Why Parcels Should Not Be Combined Without Some Document of Combination

2018 Advanced Real Property Seminar



North Carolina Department of the Secretary of State

North Carolina Department of the Secretary of State

Elaine F. Marshall, Secretary of State

Presented by: John B. Bridgers

Land Records Consultant

<u>Jbridgers@sosnc.gov</u>

(919) 814-5456



Major points to be presented

- Why separate parcels need an instrument of combination to be combined or re-combined.
- Statutory definition of a parcel
- Recording subsequent instruments
- Statute of Frauds
- Examples of what can happen when an instrument is not used or used inappropriately.

In North Carolina

- Closing costs are among the lowest in the entire country. (47th)
- Title Insurance rates in North Carolina are significantly cheaper than in other states.
- In large part, because of the integrity and accuracy of the land records across the state.
 - Title searches are relatively easy
 - Few title insurance claims are actually filed
 - Even fewer paid



In a word

Taxes

Specifically - Ad Valorem taxes

"Ad Valorem" -Latin meaning "According to value"



North Carolina Constitution:

Article V - Finance

Section 2. State and local taxation.

(1) Power of taxation. The power of taxation shall be exercised in a just and equitable manner . . .

§ 105-273. Definitions.

• (2) Appraisal. - The true value of property or the process by which true value is ascertained.

• (3) Assessment. – The tax value of property or the process by which the assessment is determined.

§ 105-296. Powers and duties of assessor

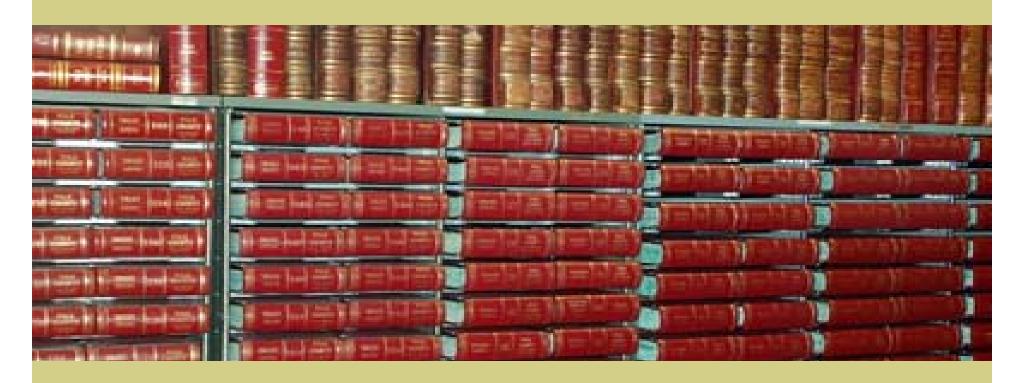
The assessor shall have general charge of:

- the listing,
- appraisal,
- and assessment
- of all property in the county
- in accordance with the provisions of law.
- And he shall exercise all powers not inconsistent with
- the Constitution or the laws of this state.

Deeds get recorded in the county cadastre.

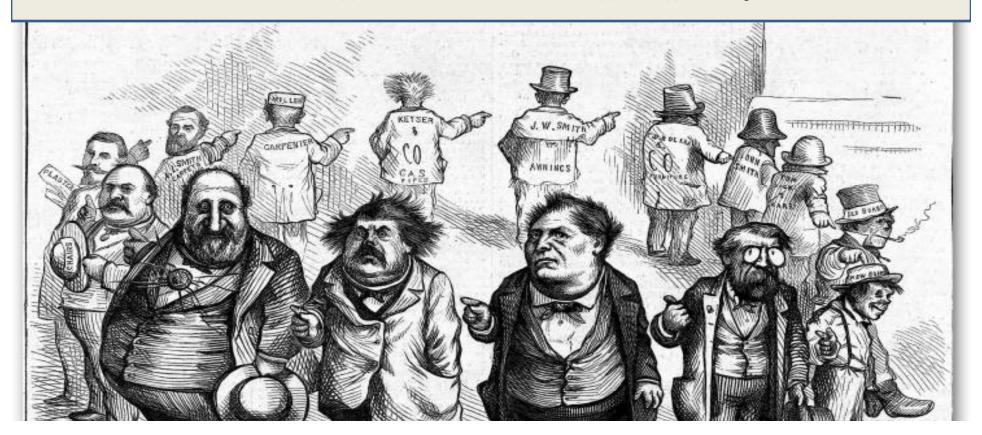
- So what is the county cadastre?
- The county cadastre is:
 - the "OFFICIAL LIST" of property owners and descriptions of their property located in the register of deeds office and the clerk of courts office.

Where is the county cadastre?



Basically, it's the deed vault in the Register of Deeds and the estate files in the Clerk of Courts plus Any real estate court cases.

Why do we need an "official list" of owners and a description of their property?

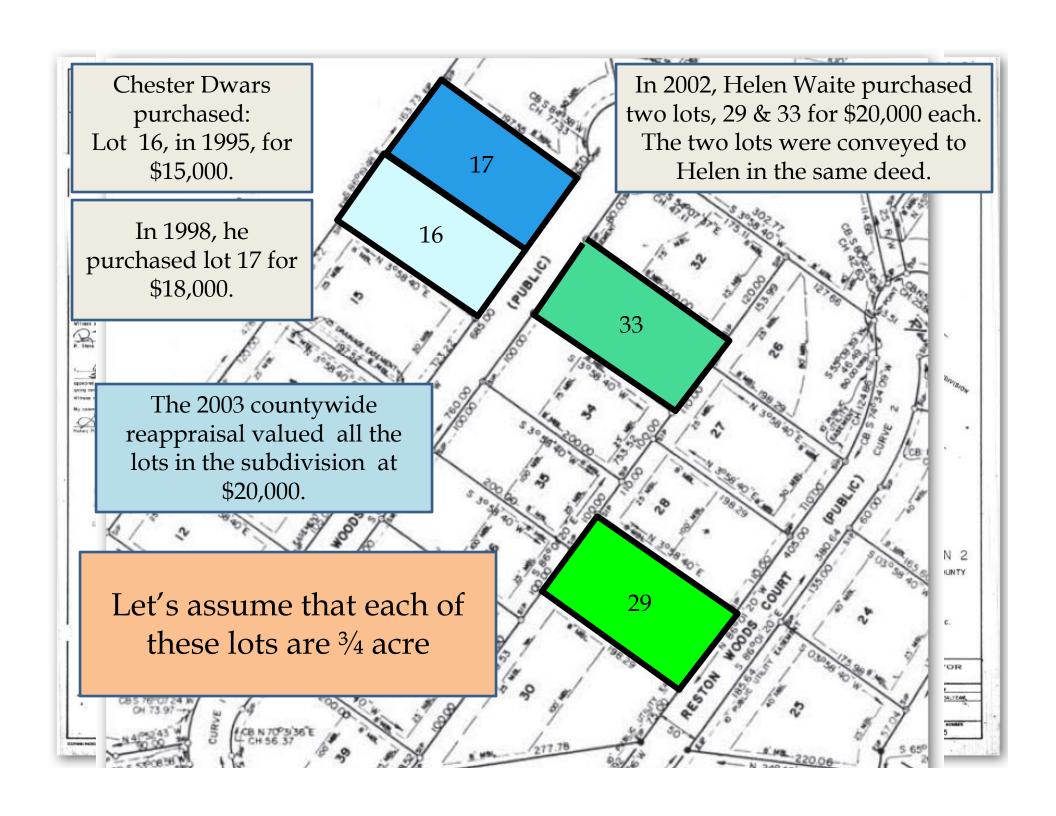


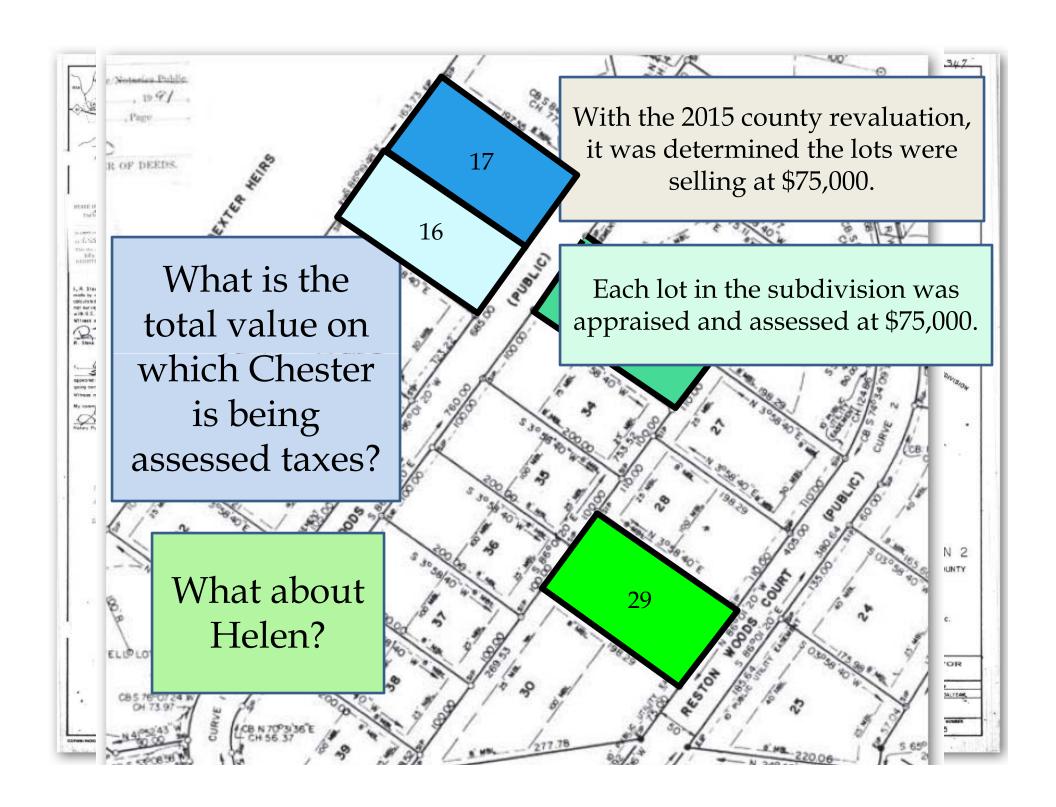
- 1. Unpaid taxes
- 2. Eminent domain

What is a Parcel?

