asset of a business resulting from a good reputation with the public, serving as an indication of future return business.
- Government Lot**—In the government survey system, a parcel of land that is not a regular section (one mile square), because of the convergence of range lines, or because of a body of water or some other obstacle; assigned a government lot number.
- Government Survey System**—A system of land description in which the land is divided into squares called townships, each approximately six miles square (containing 36 square miles), which are divided into 36 sections, each approximately one mile square and containing approximately 640 acres. Also called the rectangular survey system or section, township, and range system.
- Grant**—To transfer or convey an interest in real property by means of a written instrument.
- Grantee**—One who receives a grant of real property.
- Granting Clause**—Words in a deed that indicate an intent to transfer an interest in land.
- Grantor**—One who grants an interest in real property to another.
- Grantee**—One who is granted an interest in real property.

Growth Management Act—A Washington state law aimed at limiting sprawl and concentrating growth in existing urban areas.

Guardian—A person appointed by a court to administer the affairs of a minor or a mentally incompetent person.

Guide Meridian—*See:* Meridian, Guide.

Habitability—*See:* Implied Warranty of Habitability.

Heir—Someone entitled to inherit another's property under the laws of intestate succession.

Highest and Best Use—The use that is most likely to produce the greatest net return from the property over a given period of time.

Historic Preservation—The protection of historic buildings from destruction or unauthorized modifications.

Holder in Due Course—A person who obtains a negotiable instrument for value, in good faith, and without notice of any defenses against it.

Holdover Tenant—A tenant who fails to surrender possession of the premises at the end of the tenancy.

Home Mortgage Disclosure Act—A federal law requiring institutional lenders to make annual disclosures of all mortgage loans made, as a means of enforcing prohibitions against redlining.

Homeowners Association—A nonprofit association made up of homeowners in a subdivision, responsible for enforcing the CC&Rs and managing other community affairs.

Homestead—An owner-occupied dwelling, together with any appurtenant outbuildings and land.

Housing Codes—Local regulations setting minimum standards for aspects of housing that affect health and safety.

Implied—Not expressed in words, but understood from actions or circumstances. *Compare:* Express.

Implied Warranty of Habitability—A warranty implied by law in every residential lease, that the property is fit for habitation.

Implied Warranties of Quality—Under the Condominium Act, certain guarantees that automatically apply to the sale of a unit by the declarant.

Improvements—Man-made additions to real property.

Imputed Knowledge—A legal doctrine stating that a principal is considered to have notice of information that the agent has, even if the agent never passed that information on to the principal.

Incompetent—1. Not legally qualified to enter into contracts, as in the case of a minor or a mentally ill person. 2. Not of sound mind.

- Independent Contractor**—A person who contracts to do certain work for another person, agreeing to achieve a certain result but retaining control over how she will carry out the task, rather than submitting to the control of the other person. Real estate agents are usually independent contractors. *Compare:* Employee.
- Indexing**—A means of cataloging deeds and other documents in the recording office; deeds are indexed according to grantor and grantee, and sometimes according to the location of the land.
- Industrial Insurance**—See: Workers' Compensation
- Ingress**—A means of entering a piece of property, such as a driveway. The opposite of egress.
- In-House Transaction**—A sale in which the buyer and the seller are brought together by licensees working for the same brokerage.
- Injunction**—A court order prohibiting someone from performing an act or commanding performance of an act.
- Instrument**—A legal document, usually one that transfers title (such as a deed), creates a lien (such as a mortgage), or establishes a right to payment (such as a promissory note or contract).
- Insurance, Hazard**—Insurance against losses on property caused by fire, flood, theft, or other disaster. Also called casualty insurance.
- Insurance, Homeowner's**—Casualty insurance that covers the homeowner's personal property as well as the real property.
- Insurance, Title**—Insurance that protects against losses resulting from undiscovered title defects. An owner's policy protects the buyer, while a mortgagee's policy protects the lien position of the buyer's lender.
- Insurance, Title, Extended Coverage**—A policy of title insurance that covers problems which should be discovered in an inspection of the property, such as adverse possession or encroachments.
- Insurance, Title, Homeowner's Coverage**—Title insurance that covers most of the title problems that an extended coverage policy covers, as well as some additional items, such as violations of restrictive covenants.
- Insurance, Title, Standard Coverage**—Title insurance that protects against latent title defects (such as forged deeds) and undiscovered recorded encumbrances, but does not protect against problems that would only be discovered by an inspection of the property, such as adverse possessors or unrecorded easements.
- Integration Clause**—A clause in a contract which states that the document is the entire agreement between the parties.

Interest—1. A charge a borrower pays to a lender for the use of the lender's money.
2. A right or share in something (such as a piece of real estate).

Interest, Future—An interest in property that will or may become possessory at some point in the future, such as an estate in remainder or an estate in reversion.

Interest, Undivided—A co-owner's interest, giving him the right to shared possession of the whole property, rather than exclusive possession of a particular section of it.

Interference with Contractual Relations—A tort that occurs when someone wrongfully interferes with a contract she is not a party to, causing a financial loss for one of the contracting parties.

Interpleader—A court action filed by someone who is holding funds that two or more people are claiming. The holder turns the funds over to the court; the court resolves the dispute and delivers the money to the party who is entitled to it.

Interrogatories—A discovery tool similar to a deposition but conducted in writing instead of in person. One party sends a series of questions to the other and the other party must send back answers.

Interval Ownership—A form of time-share ownership in which buyers are granted an estate for years for a specific time period.

Intestate—Without a valid will.

Intestate Succession—Distribution of the property of a person who died intestate to his heirs.

Inverse Condemnation Action—A court action by a private landowner against the government, seeking compensation for damage to property caused by government action.

Inverted Pyramid—A way of visualizing ownership of real property; in theory, a property owner owns all the earth, water, and air enclosed by an inverted pyramid with its tip at the center of the earth and its base corresponding to the boundaries of the property and then continuing into the airspace.

Investment Property—Unimproved property that produces no income, but is held in the expectation that it will appreciate in value.

Involuntary Lien—*See:* Lien, Involuntary.

Joint and Several Liability—*See:* Liability, Joint and Several.

Joint Tenancy—*See:* Tenancy, Joint.

Joint Venture—Two or more individuals joining together for one specific project as partners. A joint venture is of limited duration; if the members of the venture undertake another project together, the association may become a partnership.

Judgment—1. A court's binding determination of the rights and duties of the parties to a lawsuit. 2. A court order requiring one party to pay damages to the other.

Judgment, Default—A court judgment in favor of the plaintiff due to the defendant's failure to answer the complaint or appear at a hearing.

Judgment, Deficiency—A personal judgment entered against a borrower in favor of the lender if the proceeds from a foreclosure sale of the security property are not enough to pay off the debt.

