



Answering Some of Your Questions

Dear Dave: Planning ahead for the coming winter I was thinking of putting a thermal blanket around my hot water heater to save energy. What do you think?

Answer: Many people think that, for around \$40.00, this is a good investment but the benefit is in fact extremely marginal. Whilst older hot water heaters were quite energy deficient, newer units have about 2 inches of insulation already built into the walls and top of the unit.

Furthermore, 90% of any heat loss escapes vertically through the chimney, not horizontally, and therefore the blanket serves little use. One further disincentive is that a blanket may cause sweating around the heater which can corrode the unit from the outside in.

Dear Dave: We just wrote an offer on a house with a separate Bill of Sale for the refrigerator, washer and dryer at a nominal figure. Our offer on the house was ac-

cepted but the bill of sale for the appliances was not. Do we have a legally binding contract?

Answer: Yes, your Purchase and Sale Agreement for the purchase of the real estate is a separate transaction to the Bill of Sale for appliances. They are, in effect, 2 individual contracts.

The appliances are referenced on a separate bill of sale because they are non-real estate items and may include all manner of personal property if the parties agree, even the 4 wheeler in the garage. Often-times, the consideration on the bill of sale is only a few dollars since the buyer is really expecting them to be "thrown in" to the deal. Unless there is specific wording on the Purchase and Sale Agreement stating that it is contingent on the negotiation of a suitable Bill of Sale for the appliances the real estate contract becomes binding upon acceptance by the seller when it is delivered back to you or your

licensee.

As an important footnote, your Licensee should always reference the Bill of Sale as an attachment on the Purchase and Sale Agreement because this should be disclosed to the Lender as part of their decision to fund the real estate. If there is a substantial amount of personal property (e.g. \$10,000 of furniture) "thrown in" for a nominal sum like Ten Dollars, then you and your licensee would be committing loan fraud if you did not disclose the Bill of Sale as an integral part of your real estate purchase.

Dave

Windsor