• § 47-30(f)(11)(c)(1) defines a parcel as:

• "an area of land in a single, legal description or legally recorded subdivision that has been or may be legally conveyed to a new owner in its existing configuration."



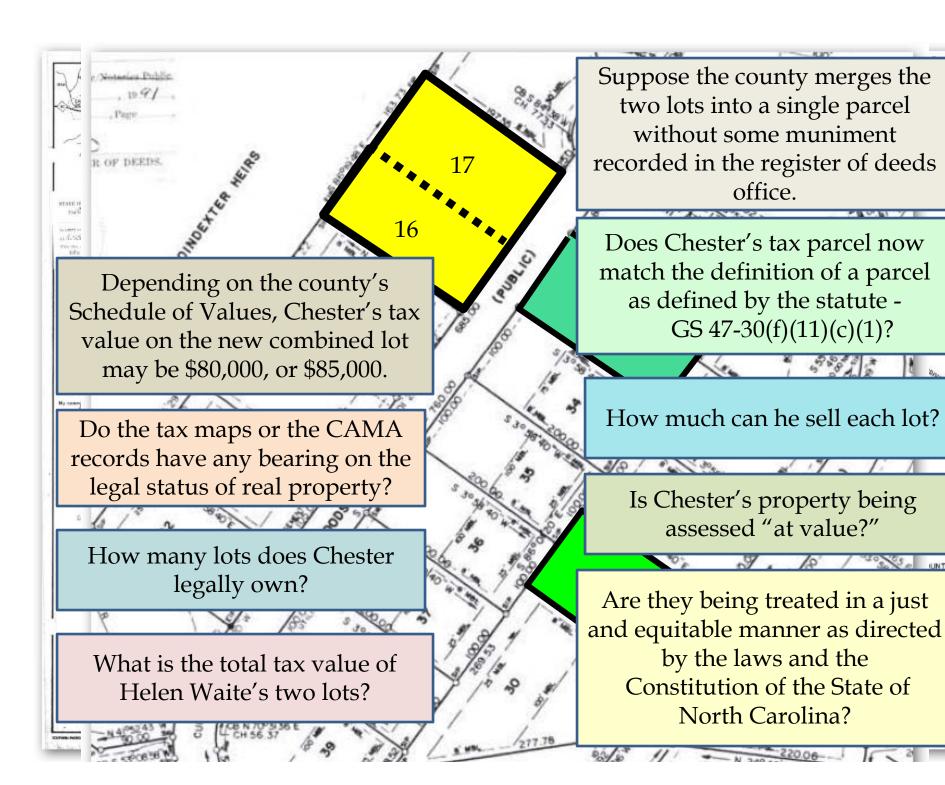


Chester comes in to the tax office and says, "I want to combine my two lots for tax purposes."

What is he really and truly saying?

W,

Most likely, what he is really means is,
"I want to lower my tax bill, but I still want
to be able to sell the lots individually,
just in case I get a chance to sell one of them."



R OF DEEDS.

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Suppose Chester got a chance to sell one of the lots but; the ordinance for minimum lot size had been changed to one acre.

What is the zoning dept going to do?

Without requiring him to record an affidavit of combination, he could claim that he never intended for the tax office to combine the two lots.

Requiring an affidavit of combination is just a cleaner way to handle the combination in the tax records.

If Chester had been required to record an affidavit of combination then he cannot come back and claim that he never intended for the tax office to combine the parcels.

His intent is in the public record and there can be no argument of what that intent was.

It gives a single "reference" in the chain of title that allows the land records in the CAMA system to follow the county cadastre as a document-driven system and also matches the statutory definition of a parcel.

Memo

Thomas W. Morgan Land Records Manages

N.C. Department of the Secretary of State Certification & Filing Division

From: Pat Hetrick Professor of Law

Recombination of Existing Parcels

Date: May 23, 2010

A transfer of legal title is not necessary to achieve a recombination of assuming that all applicable statutes and planning ordinances are complied w essential, as you note, that there be a properly indexed link to the new combin the chain of title.

The most efficient method of accomplishing recombination, in my o affidavit, call it an "Affidavit of Recombination." This affidavit is clearly within of N.C.Gen.Stat. § 161-14.1, "Recording subsequem entries as separate of the affidavit is to "modify" or "amend" the earlier legal

To: Thomas W. Morgan Land Records Manager N.C. Department of the Secretary of State Certification & Filing Division

From: Pat Hetrick

Professor of Law

Re: Recombination of Existing Parcels

Date: May 23, 2010

The most efficient method of accomplishing recombination, in my opinion, is an affidavit, call it an "Affidavit of Recombination." This affidavit is clearly within the purview of N.C.Gen.Stat. § 161-14.1, "Recording subsequent entries as separate instruments." The purpose of the affidavit is to "modify" or "amend" the earlier legal description in the chain of title because of the recombination.

This Gene John P.O. Arde This Deed of Combination Prepared By: Gene B. Johnson, Attorney Johnson Law Firm, P.A. P.O. Box 1288 This document presented and filed: 08/08/2011 02:52:58 PM

NEDRA W. MOLES, Henderson COUNTY, NC Transfer Tax: \$0.00

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WIT ON

BOOK 1470 PAGE 11 (2)

749474



THIS DEED OF COMBINATION is made this the day of Twy, 2011, by Wesley D. Lee and wife, June M. Lee, of ______ County, South Carolina.

WITNESSETH:

THAT WHEREAS, the makers of this Deed of Combination own certain parcels which were acquired by the following Deeds:

Fremont V. Brown, III to Wesley D. Lee and wife, June M. Lee - Lots 38, 39 and 40 of Hosea's Lake Saluda, Inc., recorded July 8, 1998, in Book 958, at Page 79, of the Henderson County Registry. Parcel Number 9595119051; and

Rheta J. Foster and Jesse Thomas Johnson to Wesley D. Lee and wife, June M. Lee - Lot 37 of Hosea's Lake Saluda, Inc., recorded March 17, 2010, in Book 1424, at Page 30, of the Henderson County Registry. Parcel Number 9595201908; and,

WHEREAS, upon execution and recordation of this Deed of Combination, the above referenced properties are hereby combined and shall thereafter be described as follows:

BEING all of Lots 37, 38, 39 and 40 of Hosea's Lake Saluda, Inc. as shown on that Plat recorded in the Office of the Register of Deeds of Henderson County, North Carolina, in Plat Cabinet B, Slide 377.

IN WITNESS WHEREOF, the makers(s) have hereunto set their hand and seal, the day and year first above written.

Wesley B. Lee

SEAL

ne M. Lee

SEAL

tract of land which is described by one common boundary and Subdivision Ordinances; and, applicable provisions of the Henderson County Zoning and Subdivision Ordinances; and,

WHEREAS, this is a limited special purpose instrument for the purposes specified above and this is not a conveyance and does not change or modify, in any manner, the ownership interests in the above-referenced property, and,

Dois T. Marion



Statute of Frauds

§ 22-2. Contract for sale of land; leases.

All contracts to sell or convey any land, or any interest in or concerning them must be in writing and must be signed by the person with that authority. (paraphrased)

(29 <u>Charles II</u>, c. 3, ss. 1, 2, 3; <u>1819</u>, c. 1016, P.R.; <u>1844</u>, c. 44; R.C., c. 50, s. 11; <u>1868</u>, c. 156, ss. 2, 33; Code, ss. 1554, 1743; Rev., s. 976; C.S., s. 988.)

