



PROFESSIONAL GUIDE TO BUYING & SELLING YOUR HOME



Not intended to solicit currently listed properties.

RESIDENTIAL SALES PROFESSIONALS

MAGNUS TITLE AGENCY

Escrow Officer: _____
Phone #: _____
Fax #: _____
Address: _____
Escrow #: _____

REALTOR

Agent: _____
Company: _____
Phone #: _____
Mobile #: _____
Fax #: _____
Email: _____

LENDER

Loan Officer: _____
Company: _____
Phone #: _____
Mobile #: _____
Fax #: _____
Email: _____

INSURANCE COMPANY

Agent: _____
Company: _____
Phone #: _____
Policy #: _____
Email: _____

HOME WARRANTY COMPANY

Company: _____
Phone #: _____
Email: _____
Contract #: _____

HOME INSPECTION COMPANY

Company: _____
Phone #: _____
Email: _____



THE BASICS

REALTOR

A Realtor® is a licensed real estate agent and a member of the National Association of Realtors®, a real estate trade association. Realtors® also belong to their state and local Association of Realtors®.

REAL ESTATE AGENT

A real estate agent is licensed by the state to represent parties in the transfer of property. Every Realtor® is a real estate agent, but not every real estate agent has the professional designation of a Realtor®.

LISTING AGENT

A key role of the listing agent or broker is to form a legal relationship with the homeowner to sell the property and place the property in the Multiple Listing Service.

BUYER'S AGENT

A key role of the buyer's agent or broker is to work with the buyer to locate a suitable property and negotiate a successful home purchase.

MULTIPLE LISTING SERVICE (MLS)

The MLS is a database of properties listed for sale by Realtors® who are members of the local Association of Realtors®. Information on an MLS property is available to thousands of Realtors®.

COMMITMENT IS A TWO-WAY STREET.

Your Realtor® will make a commitment to spend valuable hours finding the right home for you: researching listings, previewing properties, visiting homes with you, and negotiating your contract. Honor that commitment by staying with the Realtor® you've selected until you purchase your home. Be sure your Realtor® accompanies you on your first visit to all new homes and open houses, too.



ADVANTAGES OF USING A REALTOR®

PRICING:

- ▶ By providing valuable information on local market conditions, your REALTOR® will help you price your property realistically and fairly. You will also be informed of changes in the market that may affect the sale of your property.

ADVERTISING:

- ▶ Exposure of your property is key to obtaining a quick sale in today's market. When you use an agent, he or she will aggressively market your home through highly targeted advertising, aiming to reach as many potential buyers as possible.
- ▶ By utilizing a variety of marketing tools, including *Multiple Listing Services*, advertisement in trade magazines, internet, and national referral networks, your REALTOR® will ensure that your home is sold expediently.

SCREENING:

- ▶ Finding the right buyer is the ultimate goal of selling a property. Hence, the real estate professional will only show your property to serious, qualified buyers.
- ▶ A REALTOR® has the expertise to research and investigate all potential buyers, exclusively managing the time-consuming aspects of selling a home – like fielding constant telephone inquiries, setting up appointments and holding open houses.

NEGOTIATION:

- ▶ A REALTOR® can help you get top dollar for your home because negotiating is one of their areas of expertise.
- ▶ Negotiating for the best terms & price, acting as a mediator to smooth over any potential conflicts between the buyer and the seller, and drawing up a legally binding contract is what you can expect from your trained professional.

CLOSING OR SETTLEMENT:

- ▶ Not only will your REALTOR® guide you through the complexity of paperwork that ensues during a home sale, but they will also keep you informed of everything from the escrow process to inspection procedures.
- ▶ Your agent can monitor your transaction while it is in escrow, and handle any problems that may arise.

PROFESSIONALISM:

- ▶ Think of a REALTOR® as a trained professional who has the ability to sell your property quickly and cost-effectively.



ESTABLISHING MARKET VALUE FOR THE SELLER

According to the Real Estate Encyclopedia, **market value** is: "the highest price, in terms of money, that a property will bring to a willing seller if exposed for sale on the open market..... allowing a reasonable time to find a willing buyer..... and with neither buyer or seller acting under necessity, compulsion nor peculiar and special circumstances."

When a property is listed at a price which reflects fair market value, the greatest number of buyers will see value in the property within a reasonable time. You need an expert evaluation of all the market conditions; in other words, you need a **Professional Market Analysis**. Beware of "front-porch" value estimates that are simply computer selected properties..... look for **real estate professionals** who have the depth of knowledge necessary to interpret this data and help you understand the best listing strategy for successfully selling your home.

At best you can only guess what your house is worth. If you guess too high, you will discourage many prospective buyers who will consider the property out of their reach. If you reduce the price, buyers may wonder what is wrong. On the other hand, if you guess too low, you will sacrifice money you should have had. And a "bargain" price may even seem suspicious to cautious prospects.