Judgment Creditor—A person to whom money is owed by virtue of a judgment in a lawsuit.

Judgment Debtor—A person who owes money by virtue of a judgment in a lawsuit.

Judgment Lien—*See:* Lien, Judgment.

Judicial Foreclosure—*See:* Foreclosure, Judicial.

Jurisdiction, Personal—A trial court's authority to order a particular defendant into the court and pass judgment on him.

Jurisdiction, Subject Matter—A trial court's authority to hear the kind of case being brought.

Just Compensation—The compensation that the Constitution requires the government to pay a property owner when the property is taken under the power of eminent domain.

Kickback—Under RESPA, a referral fee that one settlement service provider pays to another settlement service provider, in violation of the law.

Land—In a legal sense, the solid part of the surface of the earth (as distinguished from water), everything affixed to it, by nature or by human beings, or anything on it or in it, such as minerals and water.

Landlocked—A parcel of land without access to any type of road or highway. The owner of landlocked land may be able to obtain an easement by necessity from the court.

Landlord—A landowner who has leased her property. Also called a lessor.

Landmark—A monument, natural or artificial, set up on the boundary line of two adjacent estates in order to mark the boundary.

Latent Defects—Defects in property that are not visible or apparent.

Lateral Support—*See:* Support, Lateral.

Lawful Purpose—An objective of a contract that is not against the law.

Lease—A contract in which a landlord (lessor) grants a tenant (lessee) the possession of real estate in exchange for rent.

Lease, Fixed—A lease in which the tenant pays the landlord a fixed sum as rent each month, and the landlord pays all of the property's operating expenses. Also called a flat lease, gross lease, or straight lease.

Lease, Graduated—A lease in which the rent is increased at agreed intervals during the term of the lease.

Lease, Gross—*See:* Lease, Fixed.

Lease, Ground—A lease of the land only, usually for a long term, and sometimes secured by improvements placed on the land by the tenant.

Lease, Net—A lease requiring the tenant to pay some or all of the property's operating expenses (such as taxes, utilities, and insurance), in addition to the rent paid to the landlord.

Lease, Percentage—A lease in which the rent includes a percentage of the tenant's monthly or annual gross sales.

Leasehold Estate—The possessory interest that a tenant has in the leased property during the term of the lease.

Legal Description—A method of describing a parcel of real estate that is recognized by law, including the lot and block (recorded plat) method, the government survey method (also called the township and range or rectangular survey method), or the metes and bounds method.

Legal Person—*See:* Artificial Person.

Legatee—A recipient of personal property under a will.

Lessee—One who possesses or occupies property owned by another under the terms of a lease. Also called a tenant.

Lessor—One who has leased property to another. Also called a landlord.

Liability, Joint and Several—A form of liability in which several persons are responsible for a debt both individually and as a group. Any one of the individuals can be required to pay the entire debt if the others fail to pay their shares.

Liability, Vicarious—A legal doctrine stating that a principal can be held liable for harm to third parties resulting from an agent's actions.

Liable—Legally responsible.

License—1. Official permission to perform certain acts that the law does not allow everyone to do. 2. Revocable, non-assignable permission to enter land owned by someone else for a particular purpose. *Compare:* Easement.

License, Inactive—Any real estate license that has been turned over to the Director temporarily. The holder of an inactive license is not permitted to engage in activities requiring a license.

Lien—A nonpossessory interest in property, giving the lienholder the right to foreclose if the owner does not pay a debt owed to the lienholder; a financial encumbrance on the owner's title.

Lien, Attachment—A lien on property intended to prevent transfer of the property pending the outcome of litigation.

- Lien, Construction**—A specific lien claimed by someone who performed work on the property (construction, repairs, or improvements) and has not been paid. Also called a mechanic's lien.
- Lien, Equitable**—A lien arising as a matter of fairness, rather than by agreement or by operation of law.
- Lien, General**—A lien against all of the property of a debtor.
- Lien, Involuntary**—A lien that arises by operation of law, without consent of the property owner.
- Lien, Judgment**—A general lien against all of the property of a judgment debtor, making it possible for the judgment creditor to have the property sold to satisfy the debt.
- Lien, Materialman's**—Similar to a construction lien, but it refers specifically to sums owed suppliers, as opposed to laborers, for materials provided in connection with a construction project.
- Lien, Mechanic's**—*See:* Lien, Construction.
- Lien, Property Tax**—A specific lien on property to secure payment of the property taxes.
- Lien, Specific**—A lien that attaches only to a particular piece of property, as opposed to a general lien, which attaches to all of the debtor's property.
- Lien, Statutory**—A lien created by operation of law, rather than by contract, such as a tax lien.
- Lien, Tax**—A lien on property to secure the payment of taxes.
- Lien, Voluntary**—A lien placed against property with the consent of the owner.
- Lienholder, Junior**—A secured creditor whose lien has lower priority than another lien against the same property.
- Lien Priority**—The order in which liens are paid off out of proceeds of the foreclosure sale.
- Life Estate**—A freehold estate that lasts only as long as a specified person lives. That person is referred to as the measuring life.
- Life Tenant**—Someone who owns a life estate; the person entitled to possession of the property during the measuring life.
- Limited Liability Company**—A business entity that combines the management and tax advantages of a partnership with the limited liability of a corporation.
- Limited Partnership**—A partnership in which the liability of some of the partners (the limited partners) is limited to the amount they invested.
- Liquidated Damages**—*See:* Damages, Liquidated.
- Lis Pendens**—A recorded notice stating that there is a lawsuit pending that may affect title to the defendant's real estate.

Listing—A written contract between a principal and an agent stipulating that the agent will be paid a commission for finding or attempting to find a ready, willing, and able buyer to purchase the seller's property on terms acceptable to the seller. Also called a listing agreement.

Listing, Exclusive—Either an exclusive agency listing or an exclusive right to sell listing.

Listing, Exclusive Agency—A listing agreement that entitles the listing agent to a commission if anyone other than the seller finds a buyer for the property during the listing term.

Listing, Exclusive Right to Sell—A listing agreement that entitles the listing agent to a commission if anyone—including the seller—finds a buyer for the property during the listing term.

Listing, Open—A nonexclusive listing, given by an owner to as many different brokerages as he chooses. If the property is sold, a brokerage is only entitled to a commission if it is the procuring cause of the sale.

Litigants—The parties to a lawsuit; the plaintiff(s) and defendant(s).

Living Trust—A type of trust that allows distribution of someone's property after her death without probate.

Lot—A parcel of land in a subdivision.

Lot and Block Description—A type of legal description; a piece of land is described by reference to a lot and block appearing on the subdivision plat map recorded by the county auditor or county recorder. Sometimes called a maps and plats description.

Mailbox Rule—A common law rule under which an acceptance communicated by mail is effective when the message has been sent (put into the mailbox), even though the offeror won't receive it right away.