Page 1 of 3

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NORTH CAROLINA GENERAL WARRANTY DI

THIS DEED made this 26 day of February, 2015, by and between

GRANTOR

ROBERT C. WILSON, unmarried, by and through his attorney-in-fact, RICHARD L. WILSON,

Mailing address: 5610 Far Hill Dr. Grand Rapids, MI 49546 **GRANTEE**

TOMMIE L. TAYLOR, II

Mailing address: 110 Hillside Court Tryon, NC 28782

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, a

Book: 411 Page: 1491 Page 1 of 3

ook: 411 Page: 1491 Seq: 3

NORTH CAROLINA GENERAL WARRANTY DEED FROM ROBERT C. WILSON, TO TOMMIE L. TAYLOR, II, DATED FEBRUARY 26, 2015

EXHIBIT "A"

BEING all that certain tract or parcel of land containing 0.05 acres, designated tract "A" and shown and delineated upon that certain plat entitled, "Survey For Tommie L. Taylor II Tryon Twp., Polk Co., No. Car.", dated February 5, 2015, and prepared by Butler Associates, Professional Land Surveyor, said plat being duly recorded in Map Book F at Page _______, in the Office of the Register of Deeds for Polk County, North Carolina; reference being made to said recorded plat for a full and complete metes and bounds description of said property, pursuant to North Carolina General Statutes § 47-30(g).

The above described property is a portion of the property conveyed to Robert C. Wilson and wife, Gelolo Kell Wilson, by Gelolo G. McHugh Kell, widow, by deed dated October 11, 1978, and recorded in Book 170 at Page 1176, Polk County Registry. Gelolo Kell Wilson died September 28, 2003 in Polk County, North Carolina, and the above described property passed by operation of law to her surviving spouse, Robert C. Wilson, the Grantor here, the same having been owned as joint tenants.

It is the intent of the Grantee herein to combine the property conveyed herein with the property currently owned by the Grantee; said property being described in the deed recorded in Book 387 at Page 2208, Polk County Registry, and also being designated as tract "B" on the plat hereinabove referred to.

P/O Tax Map T14-D20 to be combined with T14-D12

Tryon, Tryon Township, Polk County, North Carolina and more particularly described as follows:

SEE ATTACHED EXHIBIT "A"

THE PROPERTY HEREIN CONVEYED DOES NOT INCLUDE THE PRIMARY RESIDENCE OF THE GRANTOR.

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HRISTINE MILES. Notary Public State of Michigan, County of Kent My Commission Expires 09/05/2020 Acting in the County of Kent

Book: 411 Page: 1491 Seq: 2

Book: 411 Page: 1491 Seg: 1

Book: 411 Page: 1491 Page 1 of 3

ook: 411 Page: 1494 Seq: 3

(Corporate Name) By: Title:	ROBERT C. WILSON By: RICHARD L. WILSON, Attorney-in-Fact (SEA
STATE OF MICHIGAN, COUNTY OF KENT	o hereby certify that RICHARD L. WILSON, attorney-in-fact, for ROBERT of the being by me duly sworn, says that he executed the foregoing and annexed instrume

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HRISTINE MILES. Notary Public State of Michigan, County of Kent My Commission Expires 09/05/2020

NORTH CAROLINA GENERAL WARRANTY DEED FROM ROBERT C. WILSON, TO TOMMIE L. TAYLOR, II, DATED FEBRUARY 26, 2015

EXHIBIT "A"

Is there any indication other than this statement that the grantee wants this combined with what he already owns?

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P/O Tax Map T14-D20 to be combined with T14-D12

Does this follow GS 22-2, the Statute of Frauds?

Book: 411 Page: 1491 Seg: 1

Book: 411 Page: 1491 Seq: 2

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Question: What about having

- The owner
- Sign a letter of intent
- With the letter
- Being kept on file in:
 - -The land records office,
 - -The tax office, or
 - -the planning and zoning office?



What happens when

 A deed of trust gets recorded before the deed is recorded?

• The "borrower" is not bound by the deed of trust because they did not own the property at the time the deed of trust was recorded, even if it was recorded just moments before the deed.

If something as important

- As a deed of trust that is recorded in the register of deeds office, but just out of sequence, can be of no value, simply because of when it was recorded,
- Why would some document sitting in a file folder in the
 - tax office,
 - planning and zoning office,
 - or the land records office
- have any impact on the parcels in county?

A "Letter of Intent"

- Kept on file in any office other than being recorded in the Register of Deeds is:
 - Not in the county cadastre and
 - Not in the chain of title.
- A prudent searcher does not have to go outside the chain of title to look for documents pertaining to a parcel.





The News&Observer

NEWSOBSERVER.COM

New education plan remains focused on testing

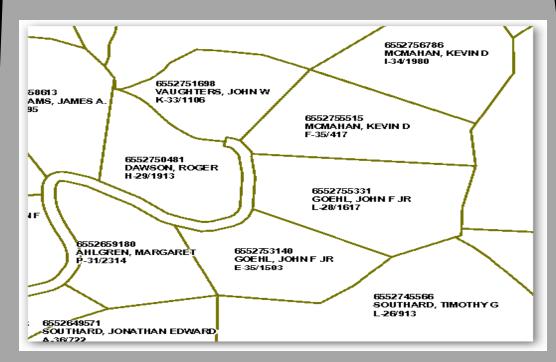
BY T. KEUNG HUI khui@newsobserver.com

RALEIGH

Despite pledges to try to cut back on high-stakes standardized testing, North Carolina schools will continue to largely be evaluated based on how well their students perform on state

State education leaders have talked for nearly two years about taking advantage of the flexibility in the new federal Every Student Succeeds Act (ESSA) to reduce the focus placed on using tests to hold schools accountable for how they educate their students. Critics of the new plan that the State Board of Education will vote on Thursday say it wastes the opportunity North Carolina had to reduce the emphasis on

REAL-LIFE PARCELS ON DISPLAY



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CAS A

Deed: 804 / 716 recorded 7-15-1992

617, page 422 of the Jackson County Public Registry. IT IS UNDERSTOOD AND AGREED

NORTH CAROLINA GENERAL WARRANTY DEED

THIS DEED made this 15th day of July , 19 92 , by and between

GRANTOR

WILLIAM D. TURNER and wife, MARSHA R. TURNER

GRANTEE

MICHAEL L. GROOMS and KATHY D. RIGGIN as joint tenants with the right of survivorship and NOT as tenants in common

P.O. Box 446 Whittier, NC 28789

Tax Assessor's Office
Date 2/15/92 Ama

Enter in appropriate block for each party: name, address, and, if appropriate, character of entity, e.g. corporation or partnership.

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and

24 E. 42.7 of Ray Franklin (517-764 es. 44-00-24 E. 125.00 fer es. 39-20-30 E. 105.36 fer es. 15-56-16 E. 83.26 fer es. 15-56-16 E. 63.26 fer es. 17-00-00 E. 55.15 fer); to an iron stake to at to an iron stake; at to an iron stake; at to an existing is	eplacing an existing themse themse themse	ng scarry
Lovedahl,			

Decretary (Corporate Seat)

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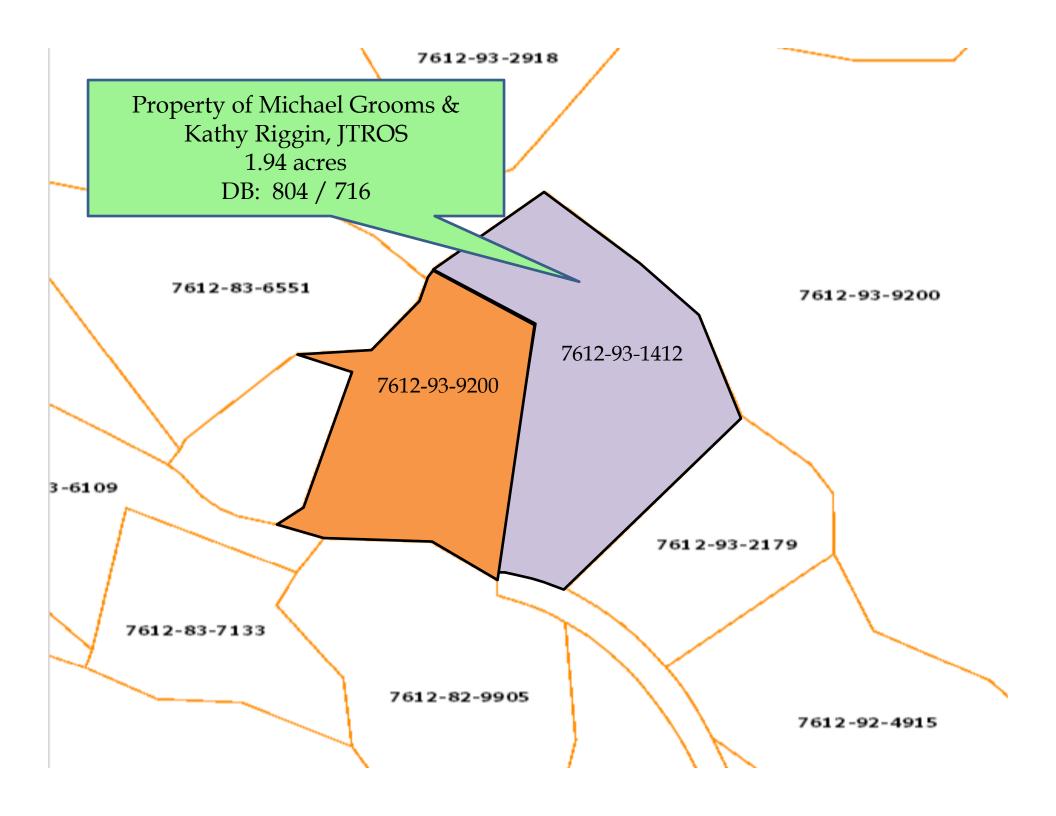
Deed: 804 / 716 recorded 7-15-1992

