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# **IN THIS PRESENTATION WE WOULD BE DISCUSSING**

- 1. OFFER TO PURCHASE CONTRACT**
  - 2. LIVING TRUST**
  - 3. WILLS**
  - 4. AND THE DIFFERENCE BETWEEN CREATING  
A LIVING TRUST AS OPPOSE TO GOING TO  
COURT PROBATE**
-

**YOU KNOW IT IS BETTER TO BUY  
THAN RENT!**

**AND,**

**YOU ARE READY TO BUY  
SOMETHING!**

**WHAT DO YOU DO?**



FIRST:

- ✓ AND YOU GOT YOURSELF PRE-QUALIFIED FOR A LOAN
    - ✓ FROM HERE, YOU KNOW HOW MUCH YOU CAN:
      - ✓ AFFORD TO BUY
-

**NEXT:**

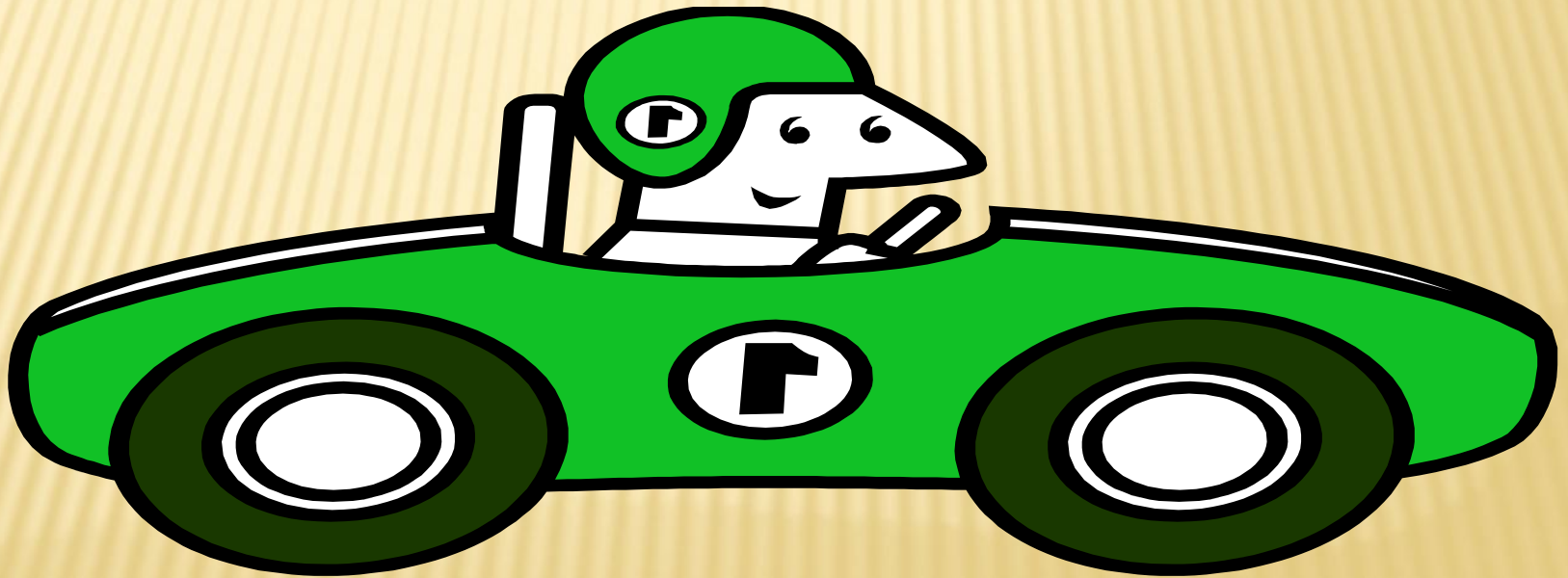
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**1. CALL YOUR FAVORITE  
REAL ESTATE AGENT**

# THEN -

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1. *YOU ARE READY TO GO!!!!!!*





**SO, HE SHOWS YOU HOUSE NO. 1**





**HOUSE NO. 2!**



**SO, YOU FIND A HOUSE YOU LOVE!**



# WHAT NOW?

- ✕ First
- ✕ - THANK YOUR REALTOR!