Majority, Age of—Age at which a person becomes legally competent to enter into contracts and transactions; usually 18 years old.

Marketable Title—*See:* Title, Marketable

Material Breach—*See:* Breach, Material.

Material Fact—Information that has a substantial negative impact on the value of the property, on a party's ability to perform, or on the purpose of the transaction.

Measuring Life—*See:* Life Estate.

Meeting of the Minds—*See:* Mutual Consent.

Merger—Uniting two or more separate properties by transferring ownership of all of them to one person.

Meridian—An imaginary line running north and south, passing through the earth's poles. Also called a longitude line.

Meridian, Guide—In the government survey system, one of the north-south lines, spaced 24 miles apart.

Meridian, Principal—In the government survey system, the main north-south line in a particular grid, used as the starting point in numbering the ranges.

Metes—Measurements.

Metes and Bounds Description—A method of legal description that starts at an easily identifiable point of beginning, then describes the property's boundaries in terms of courses (compass directions) and distances, ultimately returning to the point of beginning.

Mineral Rights—Rights to the minerals located beneath the surface of a piece of property.

Minor—A person who has not reached the age at which the law recognizes a general contractual capacity (usually 18 years old).

Misrepresentation—An incorrect or false statement. *See:* Fraud.

Mitigation—When the nonbreaching party takes action to minimize the losses resulting from a breach of contract.

MLS—Multiple Listing Service.

Model Toxics Control Act (MTCA)—A Washington state law analogous to CERCLA that imposes joint and several liability for hazardous waste cleanup on potentially liable parties.

Monument—A visible marker, natural or artificial, used in a survey or a metes and bounds description to establish the boundaries of a piece of property.

Mortgage—1. An instrument that creates a voluntary lien on real property to secure repayment of a debt. The parties to a mortgage are the mortgagor (borrower) and mortgagee (lender). 2. The term is often used more generally, to refer to either a mortgage or a deed of trust.

Mortgagee—The one who receives a mortgage; the lender.

Mortgagor—A property owner (usually a borrower) who gives a mortgage against the property to another (usually a lender) as security for payment of an obligation.

Mutual Consent—When all parties freely agree to the terms of a contract, without fraud, undue influence, duress, menace, or mistake. Mutual consent is achieved through offer and acceptance. Sometimes called mutuality or “a meeting of the minds.”

Mutuality—*See:* Mutual Consent.

NAR—The National Association of REALTORS®.

National Environmental Policy Act—*See:* NEPA.

Natural Person—A human being, an individual (as distinguished from an artificial person, such as a corporation).

Navigable Waters—A body of water that is capable of being used practically for the carriage of commerce.

Negligence—Conduct that falls below the standard of care that a reasonable person would exercise under the circumstances; carelessness or recklessness.

Negotiable Instrument—An instrument containing an unconditional promise to pay a certain sum of money, to order or to bearer, on demand or at a particular time. It may be a check, a promissory note, a bond, a draft, or stock.

NEPA—The National Environmental Policy Act; federal legislation requiring the preparation of an environmental impact statement (EIS) before any government action that would have a significant effect on the environment.

Nonconforming Use—A property use that does not conform to current zoning requirements, but is allowed because the property was being used in that way before the present zoning ordinance was enacted.

Nonpossessory Interest—An interest in property that does not include the right to possess and occupy the property; an encumbrance, such as a lien or an easement.

Nonprofit Corporation—*See:* Corporation, Nonprofit.

Notary Public—An official whose primary function is to witness and certify the acknowledgment made by someone signing a legal document.

Note—*See:* Promissory Note.

Notice, Actual—Actual knowledge of a fact, as opposed to knowledge imputed by law.

Notice, Constructive—Knowledge of a fact imputed to a person by law. A person is held to have constructive notice of something when she should have known it, even if she did not actually know it.

Notice of Cessation—A notice recorded by a property owner when construction on the property has ceased, although the project has not been completed; it limits the period during which construction liens can be filed.

Notice of Completion—A recorded notice that announces the completion of a construction project and limits the period in which construction liens may be filed.

Notice of Non-Responsibility—A notice which, if recorded and posted on the property in a timely manner, will protect a property owner from construction liens filed for work that was requested by someone other than the owner (a tenant, for example).

Notice of Sale—A notice sent to a defaulting borrower, to junior lienholders, and to other interested parties, setting the date for a foreclosure sale.

Notice to Quit—A notice given to a tenant by a landlord, demanding that the tenant cure a default (e.g., by paying overdue rent) or else vacate the leased property.

Novation—1. When one party to a contract withdraws and a new party is substituted, relieving the withdrawing party of liability. 2. The substitution of a new obligation for an old one.

Nuisance—Anything that is injurious to health, is indecent or offensive to the senses, or is an obstruction to the free use of property that interferes with an owner's comfortable use and enjoyment of her property.

Occupational Safety and Health Act—A federal law passed to help prevent work-related injuries, illnesses, and deaths. Implemented by the Occupational Safety and Health Administration (OSHA).

Offer—When one person (the offeror) proposes a contract to another (the offeree); if the offeree accepts the offer, a binding contract is formed.

Offer, Tender—An unconditional offer by one of the parties to a contract to perform her part of the agreement; made when the offeror believes the other party is breaching the contract, it establishes the offeror's right to sue if the other party doesn't accept it.

Offeree—One to whom an offer is made.

Offeror—One who makes an offer.

Officer—In a corporation, an executive authorized by the board of directors to manage the business of the corporation.

Off-Site Improvements—Improvements that add to the usefulness of a site but are not located directly on it, such as curbs, street lights, and sidewalks.

Open Listing—*See:* Listing, Open.

Option—A contract giving one party the right to do something, without obligating her to do it.

Optionee—The person to whom an option is given.

Optionor—The person who gives an option.

Option to Purchase—An option giving the optionee the right to buy property owned by the optionor at an agreed price during a specified period.

Ownership—Title to property, dominion over property; the rights of possession and control.

Ownership, Concurrent—Any form of ownership in which two or more people share title to a piece of property, holding undivided interests; includes joint tenancy, tenancy in common, and community property. Also called a cotenancy.

Ownership in Severalty—Ownership by one person alone.

Panic Selling—*See:* Blockbusting.

Parcel—A lot or piece of real estate, especially a specified part of a larger tract.

Parol Evidence—Evidence concerning negotiations or oral agreements that were not included in a written contract, often altering or contradicting the terms of the written contract.

Partition—The division of property among its co-owners, so that each owns part of it in severalty; this may occur by agreement of all the co-owners (voluntary partition) or by court order (judicial partition). In many cases, the property is sold and the sale proceeds are divided among the former co-owners.

Partner, General—A partner who has the authority to manage and contract for a general or limited partnership, and who is personally liable for the partnership's debts.