JACKSON

BEGINNING at an existing iron stake in the line of Melvin Lovedahl (472-320), said point being located N. 81-36-15 E. 26.58 feet from the point of intersection of the existing driveway with State Road (SR) #1528; thence running with the right of way for SR #1528,

- -N. 67-30-00 W. 66.44 feet to a point; thence running with the line of Robert Clegg (614-633),
- -N. 09-17-00 E. 339.63 feet to an iron stake; thence,
- -N. 53-30-00 W. 128.32 feet to an iron stake; thence with the line of August Ide (458-12),
- -N. 51-11-00 E. 154.43 feet to an iron stake, said point being located S. 44-00-24 E. 42.74 feet from a black oak stump (marked); thence running with the line of Ray Franklin (517-768),
- -S. 44-00-24 E. 125.00 feet to an iron stake replacing an existing stake; thence,
- -S. 39-20-30 E. 105.36 feet to an iron stake replacing an existing stake; thence,
- -S. 15-56-16 E. 83.26 feet to an iron stake; thence,
- -S. 17-00-00 E. 55.15 feet to an existing iron stake; thence with the line of Lovedahl,

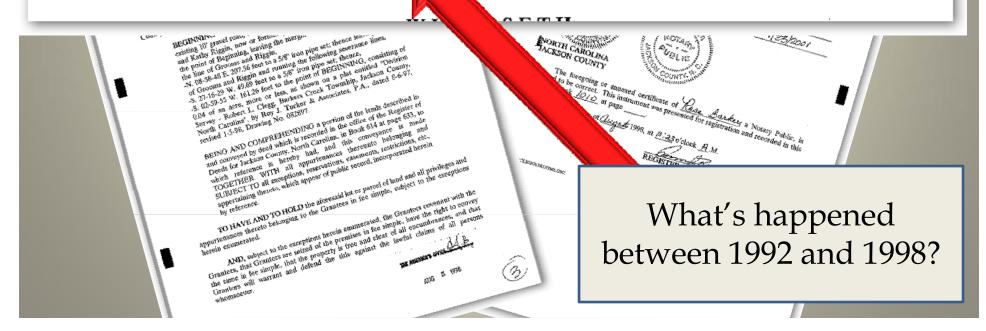
-S. 41-31-00 W. 306.57 feet to the point of BEGINNING, consisting of 1.94 acre more or less, as shown on a plat prepared for Michael Grooms and Cathy Right, Barkers Creek Township, Jackson County, North Carolina, bearing date of 11-22-85, revised 7-7-92, as mapped and platted by Turlington Land Surveying. BEING AND COMPREHENDING the same lands recorded in Book 617, page 422, Jackson County Public Registry.



Deed: 1010 / 689 recorded 8-5-1998

NORTH CAROLINA GENERAL WARRANTY DEED

THIS DEED, made this the 5th day of Muguet, 1998, by and between ROBERT L. CLEGG, joined in this conveyance by his wife, ELOIS J. CLEGG, Grantors; and MICHAEL GROOMs and wife, KATHY RIGGIN GROOMS of 436 Fred Sutton Road, Whittier, North Carolina, 28793, Grantees. (The designation Grantors and Grantees as used herein shall include said parties, their heirs, successors and assigns, and shall include singular, plural, masculine, feminin weuter as required by context.)



Deed: 1010 / 689 recorded 8-5-1998

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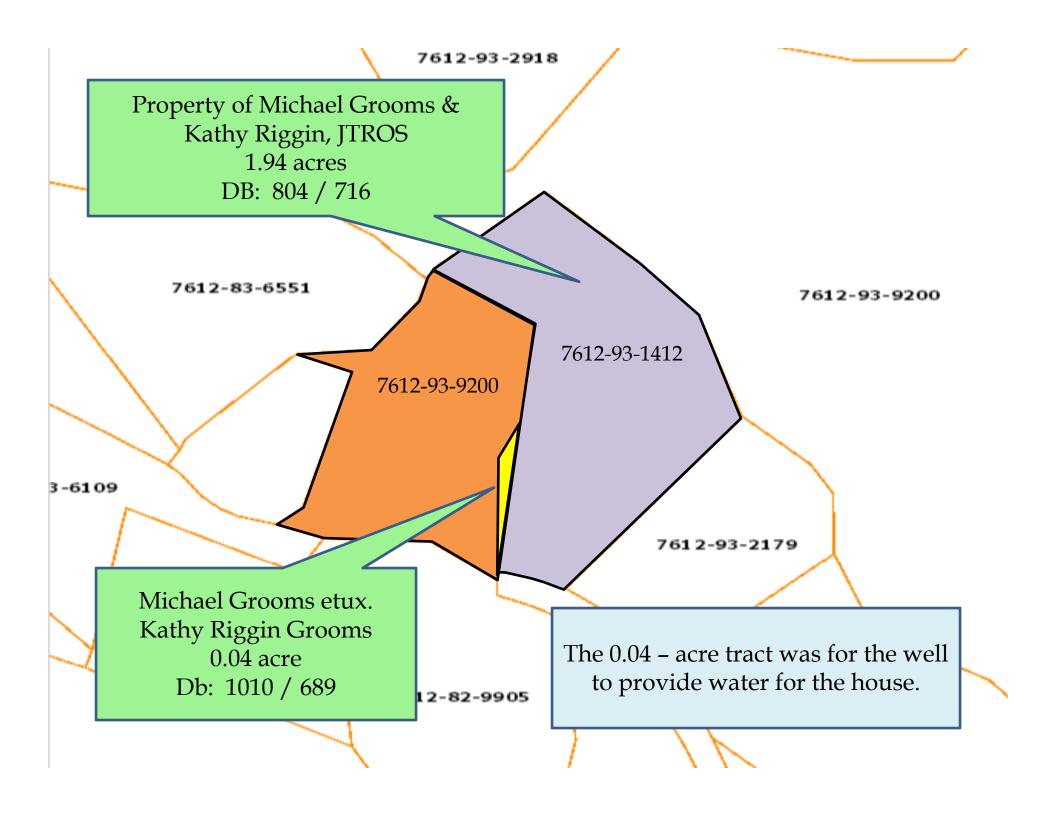
County, State of North Carolina, and being more particularly described as follows:

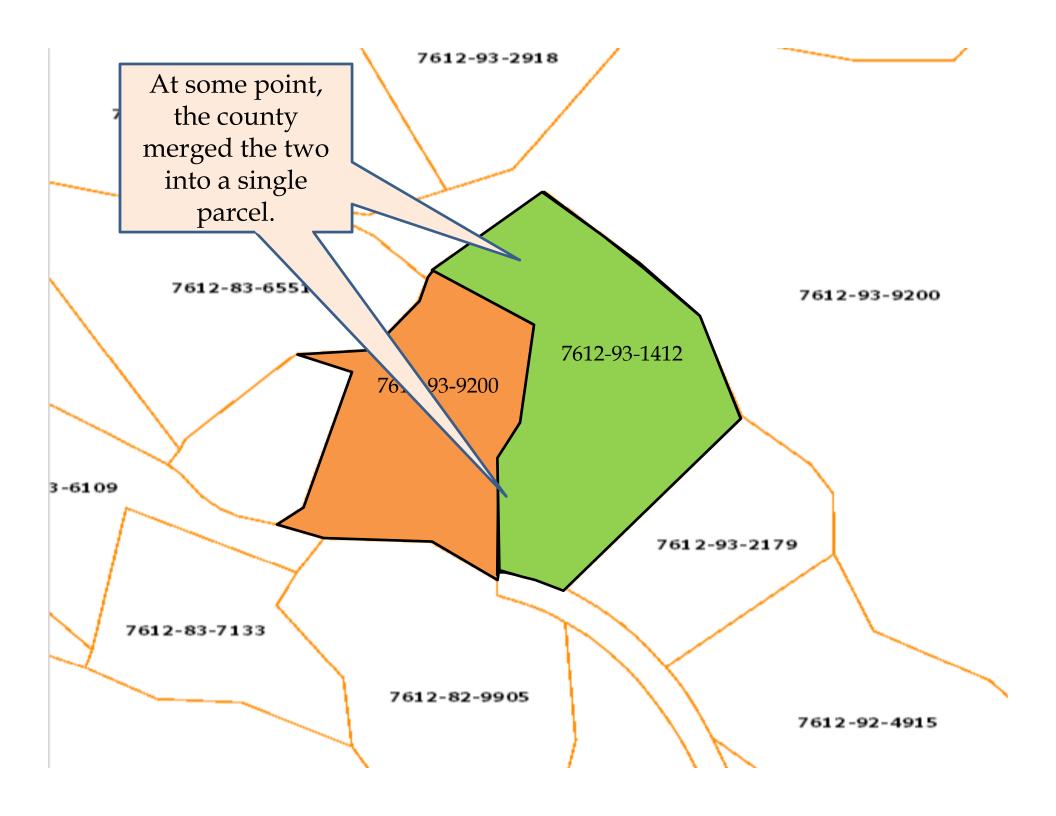
BEGINNING at a No. 5 existing rebar in the northern margin of an existing 10' gravel road, also being a corner common to Michael Grooms and Kathy Riggin, now or former (DR 804/716), and runs thence from the point of Beginning, leaving the margin of the road and running with the line of Grooms and Riggin,

-N. 08-38-48 E. 207.56 feet to a 5/8" iron pipe set; thence leaving the line of Grooms and Riggin and running the following severance lines,

-S. 27-16-29 W. 49.69 feet to a 5/8" iron pipe set; thence,

0.04 of an acre, more or less, as shown on a plat entitled "Division Survey Robert L. Clegg, Barkers Creek Township, Jackson County, North Carolina", by Roy J. Tucker & Associates, P.A., dated 8-6-97, revised 1-5-98, Drawing No. 082897.