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**✕ YOU ARE READY  
FOR BUSINESS**



# THE CONTRACT

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**✕ PUT IT IN WRITING!**

ORAL AGREEMENTS

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✗ YOU CAN BUY  
PROPERTY WITHOUT  
A WRITTEN  
CONTRACT

# STATUTE OF FRAUDS! – THE LAW

✖ Provides: That an enforceable agreement for the transfer of land:



# **NO ORAL AGREEMENTS**

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**Must be in writing:**

**Name of Seller**

**Name of Buyer**

**NO ORAL AGREEMENTS**

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**Must describe the  
property you are  
buying**

**No. 40 Sion Hill**

**NO ORAL AGREEMENTS**

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**Must state the price**

**\$155,000.00**



**SIGNATURES NECESSARY**

**MUST BE SIGNED BY THE  
PERSON TO BE CHARGED:**

× Signed \_\_\_\_\_

× **Janet Doe**

- 
- ✖ Over the years, other things are added to the Offer – Based on problems we have seen.
  - ✖ So, your offer can basically say:
  - ✖ Name of Seller:
  - ✖ Name of Buyer
  - ✖ Property Description;
  - ✖ Cost of land; and
  - ✖ Signed,

**BUT, OVER THE YEARS**

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**The Contract has  
become more  
specific**



**DETAILS ADDED:**

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**✕ How the purchase price should be paid**

# DETAILS

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## ✖ Down Payment:

One Thousand Dollars  
\$1,000.00 paid when  
offer is signed.

DETAILS

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✕ CASH AT CLOSING



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✕ Time to Accept:

**ACCEPTANCE must be**

**by \_\_\_\_am/pm**

**St. Croix time on**

**\_\_\_\_\_Date**

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# **CLOSING:**

**The day you hand over  
your cash and get your  
deed**

# DEED

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**CLOSING.** The closing shall take place at either the Seller's or Buyer's attorney's office, or such other place as is mutually agreed upon by Seller and Buyer, **by 5:00pm St. Croix time,**           (Date)          . And State What happens if no deed provided on that date and at that time

Do you walk away from the property or do you give the Seller time?



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✕ 4. EXPENSES.

**What does Seller  
Normally pay for?**

# SELLER'S EXPENSES

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- ✗ attests of Deed
- ✗ Transfer tax stamps to the Government
- ✗ Real estate taxes to date of closing,
- ✗ Utility expenses, association assessments

# BUYER PAYS FOR:

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- ✗ Unless otherwise agreed:
- ✗ All expenses of obtaining financing,
- ✗ Surveys,
- ✗ appraisals, inspections, title examinations, title insurance,
- ✗ and the recording of the deed



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✕ 5. TITLE.

What type of Title you  
get to the property?

# GOOD TITLE

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- ✗ IS FREE AND CLEAR TITLE
- ✗ NO QUITCLAIM DEEDS
- ✗ If you are buying for CASH/LOAN/GOOD MONEY
  - ✗ Title should be free and clear of any liens created by the person you are buying from.
- ✗ So that in the future when you are ready to sell you will have a problems.

## Defects in Title

In the alternative, Buyer may CHOOSE to close this transaction with encroachments.

i.e. Neighbor's fence on your property.



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✖ 6. INSPECTION BEFORE YOU BUY

If it is a house you are buying:

Engineers to assess the structure;

Surveyors to mark the boundaries;

Appraisers to assess the value

Pest inspection for termites.

- ✖ 9. **DEFAULT BY BUYER.** If Seller accepts this Offer and if the transaction contemplated herein is not closed by reason of Buyer's default or failure or refusal to perform Buyer's obligations hereunder, through no fault of the Seller, then Seller shall have the right to elect either(i) to terminate the Agreement, to have the earnest money deposit paid one-half to Seller and one-half to Broker (but not to exceed Broker's agreed commission) as full liquidated damages and no party shall have any further rights, obligations or liabilities hereunder, or (ii) Seller may pursue an action for specific performance.