Value is not absolute. It is based on availability, usefulness, desirability, and need. Well maintained homes with efficient use of space and curb appeal will sell for higher prices than properties in similar locations that have none of these features.

Homeowners often confuse cost with value. Buyers are not interested in what you, the seller, have spent on the property, buyers look for value.

Several factors should not influence your asking price.

Your Cost. Suppose you had received the place as a gift. Must you then give it away?

Your Investment in Improvements. You put in that purple kitchen because you enjoyed it, but you are not likely to find anyone who feels your house is worth \$15,000 more because of the color selection. They may instead be calculating the cost of taking it out and replacing it with something in turquoise.

Emotion. Watch out that you do not over value the home because your daughter took her first steps on the porch and your beloved Tabby is buried under the orange tree. On the other hand, do not let the stress of divorce, or the need to settle an estate quickly, lead you to under value the place.

GETTING TOP DOLLAR

Neatness— The elimination of clutter is very important and leads to top dollar!

You need to take the excess belongings out of the house and pack them. Many buyers subliminally equate a messy house as a house with problems.

Kitchen- When you are selling your home, your best chance at cooking up a sale is in the kitchen.

For today's home buyer, the kitchen is typically the most important room in the house...an area where form and function are equally important. Buyers view kitchens as an area that has many, many functions: preparing dinner; sharing meals; sorting mail; paying bills; and generally hanging out.

A major kitchen overhaul probably does not make sense when you are ready to sell. But you will want to do all you can to make your kitchen look its best.

Odors- Even though you have grown accustomed to certain odors, they can harm a sale. When a prospect walks in your door and smells something, even if they cannot identify what it is, they will definitely be turned off.

Repairs and Improvements- Basically, freshness, neatness and good working order are the keys to top sales appeal.

Pre-Sale Inspection- Why? Because if an inspector seconds your opinion that your home is in good condition, then you have got an excellent marketing tool that should help your Realtor sell your home more quickly and for the highest price possible. Your pre-inspection report is your negotiating tool that gives validity to your asking price. It places confidence in the minds of prospective buyers, who know that they are not jumping into uncertain territory. If you are preparing to place your home on the market, a pre-inspection should not be overlooked. It is your insurance policy for a smooth and speedy transaction.

Home Warranty- By having a home warranty in place, your home will be more marketable and it can discourage downward price negotiations. In addition, you will have protection against costly repair bills at a time when they are least affordable and most inconvenient.

**Look at your house as if you were seeing it for the first time
and be just as critical as buyers will.**

Repair what strikes you as the least bit in disrepair.

**Your ideal goal is to show the property in "move-in condition"..
without a thing to fix.**



NEGOTIATING THE OFFER

The final pieces are falling into place, and you receive an offer for your house. Now you are ready to negotiate with a buyer, sign a contract, wait for your buyer to secure financing, make preparations to move, and finally collect payment and hand over the keys. Throughout this process, your Realtor is at hand positioning each piece until, at last, you have the complete picture:

SOLD, SETTLED, AND MOVED

When you receive a signed offer, **RESIDENTIAL RESALE REAL ESTATE PURCHASE CONTRACT**, your Realtor will discuss with you the terms and conditions of the offer and provide you an estimated cost sheet. Every seller has three options when presented with an offer, you can accept the offer, reject the offer, or counter the offer. Remember, until you sign, the Buyer can always withdraw an offer if they suffer an ailment called "Buyer's Remorse". Reply as soon as possible because buyers are in the mood to buy when they make an offer but moods change.

Remember the first contract received often turns out to be the best. Experience shows the first 30 days on the market are critical because a backlog of buyers often exists. These buyers have been looking and waiting for a house just like yours. Overpricing misses out on this buyer backlog as does turning down good offers in the early days in the hopes of doing better later.

Negotiating the sales price and terms sometimes means walking a tightrope between the highest price the buyer is willing to pay and the lowest price you can accept. Arriving at an agreement may take patience, psychology, flexibility - and intuition. Keep the dialogue going until you agree on price and terms. Sometimes a low offer can be turned into just what you are looking for.

Rely on your Realtor, who is in a unique position to help negotiations along, since your Realtor knows your situation. Your Realtor is professionally trained to find a meeting of the minds where everybody wins. After all, everyone has the same goal..... you want to sell, the buyer wants to buy, and your Realtor wants to close the transaction.

Your signed acceptance of a written offer becomes your sales contract. Except for removing any and all contingencies, this document is the binding basis for the sale. Contingencies are typically used to smooth acceptance of a contract without delaying the buying decision. Most contracts are contingent upon financing. This is for your protection as well as the buyers, because you do not want to be tied to a buyer who cannot deliver.