Partner, Limited—A partner in a limited partnership who is primarily an investor and does not participate in the management of the business, and who is not personally liable for the partnership's debts.

Partnership—According to the Uniform Partnership Act, “an association of two or more persons to carry on, as co-owners, a business for profit.” The law regards a partnership as a collection of individuals, not as an entity separate from its owners.

Partnership, General—A partnership in which each member has an equal right to manage the business and share in the profits, as well as equal responsibility for the debts of the business.

Partnership, Limited—A partnership made up of one or more general partners and one or more limited partners.

Partnership Property—All property that partners bring into their business at the outset or later acquire for their business.

Patent—The instrument used to convey government land to a private individual.

Patent Defect—A problem that is readily observable in an ordinary inspection of the property (as opposed to a latent defect, which is not readily observable).

Personal Jurisdiction—*See:* Jurisdiction, Personal.

Personal Property—Any property that is not real property; movable property not affixed to land. Also called chattels or personalty.

Personalty—Personal property.

Physical Life—An estimate of the time a building will remain structurally sound and capable of being used.

Plaintiff—The party who starts a civil lawsuit; the one who sues.

Planned Unit Development (PUD)—A development (usually residential) with small, clustered lots, designed to leave more open space than traditional subdivisions have.

Planning Commission—A local government agency responsible for preparing the community's master plan or comprehensive plan for development.

- Plat**—A detailed survey map of a subdivision, recorded in the county where the land is located. Subdivided property is often called platted property.
- Plat Book**—A book containing the subdivision plat maps of all the subdivided property in the county, maintained at the county recorder's office.
- Plottage**—The consolidation of several parcels of land into one, resulting in greater utility and consequently higher value. The additional value that results is called the plottage increment.
- Point of Beginning**—The starting point in a metes and bounds description; a monument or a point described by reference to a monument.
- Police Power**—The constitutional power of state and local governments to enact and enforce laws to protect or promote the public's health, safety, morals, and general welfare.
- Possession**—1. The holding and enjoyment of property. 2. Actual physical occupation of real property.
- Possessory Interest**—An interest in property that includes the right to possess and occupy the property. The term includes all estates (leasehold as well as freehold), but does not include encumbrances.
- Possibility of Reverter**—The possibility that a defeasible fee estate may revert to the grantor (or the grantor's heirs or assigns) if a condition is not met or if a particular event occurs.
- Power of Attorney**—An instrument authorizing one person (the attorney in fact) to act as another's agent, to the extent stated in the instrument.
- Power of Sale Clause**—A clause in a deed of trust that gives the trustee the right to foreclose nonjudicially (sell the debtor's property without a court action) if the borrower defaults.
- Power of Termination**—The right to terminate a fee simple subject to condition subsequent if the estate holder fails to meet required conditions. Also called the right of reentry.
- Precedent**—A published judicial opinion that serves as authority for deciding a similar issue in a later case. A binding precedent is a precedent that a particular court is required to follow.
- Prescription**—A method of acquiring an interest in real property (usually an easement) by using it openly and without the owner's permission for the period of time required by statute (in Washington, ten years). *Compare:* Adverse Possession.
- Principal**—1. One of the parties to a transaction (such as the buyer or seller of a home), as opposed to those who are involved as agents or employees (such as a real estate licensee or escrow agent). 2. One who grants another person (an agent) authority to represent him in dealings with third parties. 3. In regard to a loan, the amount originally borrowed, as opposed to the interest.

Principal Meridian—*See:* Meridian, Principal.

Prior Appropriation—*See:* Appropriation, Prior.

Private Restrictions—*See:* Restrictions, Private.

Privity—The relationship between two people who have simultaneous or successive interests in a contract or a property. For example, in an easement agreement, the dominant and servient tenants are in privity to one another; so are the seller and buyer of a property.

Probate—A judicial proceeding in which the validity of a will is established and the executor is authorized to distribute the estate property; or, when there is no valid will, in which an administrator is appointed to distribute the estate to the heirs.

Probate Court—A court that oversees the distribution of property under a will or by intestate succession.

Procedural Law—A law that establishes the legal procedure for enforcing a substantive right. *Compare:* Substantive Law.

Procuring Cause—The real estate agent who is primarily responsible for bringing about a sale; for example, by negotiating the agreement between the buyer and the seller.

Promisec—Someone who has been promised something; someone who is supposed to receive the benefit of a contractual promise.

Promisor—Someone who has made a contractual promise.

Promissory Estoppel—A doctrine applied when someone has made a technically unenforceable promise to another, and the other person has acted in reasonable reliance on the promise. If the person who relied on the promise will suffer harm unless it is enforced, a court may enforce it. Also called the doctrine of detrimental reliance.

Promissory Note—A written promise to repay a debt.

Property—1. The rights of ownership in a thing, such as the right to use, possess, transfer, or encumber it. 2. Something that is owned.

Property Held for Production of Income—Property that generates rent or other income for the owner, such as an apartment building.

Property Manager—A person hired by a property owner to administer, merchandise, and maintain property, especially rental property.

Property Tax—*See:* Tax, Property.

Property Used in a Trade or Business—Under the federal income tax code, property such as business sites and factories used in a taxpayer's trade or business.

- Proprietary Lease**—A lease of a unit in a cooperative building, held by a tenant who has purchased stock in the cooperative corporation.
- Proprietorship, Individual or Sole**—A business owned and operated by one person.
- Proration**—The process of dividing or allocating something (especially a sum of money or an expense) proportionately, according to time, interest, or benefit.
- Public Accommodation, Place of**—Under the ADA, a nonresidential place or facility that is owned, operated, or leased to a private entity and open to the public, if its operation affects commerce.
- Public Offering Statement**—A special document that the Washington Condominium Act requires a condominium developer to prepare, which discloses certain information to buyers about the unit being offered, the condominium project, and the developer.
- Public Record**—The official collection of legal documents that individuals have filed with the county recorder in order to provide constructive notice to the public of the information contained in them.
- Public Restrictions**—*See:* Restrictions, Public.
- Public Use**—A use that benefits the public. For a condemnation action to be constitutional, it must be for a public use.
- Puffing**—Superlative statements about the quality of a property that should not be considered assertions of fact.
- Punitive Damages**—Damages awarded to a plaintiff in a civil suit as a punishment to the wrongdoer (the defendant) and as a deterrent to others.
- Pur Autre Vie**—For another's life. A life estate based on the life of someone other than the holder of the life estate is called a life estate pur autre vie.
- Purchase and Sale Agreement**—A contract in which a seller promises to convey title to real property to a buyer in exchange for the purchase price. Also called an earnest money agreement, deposit receipt, sales contract, purchase contract, or contract of sale.
- Qualified Acceptance**—*See:* Counteroffer.
- Quiet Enjoyment**—Use and possession of real property without interference from the previous owner, the lessor, or anyone else claiming title.
- Quiet Title Action**—A lawsuit to determine who has title to a piece of property, or to remove a cloud from the title.
- Quitclaim Deed**—*See:* Deed, Quitclaim.
- Range**—In the government survey system of land description, a strip of land six miles wide, running north and south.