Deed of Trust: 1993 / 603 Recorded: June 11, 2013

Deed of Trust

Exhibit "A" Legal Description

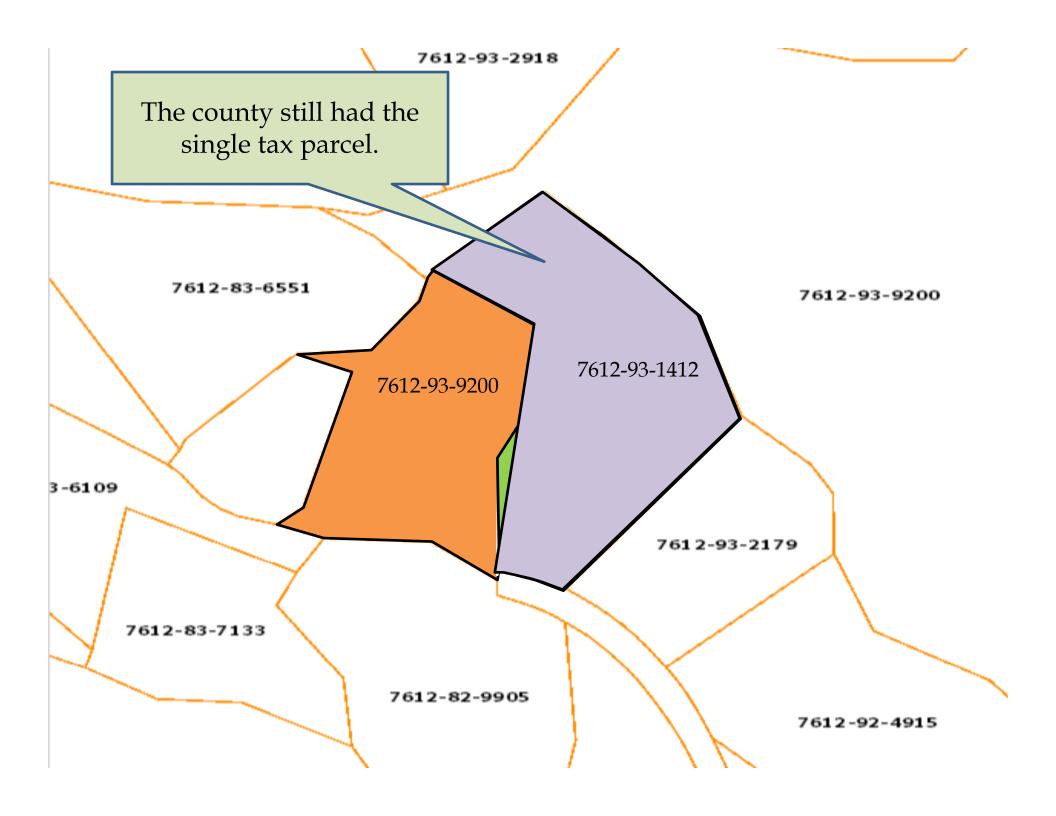
The land referred to herein below is situated in the county of JACKSON, State of NC and is described as follows:

ALL THAT PARCEL OF LAND IN TOWNSHIP OF BAKERS CREEK, JACKSON COUNTY, STATE OF NORTH CAROLINA, AS MORE FULLY DESCRIBED IN DEED BOOK 804, PAGE 716, ID# 7612931412, BEING KNOWN AND DESIGNATED AS MELES AND BOUNDS PROPERLY.

MORE COMMONLY KNOWN AS 436 FRED SUTTON RD, WHITTIER,

Tax/Parcel ID: 7612931412

This is the original deed for 1.94 acres.



Trustee's Deed: 2194 / 886 Recorded: June 7, 2017

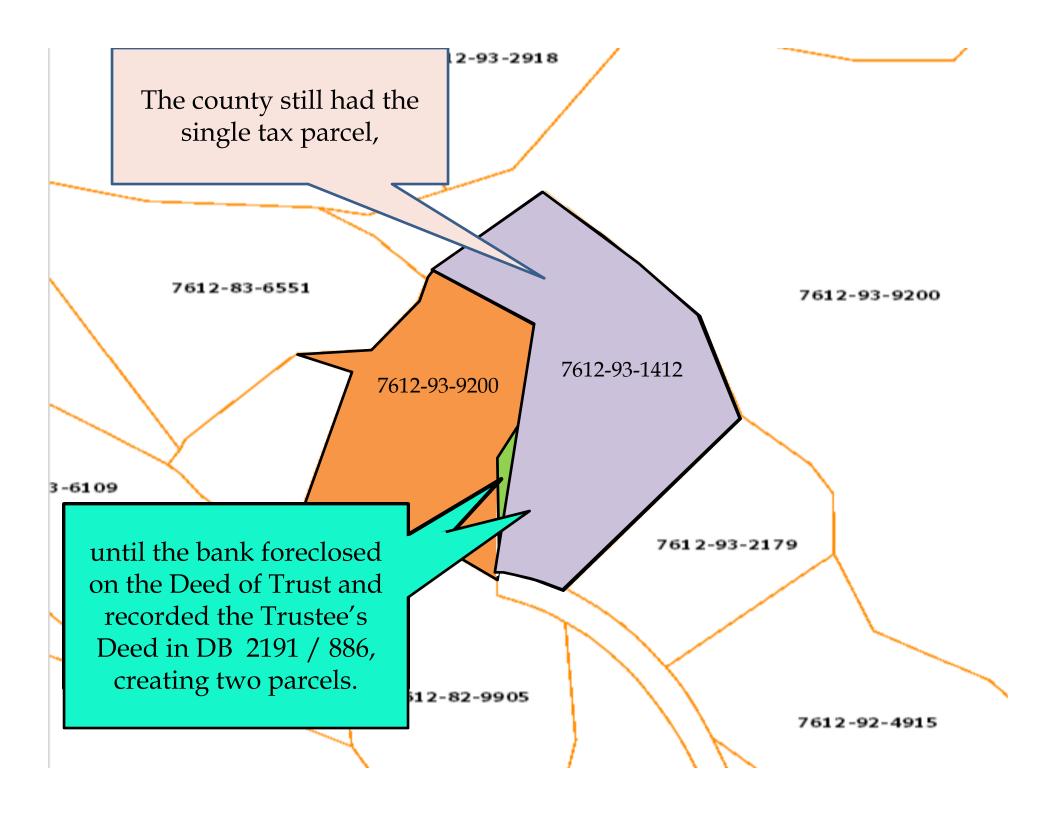
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NOW, THEREFORE, In consideration of the premises and of the payment of the said purchase price by Kevin Pritchard, the receipt of which acknowledged, and pursuant to the authority vested in him by the terms of said deed of trust, said first party, substitute trustee as aforesaid, does hereby bargain, sell, grant and convey unto Kevin Pritchard, all that certain lot or parcel of land, lying and being in the City of Whittier, Jackson County, State of North Carolina, and more particularly described as follows:

Beginning at an existing iron stake in the line of Melvin Lovedahl (472-320), said point being located N. 81-36-15 E. 26.58 feet from the point of intersection of the existing driveway wiith State Road (SR) #1528; thence running with the right of way for SR #1528,

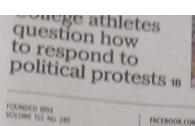
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- -N. 09-17-00 E. 339.63 feet to an iron stake; thence,
- -N. 53-30-00 W. 128.32 feet to an iron stake; thence with the line of August Ide (458-12),
- -N. 51-11-00 E. 154.43 feet to an iron stake, said point being located S. 44-00-24 E. 42.74 feet from a black oak stump (marked); thence running the line of Ray Franklin (517-768),
- -S. 44-00-24 E. 125.00 feet to an iron stake replacing an existing stake; thence,
- -S. 39-20-30 E. 105.36 feet to an iron stake replacing an existing stake; thence,
- -S. 15-56-16 E. 83.26 feet to an iron stake; thence,
- -S. 17-00-00 E. 55.15 feet to an existing iron stake; thence with the time of Lo. dahl,
- -S. 41-31-00 W. 306.57 feet to the point of beginning, consisting of 1.94 acres, more or less, as shown on a plat prepared for Michael Grooms and Cathy Riggin, Barkers Chark Township, Lakson County, North Carolina, bearing date of 11-22-85, revised 7-7-92, as mapped and planed by Turlington Land Surveying. being and comprehending the same lands recorded in book 617, page 422, Jackson County Public Registry.