The sales contract is the most important document. The terms defined in the writing will be used throughout the transaction. Most important is making sure you know who pays what and what the cost of those items are.



THE HOME INSPECTION

The **AAR Residential Resale Real Estate Purchase Contract** gives the buyer the right to conduct physical, environmental, and other types of inspections, including tests, surveys, and other studies, of the premises at the buyer's expense to determine the value and condition of the premises. The Buyer must have any inspections, test, surveys, etc., and investigate any material matters that are a concern during the inspection period. The Contract also states that the buyer shall provide you, upon request and at no cost to you, copies of all reports concerning the premises.

PROFESSIONAL HOME INSPECTION: In a home inspection, a qualified inspector takes an in-depth, unbiased look at the premises: (1) to evaluate the physical condition, i.e., structure, construction, and mechanical systems; (2) to identify items that need to be repaired or replaced; and (3) to estimate the remaining useful life of the major systems, equipment, and structure. The inspection gives a detailed report on the condition of the structural components, exterior, roofing, plumbing, electrical, heating insulation and ventilation, air conditioning, and interiors.

WOOD INFESTATION REPORT (WIR): As a protective measure, lending institutions require that homes be inspected for damage from termites or other wood-destroying insects before closing the sale of the home. A WIR is a document prepared by a licensed pest control company that informs the buyer and lending institution of the results of the inspection. For more information, contact the Arizona Structural Pest Control Commission (www.sb.state.az.us) at 602-255-3664. As this only pertains to wood infestation report.

WHAT IS ESCROW?

*Webster's vest pocket dictionary defines ESCROW as:
"Deposit to be delivered upon fulfillment of a condition."*

As an escrow holder, Magnus Title Agency's duty is to act as the neutral third party. We hold all documents and all funds, pursuant to the purchase contract and escrow instructions, until all terms have been met and the property is in insurable condition. We do not work for the seller or for the buyer; rather, we are employed by **ALL** parties and act only upon **MUTUAL WRITTEN INSTRUCTION**.

OPENING ESCROW

"Opening Escrow" occurs when your REALTOR® brings in a fully executed contract with your earnest money deposit.

Your Escrow Officer reviews the contract, receipts in the earnest money, orders the commitment for title insurance, and prepares the documents required to close escrow. All of the documents are double checked by your Escrow Officer.

WHAT IS TITLE INSURANCE?

DEFINITION: A contract where by the Insurer, for valuable consideration, agrees to indemnify the Insured for a specified amount against loss through defect of title to real estate wherein the latter has an interest either as a purchaser or otherwise.

PURPOSE: Title insurance services are designed to afford real property owners, lenders, and others with interest in real estate, the maximum degree of protection from adverse title claims or risks. The financial assurance offered by a title insurance policy from the title company is, of course, the primary aspect of title protection. The policy affords protection both in satisfying valid claims against the title as insured and in defraying the expenses incurred in defending such claims.

THE TITLE SEARCH

Title companies work to eliminate risks by performing a search of the public records or through the title company's plant. The search consists of public records, laws and court decisions pertaining to the property to determine the current recorded ownership, any recorded liens, encumbrances or any other matters of record which could affect the title to the property. When a title search is complete, the title company issues a commitment for title insurance (pre-lim) detailing the current status of title.



LIFE OF AN ESCROW

1. **Opening the Escrow-** Items needed to open escrow:
 - Fully executed Purchase Contract
 - Earnest money deposit
 - Copy of listing
 - New lender information
 - Existing loan payoff information
 - HOA Information
2. **Processing the Escrow**
 - Escrow deposits earnest money funds
 - Escrow orders preliminary title report from title department
 - Escrow requests payoff or assumption information, homeowner's association information, etc.
3. **Title Examination**
 - Property and parties are researched by the Title Examiner
 - Preliminary Title Report is typed and sent to Escrow Officer, Agents, Sellers & Buyer
4. **Escrow Closing Preparation**
 - Preliminary title report received by Escrow Officer and is reviewed for any *surprises*, i.e. tax liens, judgments, unknown liens of record, discrepancies in legal description, delinquent taxes, access problems, etc.
 - Escrow informs Agents if additional information is needed to clear any *surprises* revealed by the Preliminary Title Report
 - Escrow follows-up on receipt of the following if needed, per purchase contract:
 - Termite Report
 - Buyer's Hazard Insurance
 - Pay-off Information
 - Home Protection Plan (Warranties)
 - New Loan Package
 - Repair Bills
 - Loan documents are received and the Escrow Officer 'works' the file to reflect closing and advises Agents of funds that are needed for closing.
 - Closing appointment times are set for Buyer and Seller with Escrow Officer.
 - Inform all parties executing documents to bring a valid government issued picture I.D. (drivers license, passport, etc).
 - Inform Buyer to bring in a cashier's check or wired funds for closing.
5. **Execution of Documents**
 - Buyer & Seller meet with Escrow Officer and execute all documents
6. **Lenders Funds**
 - After all parties have executed the necessary documents, Escrow returns the loan package to new Lender for review and funding
 - Lender funds the loan and Lenders check or wired funds are sent to Escrow for processing
7. **Recordation**
 - After Escrow receives all funds needed and have ascertained that conditions are met, original documents are recorded.
 - Once documents are recorded, Escrow notifies Agents.
 - Agents will make arrangements for you to receive your keys.
8. **Disbursement of Funds**
 - All Disbursements are made in accordance with the settlement statement
9. **Policies Issued**
 - Purchaser receives Owner's Title Insurance Policy from Magnus Title Agency
 - New Lender receives ALTA Loan Policy from Magnus Title Agency