Range Lines—In the government survey system of land description, the north-south lines (meridians) located six miles apart.

Ratification—The later confirmation or affirmation of an act that was not authorized when it was performed.

Readily Achievable—Under the ADA, an action that can be easily accomplished without much difficulty or expense in order to make property more accessible to the disabled, such as adjusting counter heights or installing grab bars.

Ready, Willing and Able—A buyer is ready, willing and able if he makes an offer that meets the seller's stated terms and has the contractual capacity and financial resources to complete the transaction.

Real Estate—*See:* Real Property.

Real Estate Brokerage Relationships

Act—A Washington state law that significantly changes traditional agency law in regards to real estate transactions. It governs when and how real estate agency relationships are created and terminated, the duties owed by real estate licensees to the parties in a real estate transaction, and when and how agency disclosures are to be made.

Real Estate Commission—A state commission appointed by the Governor, consisting of the Director of the Department of Licensing and six commissioners; responsible for preparing and conducting the real estate licensing examinations.

Real Estate Contract—1. A contract for the sale of real property in which the buyer (the vendee) pays in installments; the buyer takes possession of the property immediately, but the seller (the vendor) retains legal title until the full price has been paid. Also called a land contract, installment sales contract, or contract for deed. 2. An earnest money agreement. 3. Any contract having to do with real property.

Real Estate Firm—A real estate brokerage business; a business that brings real estate buyers and sellers together and helps them negotiate a contract.

Real Estate Investment Trust (REIT)—A real estate investment business that has a minimum of 100 investors and avoids double taxation if all IRS requirements are met.

Real Estate Security—An arrangement in which someone invests money in an enterprise involving real estate with the expectation of earning profits from the efforts of another party.

Real Estate Settlement Procedures Act—*See:* RESPA.

Real Property—Land and everything attached or appurtenant to the land. Also called realty or real estate. *Compare:* Personal Property.

Realtor—A real estate agent who is an active member of a state or local real estate board that is affiliated with the National Association of REALTORS®.

Realty—*See*: Real Property.

Reasonable Use Doctrine—A limitation of riparian water rights, holding that there is no right to waste water.

Recording—Filing a document at the county auditor's or county recorder's office so that it will be placed in the public record, providing constructive notice to the public of the contents of the document.

Rectangular Survey—*See*: Government Survey System.

Redemption—1. When a defaulting borrower prevents foreclosure by paying the full amount of the debt, plus costs. 2. When a mortgagor regains the property after foreclosure by paying whatever the foreclosure sale purchaser paid for it, plus interest and expenses.

Redlining—When a lender refuses to make loans secured by properties in a certain neighborhood because of the racial or ethnic composition of the neighborhood.

Reformation—A legal action to correct a mistake, such as a typographical error, in a deed or other document. The instrument used is known as a reformation deed or correction deed.

Relation Back—A legal doctrine holding that, under certain circumstances, title acquired by deed relates back to the point at which the deed was delivered to the escrow agent.

Release—1. To give up a legal right. 2. A document in which a legal right is given up.

Reliction—When a body of water gradually recedes, exposing land that was previously under water. Also called dereliction.

Remainder—A future interest that becomes possessory when a life estate terminates, and that is held by someone other than the grantor of the life estate (as opposed to an estate in reversion, which is a future interest held by the grantor or the grantor's successors in interest).

Remainderman—The person who has an estate in remainder.

Remand—To send back. When an appellate court remands a case, it is sent back to the lower court for additional proceedings or a new trial.

Remise—To give up; a term used in quitclaim deeds.

Rent—Compensation paid by a tenant to the landlord in exchange for the use and possession of the leased property.

Rent Control—Governmental restrictions on the amount of rent a landlord can charge.

Renunciation—When someone who has been granted something or has accepted something later gives it up or rejects it; as when an agent withdraws from the agency relationship. *Compare*: Revocation.

Resale Certificate—A written document prepared by an owners' association when a condominium unit is resold, providing prospective buyers with information about assessments on the unit being sold, other units, and the association's finances.

Rescission—When a contract is terminated and each party gives anything acquired under the contract back to the other party, restoring the parties, as nearly as possible, to the positions they were in before entering into the contract.

Reservation—A right retained by a grantor when conveying property; for example, mineral rights, an easement, or a life estate can be reserved in the deed.

Resident Manager—A salaried manager of an apartment building or complex, who resides on the property.

Residential Landlord-Tenant Act (RLTA)—A Washington law that sets forth the rights and duties of residential landlords and tenants.

Res Judicata—The legal doctrine holding that once a lawsuit between two parties has been tried and a final judgment has been issued, neither one can sue the other over the same dispute again.

RESPA—The Real Estate Settlement Procedures Act, a federal law that requires residential lenders to provide disclosures concerning closing costs to borrowers, and that also prohibits kickbacks between settlement service providers.

Restitution—Restoring something to a person that he was unjustly deprived of.

Restrictions—Limitations on the use of real property. Restrictions may be private (such as restrictive covenants) or public (such as zoning ordinances).

Restrictions, Private—Restrictions on the use of land that have been imposed by private parties in deeds or contracts (as opposed to public restrictions, which are imposed by law).

Restrictions, Public—Law or governmental regulations limiting or restricting the use of real property.

Restrictive Covenant—*See:* Covenant, Restrictive.

Retainer—A fee paid up front to a licensee when entering into a real estate agency (usually a buyer agency) relationship.

Reverse Discrimination—A charge that may be alleged when a person who is objectively less qualified is given a job over an objectively more qualified but non-minority applicant.

Reversion—A future estate that becomes possessory when a life estate terminates, and that is held by the grantor (or his successors in interest). *Compare:* Remainder.

Revocation—When someone who granted or offered something withdraws the grant or offer; as when a principal withdraws the authority granted to the agent. *Compare:* Renunciation.