Together with a right of way for a roadway 16' in width extending from SR #1528 to the lands hereinabove



The real problem occurred because the bank missed the second deed.

- But, if the county had required the recording of an affidavit or instrument of combination before merging the two,
- The bank would have included the 0.04 acre tract in the deed of trust, in 2013;
- And the 0.04 acre tract would not have become an orphaned parcel with the foreclosure, in 2017.







FACEBOOK COM/HEWSANDORSERVER TWITTER COM/NEWSORSERVER

New education plan remains focused on testing

BY T. KEUNG HUI khui@newsobserver.com

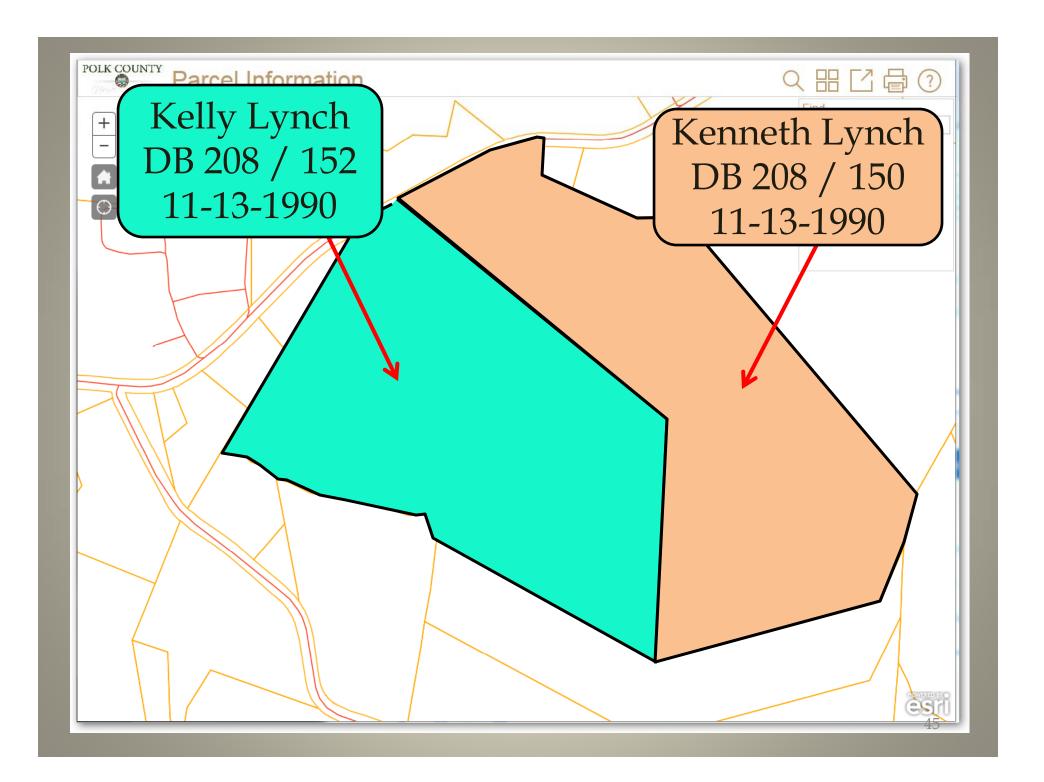
RALEIGH

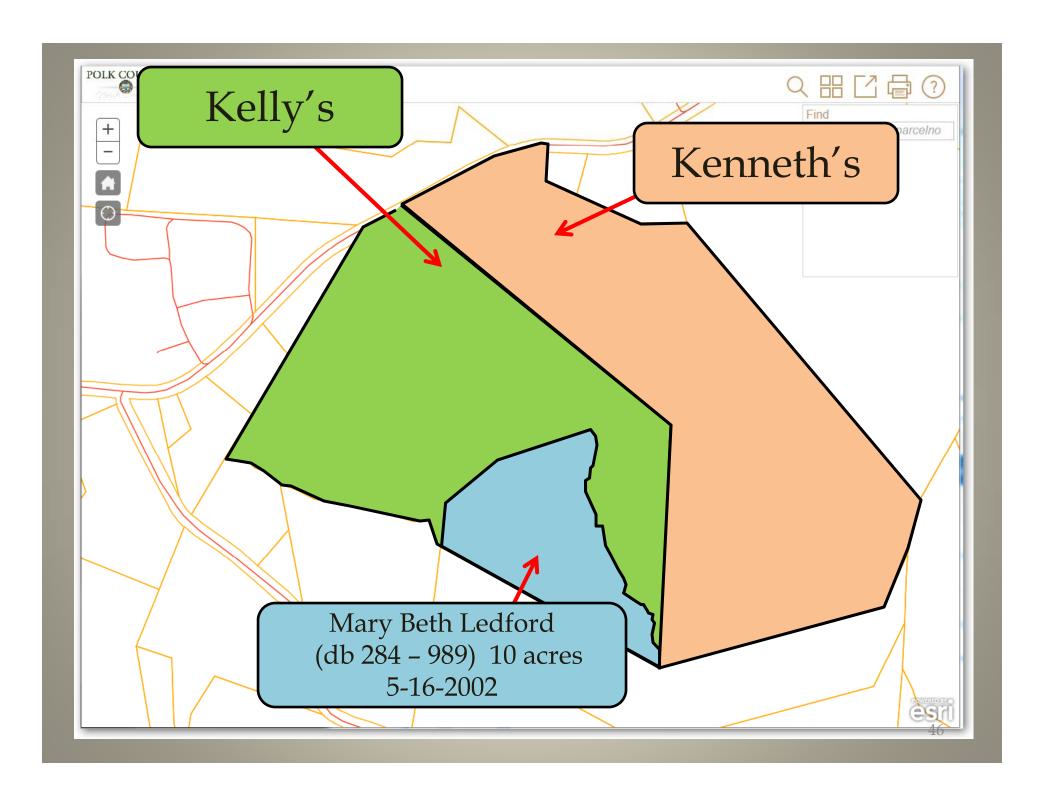
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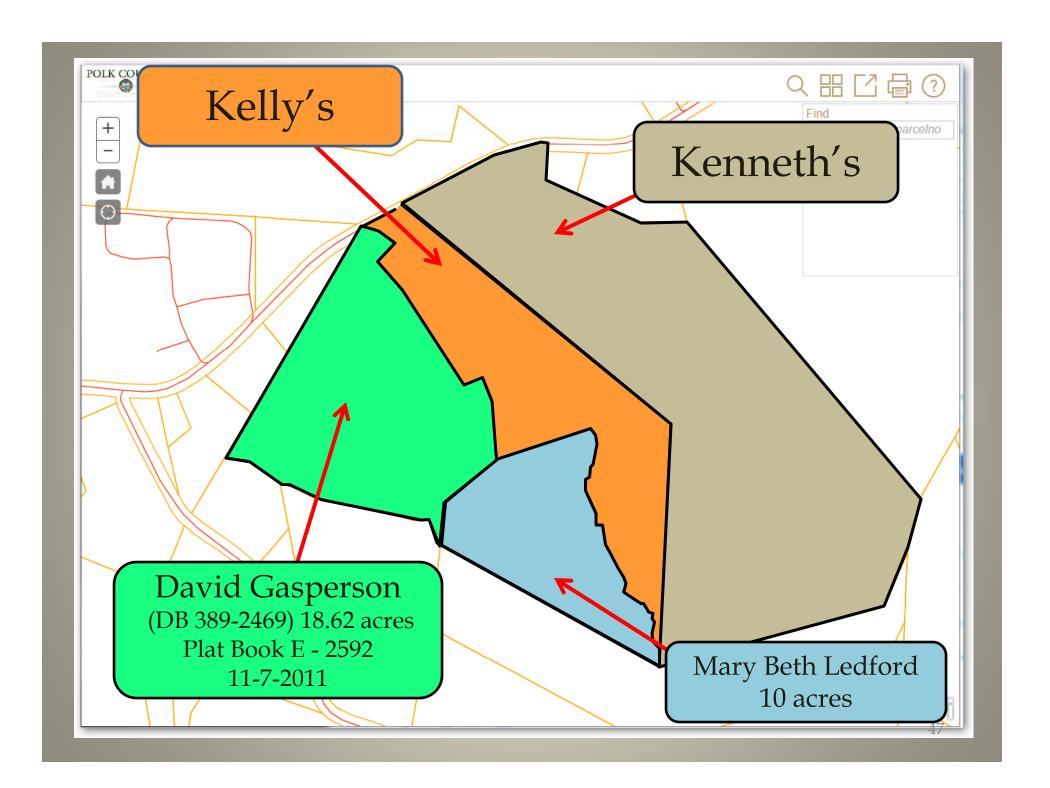
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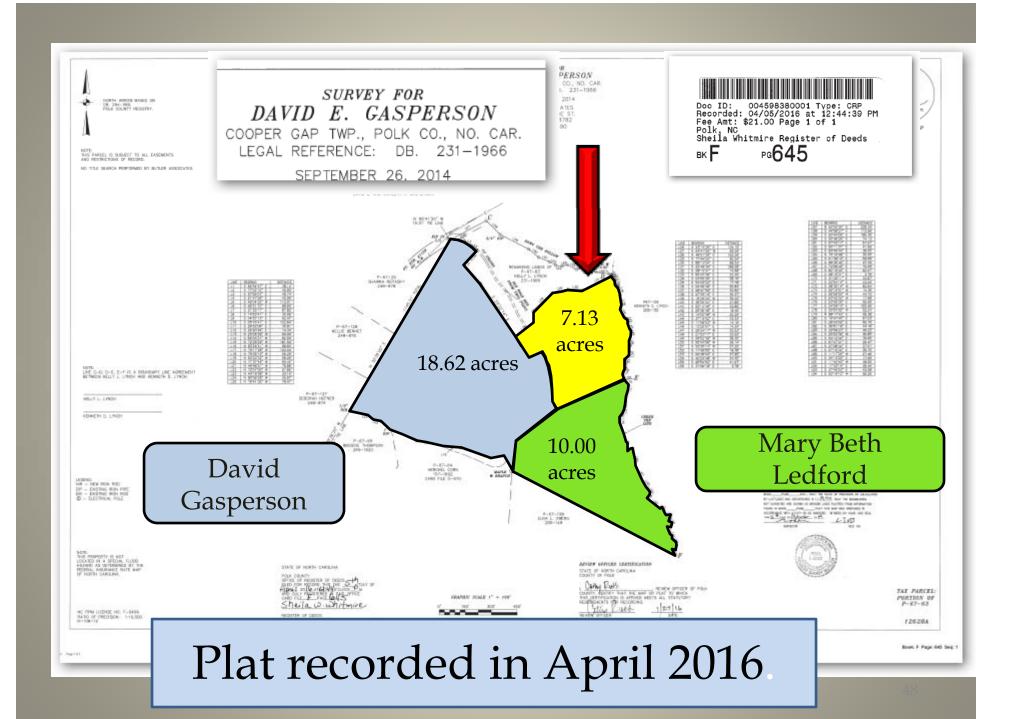
MORE REAL-LIFE PARCELS ON DISPLAY