CLOSING COSTS: WHO PAYS WHAT

THIS CHART INDICATES WHO CUSTOMARILY PAYS WHAT COSTS.

	CASH	FHA	VA	CONV
1. Down payment	BUYER	BUYER	BUYER	BUYER
2. Realtors® Commissions	SELLER	SELLER	SELLER	SELLER
3. Existing Loan Payoff	SELLER	SELLER	SELLER	SELLER
4. Loan Prepayment Penalty (if any)	SELLER	SELLER	SELLER	SELLER
5. Taxes	PRORATE	PRORATE	PRORATE	PRORATE
6. Termite (Wood Infestation) Inspection (negotiable except on VA)			SELLER	
7. Property Inspection (if requested by Buyer)	BUYER	BUYER	BUYER	BUYER
8. Property Repairs, if any (negotiable)	SELLER	SELLER	SELLER	SELLER
9. Homeowners Association (HOA) Transfer Fee	SPLIT	SPLIT	SELLER	SPLIT
10. HOA Disclosure Fee	SELLER	SELLER	SELLER	SELLER
11. Home Warranty Premium (negotiable)				
12. New Loan Origination Fee (negotiable)		BUYER	BUYER	BUYER
13. Discount Points (negotiable)		BUYER	SELLER	BUYER
14. Documents Preparation Fee		SELLER	SELLER	SELLER
15. Credit Report		BUYER	BUYER	BUYER
16. Appraisal (negotiable)		BUYER	BUYER	BUYER
17. Tax Service Contract		SELLER	SELLER	BUYER
18. Prepaid Interest (approx. 30 days)		BUYER	BUYER	BUYER
19. Impound Account		BUYER	BUYER	BUYER
20. FHA, MIP, VA Funding Fee, PMG Premium		BUYER	BUYER	BUYER
21. Fire/Hazard Insurance	BUYER	BUYER	BUYER	BUYER
22. Flood Insurance (if any)		BUYER	BUYER	BUYER
23. Escrow Fee (NOTE: Charge Seller on VA Loan)	SPLIT	SPLIT	SELLER	SPLIT
24. Homeowners Title Policy	SELLER	SELLER	SELLER	SELLER
25. Lenders Title Policy and Endorsements		BUYER	BUYER	BUYER
26. Recording Fee (Flat Rate)	SPLIT	SPLIT	SPLIT	SPLIT
27. Reconveyance/Tracking Fee	SELLER	SELLER	SELLER	SELLER
28. Courier/Express Mail Fees	SPLIT	SPLIT	SELLER	SPLIT
29. Email Loan Documents		BUYER	SELLER	BUYER

AFTER THE CLOSING

We recommend you keep all records pertaining to your home together in a safe place, including all purchase documents, insurance, maintenance and improvements.

LOAN PAYMENTS AND IMPOUNDS. You should receive your loan coupon book before your first payment is due. If you don't receive your book, or if you have questions about your tax and insurance impounds, contact your mortgage company.

HOME WARRANTY REPAIRS. If you have a home warranty policy, call your home warranty company directly for repairs. Have your policy number available when you call.

RECORDED DEED. The original deed to your home will be mailed directly to you.

TITLE INSURANCE POLICY. Magnus Title Agency will mail your policy to you after closing.

PROPERTY TAXES. You may not receive a tax statement for the current year on the home you buy. However, it is your obligation to make sure the taxes are paid when due. Check with your mortgage company to find out if taxes are included with your payment. For more information on your Maricopa County property taxes, contact:

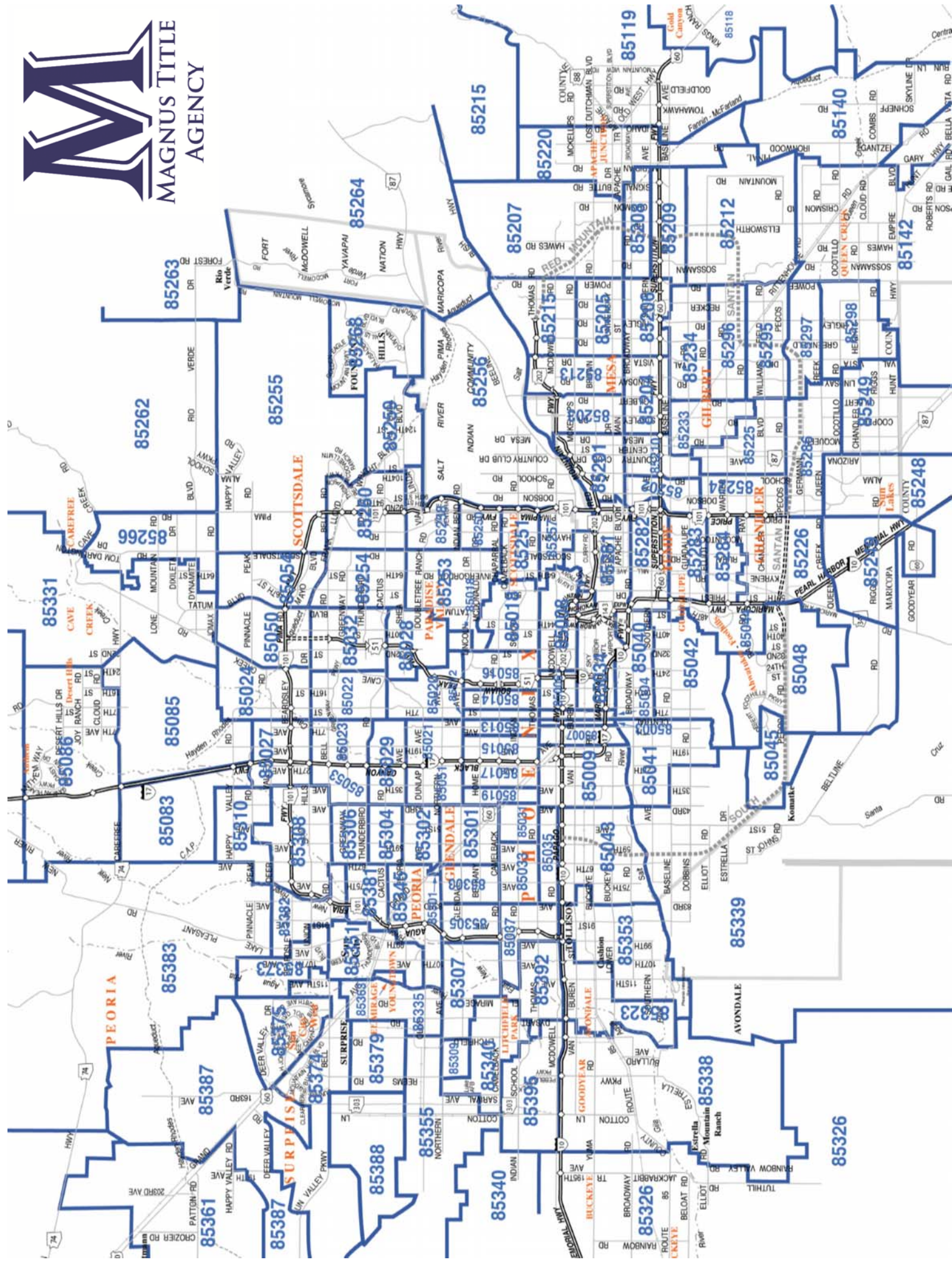
- Maricopa County Tax Assessor: 602-506-3406
- Maricopa County Treasurer: 602-506-8511



COMPARISON CHECKLIST

FOR THE BUYER

Home Buyer Checklist	1	2	3
Property Address	_____	_____	_____
Asking Price	\$ _____	\$ _____	\$ _____
The House			
Roof Condition	_____	_____	_____
Overall Exterior Condition	_____	_____	_____
Garage Size	_____	_____	_____
No. of Bathrooms	_____	_____	_____
No. of Closets	_____	_____	_____
No. of Bedrooms	_____	_____	_____
Central Air Conditioning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Living Room	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fireplace	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Separate Dining Room	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Family Room	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kitchen Eating Area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Refrigerator	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stove/Oven (Gas/Electric)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



IMPORTANT PHONE NUMBERS

UTILITIES

(APS) Arizona Public Service - 602-371-7171 or 1-800-253-9405 - www.aps.com
(SRP) Salt River Project - 602-236-8888
www.srp.com