- Rezone**—A revision of a zoning ordinance, usually changing the types of uses that are allowed in a particular area. Also called a zoning amendment.
- Right of First Refusal**—A right that gives the holder the first opportunity to purchase or lease a particular piece of property, should the owner decide to sell or lease it.
- Right of Survivorship**—A characteristic of joint tenancy; surviving co-tenants acquire a deceased joint tenant's interest in the property.
- Right of Way**—An easement that gives the holder the right to cross another person's land.
- Right to Use**—*See:* Vacation License.
- Riparian Rights**—The water rights of a landowner whose property is adjacent to or crossed by a body of water. *Compare:* Appropriation, Prior.
- Rule of Capture**—*See:* Capture, Rule of.
- Running with the Land**—Binding or benefiting the successive owners of a piece of property, rather than terminating when a particular owner transfers her interest. Usually used in reference to an easement appurtenant or a restrictive covenant.
- Safety Clause**—*See:* Extender Clause.
- Sandwich Test**—A test to determine whether a property owner or agent is discriminating against potential buyers or tenants.
- Secret Profit**—A financial benefit that an agent takes from a transaction without informing the principal.
- Section**—In the government survey system of land description, a section is one mile square and contains 640 acres. There are 36 sections in a township.
- Security**—A real estate security is an arrangement in which people invest money in an enterprise involving real estate, with the expectation of earning profits from the efforts of a promoter or some other third party.
- Security Agreement**—Under the Uniform Commercial Code, a document that creates a lien on personal property being used to secure a loan.
- Security Deposit**—Money a tenant gives a landlord at the beginning of the tenancy to protect the landlord in case the tenant defaults; the landlord may retain all or part of the deposit to cover unpaid rent or repair costs at the end of the tenancy. Also called a damage deposit.
- Security Instrument**—A document that creates a voluntary lien on real property to secure repayment of a loan; either a deed of trust or a mortgage.
- Security Interest**—The interest a creditor may acquire in the debtor's property to ensure that the debt will be paid; if the debt is not paid as agreed, the creditor may foreclose (force the sale of the property) and collect the amount owed from the sale proceeds.

Security Property—The collateral for a mortgage loan; real estate owned by the borrower and encumbered by a voluntary lien, so that the lender can foreclose if the borrower defaults on the loan.

Seisin—The possession of a freehold estate; ownership.

Seller Disclosure Statement—A statement containing information about the property that a seller of residential property is required to give to the buyer. Formerly called a transfer disclosure statement.

Selling Agent—The real estate agent responsible for procuring a buyer for real estate; may represent either the seller or the buyer.

SEPA—The State Environmental Policy Act; a Washington state law analogous to NEPA that requires environmental impact statements before government actions that would have a significant effect on the environment.

Separate Property—Property owned by a married person that is not community property; includes property acquired before marriage, or by gift, devise, or inheritance after marriage.

Setback Requirements—Provisions in a zoning ordinance that do not allow structures to be built within a certain distance of the property line.

Settlement—*See:* Closing.

Settlement Service Provider—Under RESPA, any of the professionals involved in closing a residential transaction, including the mortgage lender and the real estate agent(s), as well as the title company, the escrow agent, the home inspector, and so on.

Severalty—*See:* Ownership in Severalty.

Severance—1. Termination of a joint tenancy. 2. The permanent removal of a natural attachment, fixture, or appurtenance from real property, which transforms the item into personal property.

Sexual Harassment—Any sort of unwelcome sexual advance or other sexual speech or conduct that makes the workplace intimidating or hostile.

Shareholder—An individual who purchases shares of stock in a corporation as an investment and has limited liability in regard to the corporation's debts. Also called a stockholder.

Sheriff's Deed—*See:* Deed, Sheriff's.

Sheriff's Sale—A foreclosure sale held pursuant to a court order in a judicial foreclosure. Also called an execution sale.

Sherman Antitrust Act—The main federal antitrust law.

Shoreline Management Act—A Washington law enacted to protect shorelines by regulating development within 200 feet of the high water mark.

Short Platting—Subdivision of a parcel of land into four or fewer lots.

Special Assessment—A tax levied only against the properties that have benefited from a public improvement (such as a sewer or street light), to cover the cost of the improvement; creates a special assessment lien.

Special Exception Permit—*See:* Conditional Use Permit.

Special Warranty Deed—*See:* Deed, Special Warranty.

Specific Lien—*See:* Lien, Specific.

Specific Performance—A legal remedy for breach of contract in which a court orders the breaching party to actually perform the contract as agreed, rather than simply paying monetary damages.

Spot Zoning—*See:* Zoning, Spot.

Stare Decisis—The legal doctrine holding that in resolving a lawsuit, a court should try to follow precedents decided in the same jurisdiction, to make the law evenhanded and predictable.

State Action—An act of the government or a government official; only state action can violate a person's constitutional rights.

State Environmental Policy Act—*See:* SEPA.

Statute—A law enacted by a state legislature or the U.S. Congress.

Statute of Frauds—A law that requires certain types of contracts to be in writing and signed by the party to be bound in order to be enforceable.

Statute of Limitations—A law requiring a particular type of lawsuit to be filed within a specified time after the event giving rise to the suit occurred.

Statutory Nonemployee—A worker who is assumed to be an independent contractor for income tax purposes. She must meet two tests set out by the IRS: wages must be substantially commission-based, and there must be a written contract that provides that she will not be treated as an employee for federal income tax purposes.

Steering—Channeling prospective buyers or tenants to particular neighborhoods based on their race, religion, national origin, or ancestry.

Stockholder—*See:* Shareholder.

Subagent—A person that an agent has delegated authority to, so that the subagent can assist in carrying out the principal's orders; sometimes described as the agent of an agent.

Subcontractor—A contractor who, at the request of the general contractor, performs a specific job, such as plumbing or drywalling, in connection with the overall construction project.

Subdivision—1. A piece of land divided into two or more parcels. 2. The process of dividing land into two or more parcels.

Subdivision Plat—*See*: Plat.

Subdivision Regulations—Local laws and regulations that must be complied with before land can be subdivided.

Subjacent Support—*See*: Support, Subjacent.

Subject Matter Jurisdiction—*See*: Jurisdiction, Subject Matter.

Subject To—When a purchaser takes property subject to a deed of trust or mortgage, she is not personally liable for paying off the loan; in case of default, however, the property can still be foreclosed on. *Compare*: Assumption.

Sublease—When a tenant grants another person (a subtenant) the right to share possession of the leased property, or the right to take complete possession for only part of the remainder of the lease term; as opposed to an assignment, in which the tenant gives up possession for the entire remainder of the lease term.

Subpoena—A document ordering a person to appear at a deposition or court proceeding to testify or to produce documentary or physical evidence.

Substantial Performance—Performance that is sufficient to discharge a party to a contract from further obligation under the contract, even though there has not been full performance.

Substantive Law—A law that establishes and defines rights and duties. *Compare*: Procedural Law.

Succession—Acquiring property through descent, by will or inheritance.

Successor in Interest—A person who has acquired property previously held by someone else; for example, a buyer or an heir.

Summons—A notice telling the defendant in a lawsuit that a complaint has been filed.

Support, Lateral—The right to have the soil of a piece of property supported by the land adjoining it. An owner is protected by law from excavation on neighboring property that would deny this support.

Support, Subjacent—The support that the surface of land receives from the subsurface soil.

Support Rights—The right to the support of land that is provided by adjacent (lateral) or underlying (subjacent) land.