**DEFAULT**

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**IF SOMEONE BACKS  
OUT ON THE DEAL**



## **DEFAULT BY SELLER.**

**Buyer shall have the right to elect either:**

- (i) to terminate this Agreement, to receive a refund of the earnest money deposit paid hereunder or**
- (ii) Buyer may pursue an action for specific performance.**

# DEFAULT

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## DEFAULT BY BUYER.

Seller shall have the right to  
pursue an action for  
specific performance.

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## ✕ WARRANTIES:

- ✕ Confirmation that all known defects are disclosed



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✘ DAMAGE TO PROPERTY.

✘ What happens if the property is damaged while you are waiting to close.

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✘ **GOVERNING LAW.**

- ✘ This contract, regardless of where it is signed, shall be deemed to have been made in the United States Virgin Islands and shall be governed by and interpreted **in accordance with the laws of the United States Virgin Islands.**

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- ✖ ASSIGNMENT of your rights:
  - ✖ Buyer shall not have the right to assign any of Buyer's rights or obligations under this contract without the prior written consent of Seller, which consent shall not be unreasonably withheld.



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- ✖ Miscellaneous
  - ✖ A. MORTGAGE APPROVAL
  - ✖ B. Marking of the Boundaries
  - ✖ C. Other -

✕ **RECEIPT** is hereby acknowledged of the payment by check of \_\_\_\_\_ *Dollars* (0\$,000.00) to the Escrow Account of Walcott Real Estate as stipulated in the above Offer to Purchase Agreement as the earnest money deposit. Selling Broker represents that these funds will be deposited within two (2) banking days of the date the Seller accepts this Offer.

Date: \_\_\_\_\_

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Selling Broker:

# AND, EVERYONE SIGNS

- ✗ THIS OFFER TO PURCHASE, WHEN EXECUTED BY ALL PARTIES, BECOMES A BINDING LEGAL CONTRACT AND EACH PARTY HERETO SHOULD READ AND UNDERSTAND THE TERMS AND CONDITIONS CONTAINED HEREIN. BY SIGNING THIS CONTRACT, EACH PARTY SIGNIFIES THAT THEY HAVE DONE SO AND THEY ACKNOWLEDGE RECEIPT OF A COPY OF THIS CONTRACT.

Date: \_\_\_\_\_

Witnesses:

\_\_\_\_\_

Date: \_\_\_\_\_

Witnesses:

\_\_\_\_\_

\_\_\_\_\_  
Buyer:

Address:

\_\_\_\_\_  
Buyer:

Address:



# LIVING TRUST

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- ✘ What is a living trust?
- ✘ A trust is an arrangement under which one person, called a **trustee**, holds legal title to property for another person, called a **beneficiary**. You can be the trustee of your own living trust, keeping full control over all property held in trust.
- ✘ A "living trust" (also called an "inter vivos" trust) is simply a trust you create while you're alive, rather than one that is created at your death.
- ✘ Different kinds of living trusts can help you avoid probate, reduce estate taxes, or set up long-term property management.

# SUMMARIZE

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- ✖ So from Four Lines:
- ✖ Buyer
- ✖ Seller
- ✖ Property
- ✖ Price; and
- ✖ Signature
- ✖ With God Knows what can go wrong

# SUMMARY

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- ✗ To Those Four Lines, PLUS
- ✗ Date for closing
- ✗ Who pays expenses
- ✗ What type of deed you will get;
- ✗ What happens if you find encroachments
- ✗ What happens if someone backs out; and
- ✗ Signed:



# SUMMARY

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- ✖ You Are prequalified
- ✖ You Have your contract; NOW
- ✖ You find your attorney to review the agreement with you; and
- ✖ You head to the bank TO GET YOUR MONEY TO CLOSE!

# IT IS TIME FOR YOUR DEED!

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## ✖ Congratulations!



# WILLS

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- ✗ In the old days, You had a Deed and so you needed a will.
- ✗ That was in the Old days.
- ✗ These days, A WILL is a FOUR LETTER WORD!