GAS

Southwest Gas - 877-860-6020-www.swgas.com
Mesa Gas - 480-644-2221

WATER

Apache Junction - 480-982-6030
Avondale - 623-333-2005
Buckeye - 623-386-2196
Carefree - 480-488-9100
Cave Creek - 480-488-6617
Chandler - 480-782-2280
El Mirage - 623-933-1228
Fountain Hills - 480-837-9522
Gilbert - 480-503-6800
Glendale - 623-930-3190
Global Water - 520-568-4452
Goodyear - 623-932-3910
Guadalupe - 480-730-3080
Litchfield Park - 623-935-9367
Maricopa Dom Water Improv. Dist - 520-568-2239
Mesa - 480-644-2221
*Paradise Valley (sewer) - 480-348-3518
<http://www.ci.paradise-valley.az.us/>
Paradise Valley water service is through a private water company called: EPCOR 1-800-383-0834
www.epcor.com
Peoria - 623-773-7160
Phoenix - 602-262-6251 -
<http://www.phoenix.gov/residents/>
Queen Creek - 480-358-3450
<http://www.scottsdaleaz.gov/eservices>
Scottsdale - 480-312-3111
Surprise - 623-222-7000
Tempe - 480-350-8361

TELEPHONE

Century Link - 1-866-209-3277-
www.centurylink.com
Cox - 866-961-0155

CABLE

Cox Communications - 623-594-1000 or 1-800-683-0084 www.cox.com/arizona
Direct TV - 1-855-345-7002

***PV also doesn't provide trash service owner must sign up with PV approved trash companies. Visit Town website and click on "How do I...and go to sign-up for "Garbage Collection" for a list of approved collection companies.**

AUTOMOBILE INFORMATION

Emissions Testing - 602-771-2300
Motor Vehicle Division - 602-255-0072

DOG LICENSING - 602-506-7387

POST OFFICES, Valley Wide -

1-800-275-8777
<http://www.usps.com/>

VOTER REGISTRATION -

602-506-1511

The Arizona Republic -

602-444-1000

Solid Waste Mngt. Dept. (Recycling)

623-974-4791 / 480-373-0062

FIRE DEPARTMENT

Apache Junction - 480-982-4440
Carefree - 480-488-0347
Chandler - 480-782-2120
El Mirage - 623-583-7988
Fountain Hills - 480-837-9820
Gilbert - 480-503-6300
Glendale - 623-931-5600
Goodyear - 623-932-2300
Litchfield Park - See Goodyear
Maricopa - 520-568-3333
Mesa - 480-644-2101
Paradise Valley - 480-348-3631
Peoria - 623-773-7279
Phoenix - 602-253-1191
Queen Creek - 480-644-2400
Scottsdale - 480-945-6311
Sun City - 623-974-2321
Sun City West - 623-584-3500
Surprise - 623-222-5000
Tempe - 480-858-7230
Youngtown - 623-974-3665

POLICE DEPARTMENT

Apache Junction - 480-982-8260
Carefree - 480-876-1000
Chandler - 480-782-4130
El Mirage - 623-933-1341
Fountain Hills - 602-876-1869
Gilbert - 480-503-6500
Glendale - 623-930-3000
Litchfield Park - 623-932-1220
Maricopa - 520-3673 Dispatch
520-316-6800 Admin
Mesa - 480-644-2211
Paradise Valley - 480-948-7418
Peoria - 623-773-8311
Phoenix - 602-262-6151
Queen Creek - 602-876-1011
Scottsdale - 480-312-5000
Sun City - 623-972-2555
Sun City West - 623-584-5808
Surprise - 623-222-4000
Tempe - 480-966-6211
Youngtown - 623-974-3665

CONSUMER SERVICES

Better Business Bureau - 602-264-1721
AZ Attorney General - 602-542-5025
AZ Registrar of Contracts - 602-542-1525

TRANSPORTATION

Bus Lines

Super Shuttle - 602-244-9000
Phoenix Transit - 602-253-5000
Dial-A-Ride - 800-775-7295

Limousine

Carey - 602-966-1955
Desert Rose - 623-780-0159
Scottsdale - 800-221-5065
Starlite - 800-875-4104
Vincent - 480-348-9990

Taxi Cab

AAA - 480-966-8294
Courier - 602-232-2222
Yellow - 602-252-5252

LIBRARIES

Apache Junction - 480-474-8555
Carefree - 480-488-3686
Cave Creek - 480-488-2286
Chandler - 480-782-2814
El Mirage - 602-652-3000
Fountain Hills - 602-652-3000
Gilbert - 602-652-3000
Glendale - 623-930-3530
Litchfield Park - 623-935-5053
Maricopa - 520-316-6960
Mesa - 480-644-3100
Peoria - 623-773-7555
Phoenix - 602-262-6372
Queen Creek - 602-652-3000
Scottsdale - 480-312-7323
Sun City - 623-652-3000
Surprise - 602-652-3000
Tempe - 480-350-5555
Youngtown - 623-974-3401

WASTE AND RECYCLING SERVICE

Waste Management - 602-268-2222

RECYCLING ASSOC. OF MARICOPA

Recycling Assoc. Maricopa - 520-568-9428



New TILA-RESPA Disclosure Rules Simplify and Clarify



Lenders must comply by October 3, 2015

The Consumer Financial Protection Bureau (CFPB) issued a new rule that combines mortgage disclosures previously established by the Truth-in-Lending Act (TILA) and the Real Estate Settlement Procedures Act (RESPA) into a single rule effective October 3, 2015. To help lenders navigate the TILA-RESPA Integrated

Disclosures (TRID) Rules, the Mortgage Bankers Association (MBA) just released a resource guide written by two of the industry's top compliance experts, Richard Horn and Ballard Spahr.