Surrender—Yielding or giving up an estate (such as a life estate or a leasehold) before it has expired.

Survey—The process of precisely measuring the boundaries and determining the area of a parcel of land.

Survivorship, Right of—A characteristic of a joint tenancy; the surviving joint tenants automatically acquire a deceased joint tenant's interest in the property.

- Syndicate**—An association formed to operate an investment business. A syndicate is not a recognized legal entity; it can be a corporation, real estate investment trust, or partnership.
- Tacking**—When successive periods of use or possession by more than one person are added together to make up the period required for prescription or adverse possession.
- Taking**—When the government acquires private property for public use by condemnation, it's called "a taking." The term is also used in inverse condemnation lawsuits, when a government action has severely reduced the usefulness of a piece of private property.
- Tax, Ad Valorem**—A tax assessed on the value of property. Also called general real estate tax.
- Tax, Excise**—A tax on the transfer of real property; revenue stamps or some other evidence of payment of the tax may have to be attached to a deed before it can be recorded. Also called a documentary transfer tax.
- Tax, General Real Estate**—An annual ad valorem tax levied on real property.
- Tax, Improvement**—*See:* Special Assessment.
- Tax, Property**—1. The general real estate tax. 2. Any ad valorem tax levied on real or personal property.
- Tax Deed**—The deed given to the person who purchases property at a tax sale.
- Tax Foreclosure**—Foreclosure by a government agency to obtain payment of delinquent taxes.
- Tax Lien**—A lien against property to secure payment of taxes, such as the general real estate taxes.
- Tax Sale**—Sale of property after foreclosure of a tax lien.
- Tenancy**—Lawful possession of real property; an estate.
- Tenancy, Joint**—A form of concurrent ownership of property in which the co-owners have unity of time, title, interest, and possession and the right of survivorship. *Compare:* Tenancy in Common.
- Tenancy, Periodic**—A leasehold estate that continues for successive periods of equal length (for example, from week to week or month to month), until terminated by proper notice from either party.
- Tenancy, Term**—*See:* Estate for Years.
- Tenancy at Sufferance**—When a tenant (who entered into possession of the property lawfully) stays on after the lease ends without the landlord's permission.
- Tenancy at Will**—When a tenant is in possession with the owner's permission, but there is no definite lease term; as when a landlord allows a holdover tenant to remain on the premises until another tenant is found.

Tenancy by the Entirety—A form of joint ownership of property by husband and wife recognized in most states that don't use a community property system; not recognized in Washington.

Tenancy in Common—A form of concurrent ownership of real property in which two or more persons each have an undivided interest in the entire property, but no right of survivorship. *Compare:* Tenancy, Joint.

Tenancy in Partnership—The form of concurrent ownership in which general partners own partnership property, whether or not title to the property is in the partnership's name. Each partner has an equal undivided interest, but no right to transfer the interest to someone outside the partnership.

Tenant—Someone in lawful possession of real property; especially, someone who has leased property from the owner.

Tenant, Dominant—A person who has easement rights on another's property; either the owner of a dominant tenement, or someone who has an easement in gross.

Tenant, Holdover—A lessee who remains in possession of the property after the lease term has expired.

Tenant, Life—Someone who has a life estate, with the right to possess the property until the death of the person whose life is the measuring life. (In many cases, the life tenant's own life is the measuring life.)

Tenant, Servient—A property owner whose property is encumbered by an easement.

Tender Offer—*See:* Offer, Tender.

Tenements—Everything of a permanent nature associated with a piece of land that is ordinarily transferred with the land. Tenements are both tangible (buildings, for example) and intangible (air rights, for example).

Tenement, Dominant—Property that receives the benefit of an easement appurtenant.

Tenement, Servient—Property burdened by an easement, so that the owner is required to allow someone else to use the property for a specified purpose.

Term—A prescribed period of time; especially, the length of time a borrower has to pay off a loan, or the duration of a lease.

Testament—A will.

Testate—Refers to someone who has executed a will. *Compare:* Intestate.

Testator—A person who makes a will.

Third Party—1. A person seeking to deal with a principal through an agent. 2. In a transaction, someone who is not one of the principals.

Tier—A row of townships running east-west.

TILA—Truth in Lending Act.

TILA-RESPA Integrated Disclosure

Rule—Federal regulations that require written disclosures concerning loan charges and other closing costs in most residential loan transactions, combining the disclosure requirements of the Truth in Lending Act and the Real Estate Settlement Procedures Act; also called the TRID rule or just TRID.

Time is of the Essence—A clause in a contract that means performance on or by the exact dates specified is an essential element of the contract; failure to meet a deadline is a material breach.

Timeshare—An ownership interest or license that gives the holder a right to possession of the property only for a specific, limited period each year.

Title—Lawful ownership of real property. Also, the deed or other document that is evidence of that ownership.

Title, Abstract of—A brief chronological summary of the recorded documents affecting title to a particular piece of property.

Title, After-Acquired—Title acquired by a grantor after he attempted to convey an interest in property that he did not own.

Title, Chain of—The chain of deeds (and other documents) transferring title to a piece of property from one owner to the next, as disclosed in the public record.

Title, Clear—Title that is free of encumbrances or defects; marketable title.

Title, Color of—*See:* Color of Title.

Title, Equitable—The vendee's interest in property under a real estate contract. Also called an equitable interest. *Compare:* Title, Legal.

Title, Legal—The vendor's interest in property under a real estate contract. *Compare:* Title, Equitable.

Title, Marketable—Title free and clear of objectionable liens, encumbrances, or defects, so that a reasonably prudent person with full knowledge of the facts would not hesitate to purchase the property. Also called merchantable title.

Title Company—A title insurance company.

Title Insurance—*See:* Insurance, Title.

Title Report—A report issued by a title company, disclosing the condition of the title to a specific piece of property. A preliminary title report is one issued early on in a transaction, before the actual title insurance policy is issued.

Title Search—An inspection of the public record to determine all rights and encumbrances affecting title to a piece of property.

Torrens System—A system of land registration used in some states, which allows title to be verified without the necessity of a title search; title to registered land is free of all encumbrances or claims not registered with the Torrens registrar. (Available but almost never used in Washington.)

Tort—A breach of a duty imposed by law (as opposed to a duty voluntarily taken on in a contract) that causes harm to another person, giving the injured person the right to sue the one who breached the duty. Also called a civil wrong (in contrast to a criminal wrong, a crime).

Township—In the government survey system of land description, a parcel of land six miles square, containing 36 sections; the intersection of a range and a township tier.

Township Lines—Lines running east-west, spaced six miles apart, in the government survey system.

Township Tier—In the government survey system, a strip of land running east-west, six miles wide and bounded on the north and south by township lines.

Tract—1. A piece of land of undefined size.
2. In the government survey system of land description, an area made up of 16 townships; 24 miles on each side.