# DIFFERENT TYPES OF WILLS

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- ✕ Living will
- ✕ Last will & Testament

# LAST WILL & TESTAMENT

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Wills as we know them are usually called Last Wills and Testament –

In the Old Days when you own property you created a will to state that should you die, your property would go to the persons you name in your will.

# LAST WILLS & TESTAMENTS

- ✖ The Problems with Wills is that:
- ✖ 1. If you in your right mind create a will that upon your leaving this earth your property will go to \_ Your child;
- ✖ 2. Once you leave this earth that child is required to -



# LAST WILL & TESTAMENT

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- ✗ Hire an Attorney
- ✗ Create a Probate Case
- ✗ Submit the Will to the court for review
- ✗ The Court opens your will to public scrutiny in the news papers
- ✗ Your property will only pass to your child, ONLY after a period for scrutiny and objection has passed – could be several years;

# LIVING TRUST

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How does a living trust avoid probate?

- ✗ Property you transfer into a living trust before your death doesn't go through probate. The successor trustee -- the person you appoint to handle the trust after your death -- simply transfers ownership to the beneficiaries you named in the trust. In many cases, the whole process takes only a few weeks, and there are no lawyer or court fees to pay. When all of the property has been transferred to the beneficiaries, the living trust ceases to exist.

# AVOID PROBATE

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- ✘ As an alternative to the Last Will & Testament OR PROBATE;
- ✘ There is something used by the rich and famous called the LIVING TRUST –
- ✘ We have all heard of the TRUST FUND BABIES



# AVOID PROBATE COURT

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- ✗ While you are alive –
- ✗ If you have children to provide for;
- ✗ If you have property –
- ✗ You create a living trust to say

# AVOID PROBATE COURT

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- ✗ What property you currently own
- ✗ Who are your children
- ✗ What should go to whom.

**AVOID PROBATE COURT**

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**This is called  
THE LIVING TRUST**



# DIFFERENCE BETWEEN WILLS & TRUST

- ✘ A will you must have court and review by the General Public PRIOR to your children getting your property
- ✘ A trust – is private – It is immediate – Avoids probate all together

## THE LIVING TRUSTS

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**How does a Living  
Trust Work?**

## **THE LIVING TRUST**

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**While you are alive –  
You maintain full  
control of your  
property and assets**



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- ✗ Your trust states:
  - ✗ Who you are
  - ✗ What you own
  - ✗ The Names of Two persons you TRUST to make decisions in case you become ill
  - ✗ The names of persons who will come in and transfer your property in case something happens to you. NO COURT!!!!!!

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- ✘ Your Living Trust is REVOCABLE while you are alive and well and becomes IRREVOCABLE once the doctor certifies that you are unable to make decisions for yourself.

# THE LIVING TRUST

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- ✘ Normally if a doctor Certifies that you are unable to make your own decisions – Your heirs will be required to go to court to obtain a GUARDIANSHIP ORDER to assist with your affairs



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- ✘ With a Living Trust – It states that Once the Doctor Certifies that you are unable to make your own decisions – Your trust becomes irrevocable; and The Successor Trustee named in your trust has the full power (without going to court) to make decisions **AS DIRECTED IN YOUR TRUST!**

# THE LIVING TRUST

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- ✕ No Court and No Court action needed

# THE LIVING TRUST

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Why do a trust?



**WHY DO A TRUST**

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**BECAUSE YOU WORK  
HARD FOR YOUR  
PROPERTY**

# WHY DO A TRUST

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Because you want to  
make decisions  
regarding your property  
not leave it to the court

## THE LIVING TRUST

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Transfer is immediate  
without the need for  
court orders



## WHY DO A TRUST

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It is Cost Effective!

One basic fee to  
prepare – No  
additional court fees

# SUMMARY

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Do as the Rich Folks Do!

# SUMMARY

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Put things in order  
before you become  
incapacitated



**DO AS THE RICH FOLKS DO!**

Avoid the cost of the  
probate court

**DO WHAT THE RICH PEOPLE DO!**

**LIVING TRUST FOR  
THE PRIVATE  
HANDING OF YOUR  
AFFAIRS !**