Jeffrey Schummer, MBA's Vice President of Education Development says, "TRID is 1,888 pages in length and affects every business functioning in the single-family mortgage market. Compliance with this new rule requires major systems and operational changes. As such, MBA's TRID Resource Guide will help companies to ensure compliance by the August 1st deadline."

What is it?

The TRID Rule combines four existing disclosures that are required under the Truth-in-Lending-Act (TILA) and the Real Estate Settlement Procedures Act (RESPA) for most real property-secured closed-end credit transactions. To help improve consumer clarity and promote industry compliance with TILA and RESPA initial and final disclosures, the Good Faith Estimate (GFE) and initial Truth-in-Lending Disclosure will be replaced by the three-page Loan Estimate. The HUD-1 Settlement Statement and final Truth-in-Lending Disclosure is being replaced by the five-page Closing Disclosure.

Who will be affected?

The Final Rule applies to most closed-end consumer mortgage loans that are secured by a one to four unit dwelling attached to real property. The Final Rule does not apply to home-equity lines of credit, reverse mortgage loans, mortgage loans secured by a mobile home or by a dwelling not attached to real property, such as land, or to creditors that write five or fewer mortgages a year. A partial exemption will be given to certain junior liens which are associated with housing assistance loans for low/moderate income consumers. Unlike many of the CFPB mortgage rules, the Final Rule does not include an exception for small creditors.

What will change?

Under TRID, changes will be made to the following processes:

- The Loan Estimate must be placed in the mail or delivered no later than the third business day after receiving the application and no later than the seventh business day before consummation. The consumer must receive the Closing Disclosure at least three business days prior to consummation.
- Lenders must keep copies of the Loan Estimate for three years after consummation, and retain copies of the Closing Disclosure, in addition to all Closing Disclosure-related documents, for five years after consummation.

The Final Rule also includes several other substantive changes and additions to TILA and RESPA, including,



- Defining what constitutes an application: The removal of the seventh catch-all item.
- Date changes that lenders must provide the Loan Estimate (currently the GFE). As a result of a Change of Circumstance, the time frames are different for the delivery of the initial Loan Estimate and revised Loan Estimate.
- Variances, formerly known as tolerances, are changing and this will force more fees into the 0% and 10% categories. Lenders may have greater responsibility imposed on them for the amount their partners charge.
- The Loan Estimate will not have number line items as found on the GFE, this will leave three main categories under Loan Costs: Origination Charges, Services That You Cannot Shop For, and Services You Can Shop For. Under Other Costs, there will be separate categories such as Taxes and Other Government Fees, Prepaids, Initial Escrow Payment at Closing, and Other.
- All Loan Estimate fees will be rounded to the nearest dollar.
- Borrowers must receive the Closing Disclosure at least three business days before consummation. The loan product changes if the Annual Percentage Rate (APR) becomes “inaccurate,” or a prepayment penalty is added, a new Closing Disclosure must be provided and an additional three-business-day waiting period after receipt of the new Closing Disclosure is required before the loan can close.
- The HUD-1 Settlement Statement replacement, the Closing Disclosure will have different line items from its predecessor. The line items will be associated with three general categories under Loan Costs: Origination Charges, Services Borrower Did Not Shop For, and Services Borrower Did Shop For. Other Costs includes separate categories and line items:

Taxes and Other Government Fees, Prepaids, Initial Escrow Payment at Closing, and Other.



- The Closing Disclosure will also contain additional new disclosures required by the Dodd-Frank Act and a detailed accounting of the settlement transaction.
- Similar to HUD-Is, lenders will be responsible for preparing the Closing Disclosure, which is usually prepared by a settlement agent. Settlement agents may still be used by lenders in providing the Closing Disclosure if the settlement agents are compliant with the Final Rule's requirements for the Closing Disclosure.

How can you prepare?

You will need to update policies and procedures, in addition to changing the way you track and modify disclosures. Pre-application estimates, compliance tests and reporting requirements will be impacted by the rule. Here are some things you can do to get ready:

- Identify affected products, departments and staff as well as the business-process, operational, and technology changes that will be necessary for compliance.
- Identify the impact these changes will have on key service providers or business partners, and what training will be needed.