Trade Fixture—*See*: Fixture, Trade.

Transferability—If an object is transferable, then ownership and possession of that object can be conveyed from one person to another.

Trespass—An unlawful physical invasion of property owned by another.

TRID—*See*: TILA-RESPA Integrated Disclosure Rule.

Trust—An arrangement in which title to property (or funds) is vested in one or more trustees, who manage the property on behalf of the trust's beneficiaries, in accordance with instructions set forth in the document establishing the trust.

Trust Account—A bank account, separate from a real estate brokerage's personal and general business accounts, used to segregate trust funds from the brokerage's funds.

Trust Deed—*See* Deed of Trust.

Trustee—1. A person appointed to manage a trust on behalf of the beneficiaries. 2. A neutral third party appointed in a deed of trust to handle the nonjudicial foreclosure process in case of default.

Trustee in Bankruptcy—An individual appointed by the court to handle the assets of a person in bankruptcy.

Trustee's Sale—A nonjudicial foreclosure sale under a deed of trust.

Trust Funds—Money or things of value received by an agent, not belonging to the agent but being held for the benefit of others.

Trustor—The borrower in a deed of trust. Also called the grantor.

Truth in Lending Act (TILA)—A federal law that requires disclosure of certain information to applicants for consumer loans (including residential mortgage loans).

Unauthorized Practice of Law—Offering legal advice or otherwise practicing law without the required license.

Undivided Interest—A co-owner's interest, giving her the right to possession of the whole property, rather than to a particular section of it.

Undue Influence—Exerting excessive pressure on someone so as to overpower the person's free will and prevent her from making a rational or prudent decision; often involves abusing a relationship of trust.

Unearned Fee—Under RESPA, an illegal payment to a settlement service provider in exchange for only a token amount of work; a kickback disguised as a legitimate fee.

Unemployment Compensation—Partial, temporary income paid by the government to workers who have lost their jobs.

Unenforceable—*See:* Contract, Unenforceable.

Uniform Commercial Code—A body of law adopted in slightly varying versions in most states (including Washington), which attempts to standardize commercial law dealing with such matters as negotiable instruments and sales of personal property. Its main applications to real estate law concern security interests in fixtures and bulk transfers.

Unit Owners Association—The organization (made up of unit owners) that handles the operation of the condominium; its managerial duties include making assessments needed for the upkeep of the common areas and arranging for repairs or special improvements. Also known as a condominium association.

Unity of Interest—In reference to concurrent ownership, when each co-owner has an equal interest (equal share of ownership) in the property. A requirement for joint tenancy.

Unity of Possession—When property is owned concurrently by two or more individuals, each co-owner is equally entitled to possession of the entire property, because their interests are undivided. This is a requirement for joint tenancy, but it is also a characteristic of all concurrent ownership.

Unity of Time—In reference to concurrent ownership, when each co-owner acquired title at the same time. A requirement for joint tenancy.

Unity of Title—In reference to concurrent ownership, when each co-owner acquired title through the same instrument (deed, will, or court order). A requirement for joint tenancy.

Unjust Enrichment—An undeserved benefit; a court generally will not allow a remedy (such as forfeiture of a real estate contract) if that remedy would result in the unjust enrichment of one of the parties.

Unlawful Detainer—A summary legal action to regain possession of real property; particularly, a suit filed by a landlord to evict a defaulting tenant.

Urban Growth Area—Under the Growth Management Act, areas in which new development must be concentrated.

Vacation License—A timeshare arrangement in which the developer retains ownership and sells only the right to use the premises for a specific time each year.

Valid—Binding and enforceable in a court of law.

Valuable Consideration—*See:* Consideration.

Valuation—*See:* Appraisal.

Value—The amount of money, goods, or services offered in the marketplace in exchange for a given product; the present worth of future benefits.

Value, Assessed—The value placed on property by the taxing authority (the county assessor, for example) for the purposes of taxation.

Value, Market—The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Also called fair market value, value in exchange, or objective value.

Variance—Permission obtained from proper authorities to use property or build a structure in a way that violates the strict terms of the zoning ordinance.

Vendee—A buyer or purchaser; especially someone buying property under a real estate contract.

Vendor—A seller; especially someone selling property under a real estate contract.

Vested—A person who has a present, fixed right or interest in property has a vested right or interest, even though she may not have the right to possession until sometime in the future. For example, a remainderman's interest in the property vests when it is granted (not when the life estate ends).

Vicarious Liability—*See:* Liability, Vicarious.

Void—Having no legal force or effect.

Voidable—*See:* Contract, Voidable.

Voluntary Lien—*See:* Lien, Voluntary.

Waiver—The voluntary relinquishment or surrender of a right.

Warranty, Implied—In the sale of property, a warranty created by operation of law for the protection of the buyer, whether or not the seller intended to offer it.

Warranty Deed—*See:* Deed, Warranty

- Washington Family Care Act**—A state law that allows employees with paid time off (such as for vacations and sick leave) to use that time to care for a sick family member.
- Washington Human Rights Commission**—The state agency that enforces the Law Against Discrimination.
- Washington Law Against Discrimination**—A state law that is stricter than the Fair Housing Act in its prohibition against discrimination in housing and other transactions on the basis of race, creed, color, national origin, sex, marital status, familial status, disability, or use of a service animal.
- Waste**—The destruction, damage, or material alteration of property by someone in possession of the property who holds less than a fee estate (such as a life tenant or lessee), or by a co-tenant.
- Water Rights**—*See:* Riparian Rights; Appropriative Rights.
- Will**—A person's formal stipulation regarding how his estate will be disposed of after death. Also called a testament.
- Will, Formal**—A will that meets the statutory requirements for a valid will; it must be signed by two witnesses.
- Will, Holographic**—A will written and dated entirely in the testator's handwriting, which may be valid even if it was not witnessed. Not recognized in Washington.
- Will, Nuncupative**—An oral will made on the testator's deathbed; valid only as to bequests of personal property worth under \$1,000.
- Workers' Compensation**—A type of insurance for employees, where premiums are paid by the employer into a state fund, and those premiums are then used to pay for the medical and rehabilitation care of a worker who has been injured on the job.
- Writ of Execution**—A court order directing a public officer (usually the sheriff) to seize and sell property to satisfy a debt.
- Writ of Possession**—A court order that a landlord may request after winning an unlawful detainer action, which directs the sheriff to forcibly remove the tenant and her belongings from the leased property if she refuses to leave voluntarily within five days.
- Zone**—An area of land set off for a particular use or uses in a zoning law.
- Zoning**—Government regulation of the uses of property within specified areas.
- Zoning, Spot**—An illegal rezone that favors (or restricts) a particular property owner (or a small group of owners) without justification.
- Zoning Amendment**—*See:* Rezone.

