

Smart Contract Terms for Land Title with Encumbrances and Adverse Claims Version: Civic-Grade Protocol | Date: [Insert Date]

1. Parties to the Agreement

This agreement is entered into by:

- Seller: [Full Name] , residing at [Address]
 Buyer: [Full Name] , residing at [Address]
- Escrow Agent: [Name of Escrow Official / Cooperative / Legal Entity]
- Witness / Notary: [Name] , licensed under [Jurisdiction]

2. Purpose of the Agreement

To facilitate a secure and ethical land transaction involving a property with annotations, encumbrances, liens, and adverse claims. This contract ensures that all parties understand the risks, mitigation steps, and conditions for escrow release.

3. Title Annotations & Risk Disclosure

The Certificate of Title includes the following annotations:

Annotation Type	Description	Risk Posed
Real Estate Mortgage	Property is collateral for a loan	May be foreclosed if unpaid
✓ Tax Lien	Government claim for unpaid taxes	May result in seizure or auction
Adverse Claim (§70 PD 1529)	Third party asserts interest in land	Buyer may not be considered in good faith
✓ Lis Pendens	Ongoing court case involving the property	Title transfer may be blocked until resolved
Easement / Right of Way	Legal access granted to another party	Limits use or development of affected area
Reconstituted Title (RA 26)	Title replaced after loss or destruction	Ownership may be challenged if annotation remains

4. Risk Mitigation Steps

Before escrow release, the following must be verified:

- Mortgage Clearance: Seller must provide updated statement or release from creditor
- Tax Clearance: Barangay or BIR must certify no outstanding tax liabilities

- Adverse Claim Review: Buyer must sign waiver acknowledging §70 risks and duration
- Court Status Check: Escrow Agent must confirm lis pendens is lifted or resolved
- **Easement Mapping**: Barangay must issue certified sketch of affected area
- Reconstitution Validation: RD must confirm authenticity and legal standing of title

5. Escrow Conditions

Funds deposited by the Buyer will be held in escrow until:

- All mitigation steps above are completed
- Buyer signs a Risk Acceptance Waiver
- Barangay confirms public signage and QR-linked disclosure
- No new disputes are filed within 7 days of public posting

6. Insurance Clause

If the transaction is disrupted due to unresolved annotations:

- Escrow is paused
- Insurance provider assesses and compensates based on verified triggers
- All events are timestamped and recorded on blockchain

7. Ethical Stewardship Clause

This contract honors:

- Transparency of title risks
- Public verification via signage and QR dashboard
- · Community awareness and consent
- Environmental and legal safeguards

8. Dispute Resolution

Any disputes will be resolved through:

- Barangay Mediation
- QR-linked complaint portal
- Arbitration by [Escrow Agent or Legal Entity]

9. Signatures & Agreement

By signing below, all parties acknowledge the risks posed by the title annotations, accept the mitigation steps, and agree to proceed voluntarily.

Seller Signature:	
Date:	
Buyer Signature:	
Date:	

Escrow Agent Signature: Date:
Witness Signature: Date:
Notarial Acknowledgment
ACKNOWLEDGMENT
REPUBLIC OF THE PHILIPPINES) CITY/MUNICIPALITY OF) BARANGAY OF) S.S.
BEFORE ME, a Notary Public for and in the City/Municipality of, this day of, 20, personally appeared the following:
[Name of Seller], with valid government-issued ID: [Type of ID], ID No, issued on,
 [Name of Buyer], with valid government-issued ID: [Type of ID], ID No, issued on,
[Name of Escrow Agent or Witness], with valid government-issued ID: [Type of ID], ID No, issued on,
known to me and to me known to be the same persons who executed the foregoing instrument, and who acknowledged to me that the same is their free and voluntary act and deed.
This instrument, consisting of pages, including this acknowledgment, has been signed by the parties and their witnesses on each and every page, and refers to a Barangay Escrow & Insurance Agreement for a property with annotated title and civic-grade risk disclosures.
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date and place first above written.
NOTARY PUBLIC Name: Commission No.: Until: PTR No.: IBP No.: Roll of Attorneys No.: Office Address: TIN:
Doc. No; Page No; Book No; Series of