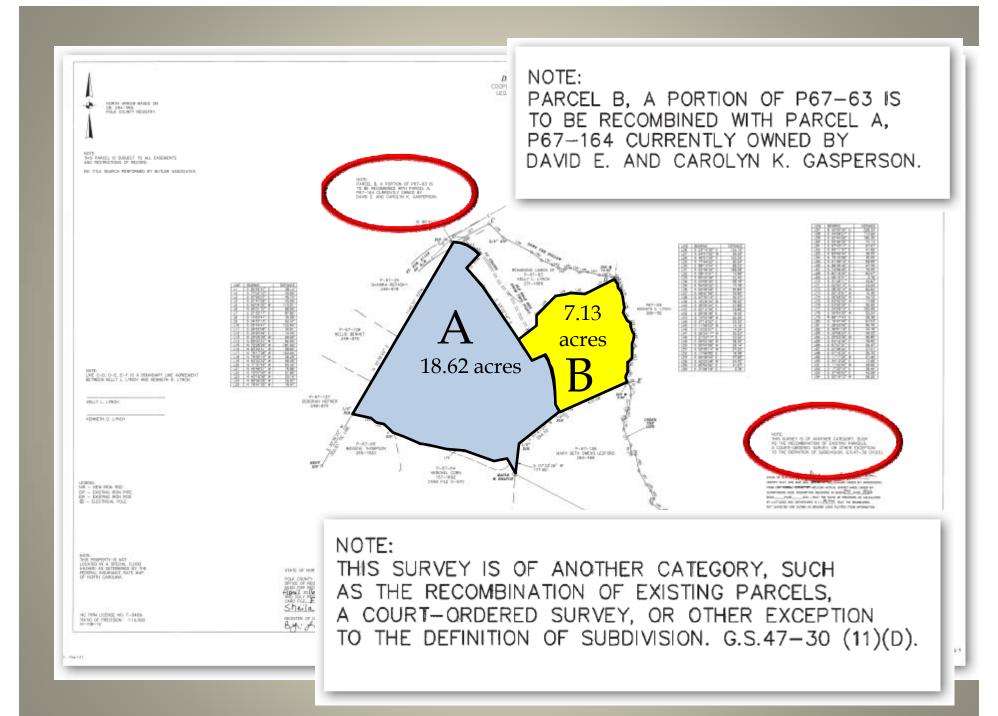


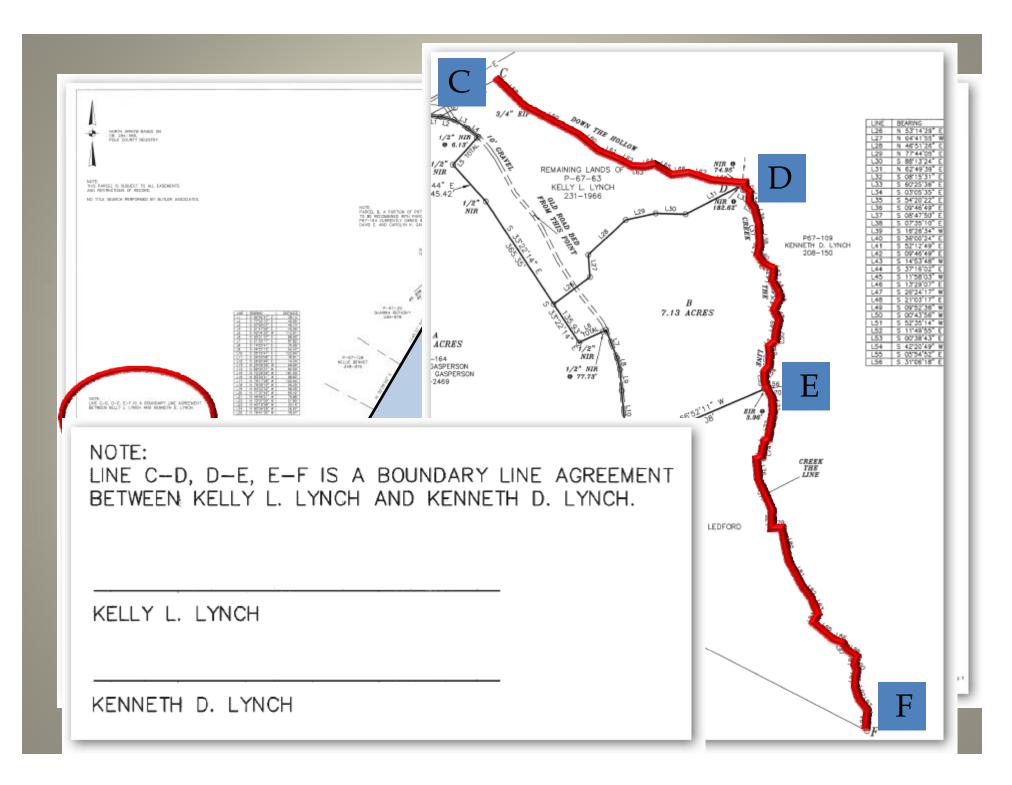








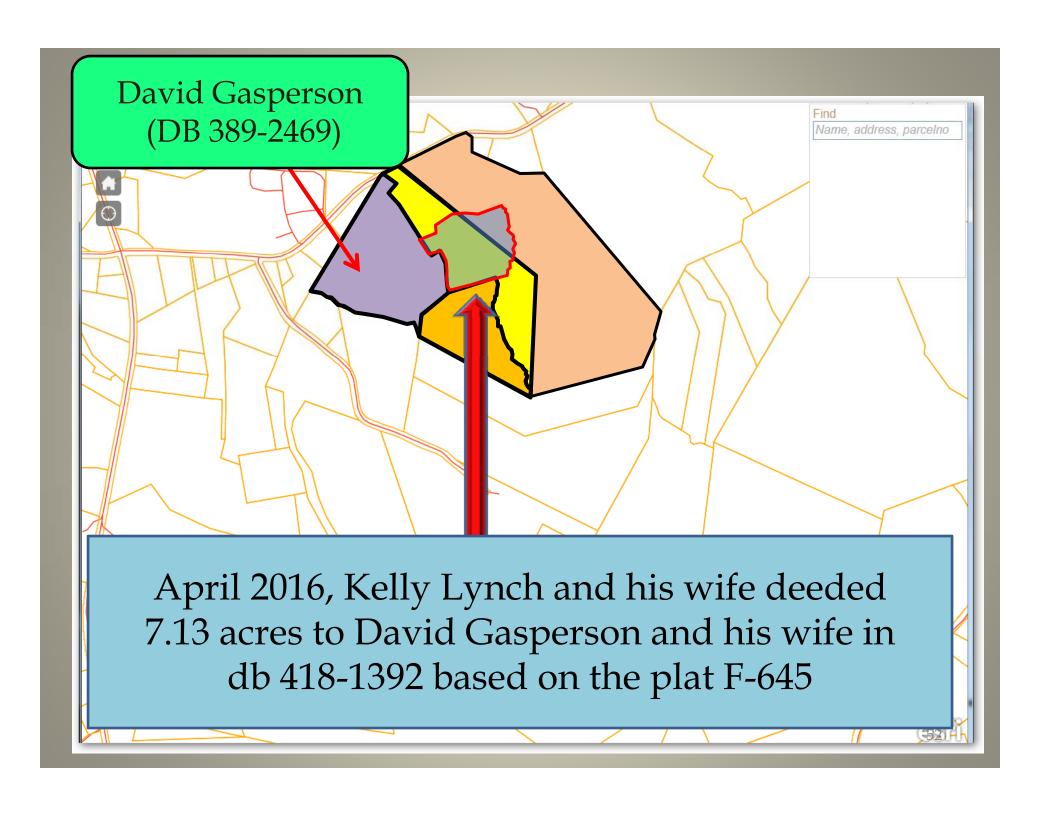


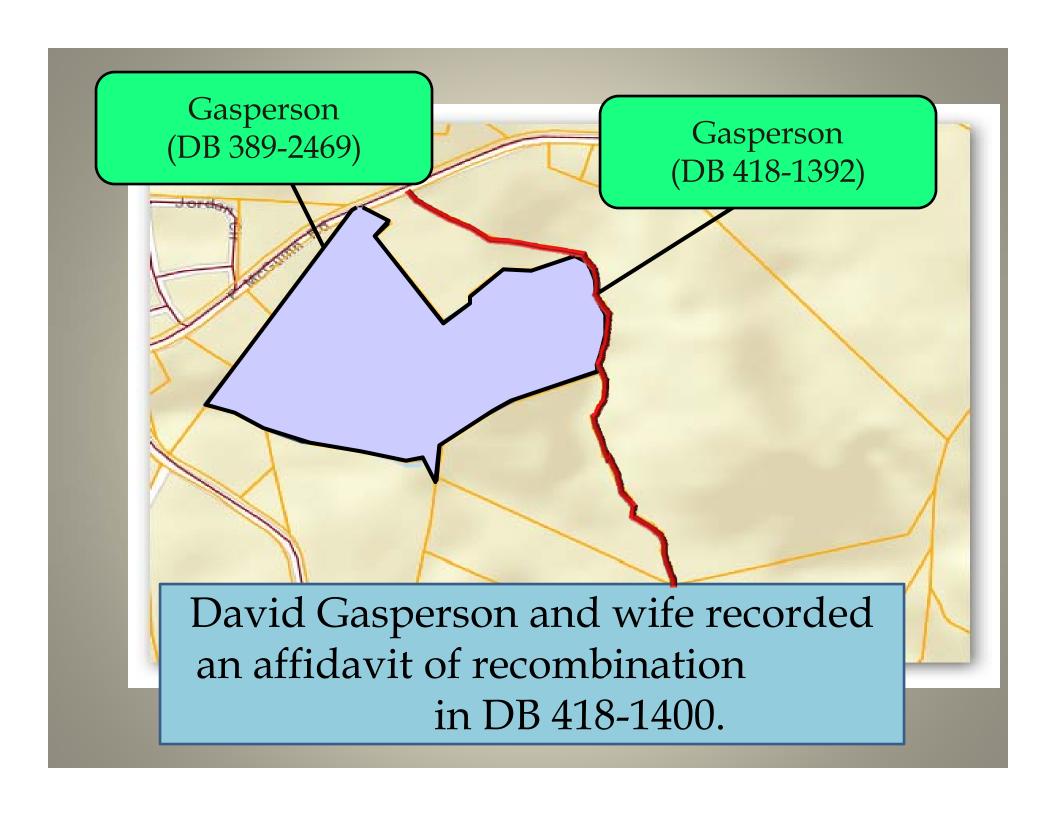


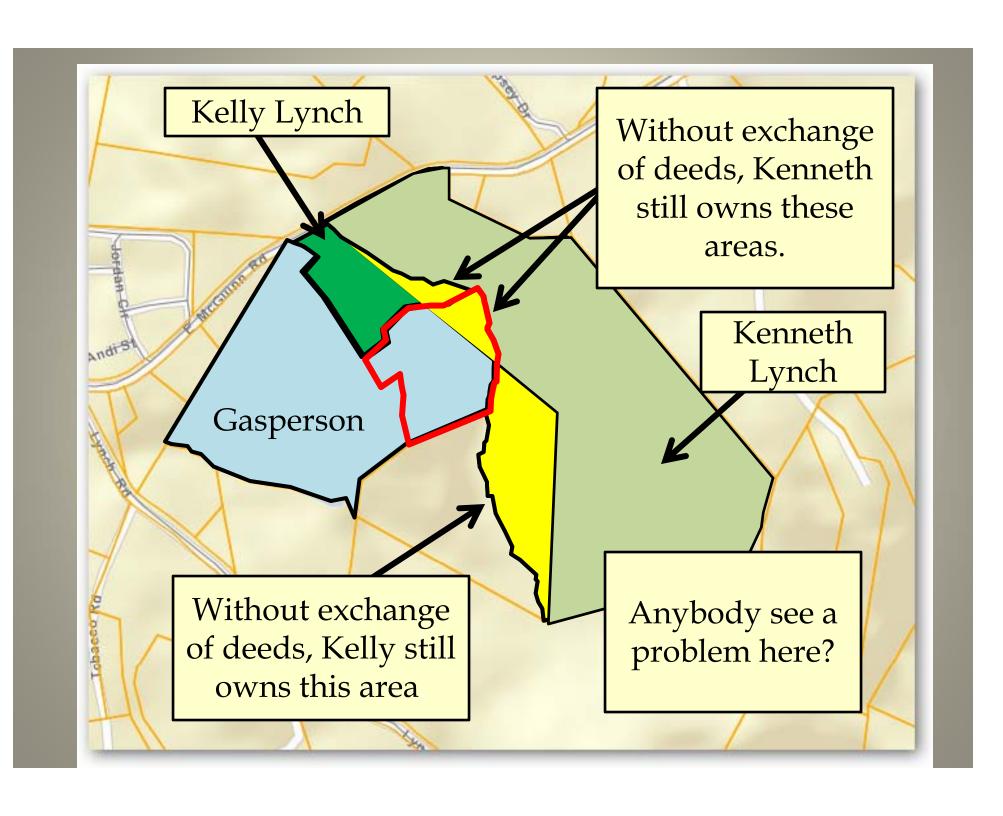
Does a plat convey title?

- Even if Kelly and Kenneth had signed
 - The plat, even if their signatures were notarized,
- The plat still would not have changed the boundary between the two parcels.
- And what about their wives?
- Plats, on their own, do not convey title.

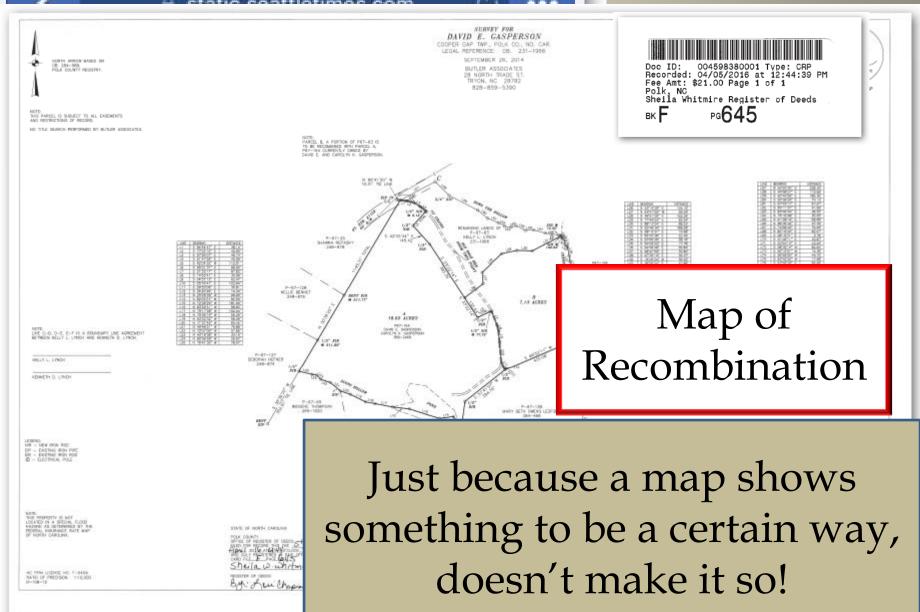
NOTE: LINE C-D, D-E, E-F IS A BOUNDARY LINE AGREEMENT BETWEEN KELLY L. LYNCH AND KENNETH D. LYNCH.	
KELLY L. LYNCH	
KENNETH D. LYNCH	







A static coattlatimes com



- While the tax office is not the
 - The "Title Police,"
 - GS 105-302(a) says "Taxable real property is to be listed in the name of the owner. . . "
- If the land records are not diligently maintained a whole host of problems can appear.
- Basically if the maps aren't right,
 - –Ain't nothing right!



Any questions?

John Bridgers – Land Records Consultant NC Dept of the Secretary of State

919-814-5456

jbridgers@sosnc.gov