Resources:

Ellie Mae. [RESPA-TILA Integrated Mortgage Disclosures Rule](#)

HousingWire. [MBA releases guide for lenders to conquer TILA-RESPA](#)

HousingWire. [Former CFPB executive highlights hot spots in TILA/RESPA](#)



BUYER ATTACHMENT

Document updated:
February 2017



This attachment should be given to the Buyer prior to the submission of any offer and is not part of the Residential Resale Real Estate Purchase Contract's terms.



ATTENTION BUYER!

You are entering into a legally binding agreement.

- ☐ 1. Read the entire contract **before** you sign it.
- ☐ 2. Review the Residential Seller's Property Disclosure Statement (See Section 4a).
 - This information comes directly from the Seller.
 - Investigate any blank spaces, unclear answers or any other information that is important to you.

- ☐ 3. Review the Inspection Paragraph (see Section 6a).

If important to you, hire a qualified:

- General home inspector
- Heating/cooling inspector
- Mold inspector
- Pest inspector
- Pool inspector
- Roof inspector

Verify square footage (see Section 6b)

Verify the property is on sewer or septic (see Section 6f)

- ☐ 4. Confirm your ability to obtain insurance and insurability of the property during the inspection period with your insurance agent (see Sections 6a and 6e).

- ☐ 5. Apply for your home loan now, if you have not done so already, and provide your lender with all requested information (see Section 2f).

It is your responsibility to make sure that you and your lender follow the timeline requirements in Section 2, and that you and your lender deliver the necessary funds to escrow in sufficient time to allow escrow to close on the agreed upon date. Otherwise, the Seller may cancel the contract and you may be liable for damages.

- ☐ 6. Read the title commitment within five (5) days of receipt (see Section 3c).
- ☐ 7. Read the CC&R's and all other governing documents within five (5) days of receipt (see Section 3c), especially if the home is in a homeowner's association.
- ☐ 8. Conduct a thorough pre-closing walkthrough (see Section 6l). If the property is unacceptable, speak up. After the closing may be too late.

You can obtain information through the Buyer's Advisory at www.aaronline.com/manage-risk/buyer-advisory-3/.

Remember, you are urged to consult with an attorney, inspectors, and experts of your choice in any area of interest or concern in the transaction. Be cautious about verbal representations, advertising claims, and information contained in a listing. *Verify anything important to you.*

☒ **Buyer's Check List**

RESIDENTIAL RESALE REAL ESTATE PURCHASE CONTRACT

 Document updated:
February 2017


The pre-printed portion of this form has been drafted by the Arizona Association of REALTORS®. Any change in the pre-printed language of this form must be made in a prominent manner. No representations are made as to the legal validity, adequacy and/or effects of any provision, including tax consequences thereof. If you desire legal, tax or other professional advice, please consult your attorney, tax advisor or professional consultant.



1. PROPERTY

- 1a. 1. **BUYER:** _____
BUYER'S NAME(S)
2. **SELLER:** _____ or ☐ as identified in section 9c.
SELLER'S NAME(S)
3. Buyer agrees to buy and Seller agrees to sell the real property with all improvements, fixtures, and appurtenances thereon
4. or incidental thereto, plus the personal property described herein (collectively the "Premises").
- 1b. 5. Premises Address: _____ Assessor's #: _____
6. City: _____ County: _____ AZ, Zip Code: _____
7. Legal Description: _____
8. _____
9. _____
- 1c. 10. \$ _____ Full Purchase Price, paid as outlined below
11. \$ _____ Earnest Money _____
12. \$ _____
13. \$ _____
14. _____
15. _____
16. _____
17. Earnest Money is in the form of: ☐ Personal Check ☐ Wire Transfer ☐ Other _____
18. Upon acceptance of this offer, the Earnest Money, if any, will be deposited with: ☐ Escrow Company ☐ Broker's Trust Account.
19. **IF THIS IS AN ALL CASH SALE:** A Letter of Credit or a source of funds from a financial institution documenting the availability of
20. funds to close escrow is attached hereto.
- 1d. 21. **Close of Escrow:** Close of Escrow ("COE") shall occur when the deed is recorded at the appropriate county recorder's office.
22. Buyer and Seller shall comply with all terms and conditions of this Contract, execute and deliver to Escrow Company all closing
23. documents, and perform all other acts necessary in sufficient time to allow COE to occur on
24. _____, 20____ ("COE Date"). If Escrow Company or recorder's office is closed on the COE Date,
MONTH DAY YEAR
25. COE shall occur on the next day that both are open for business.
26. Buyer shall deliver to Escrow Company a cashier's check, wired funds or other immediately available funds to pay any down
27. payment, additional deposits or Buyer's closing costs, and instruct the lender, if applicable, to deliver immediately available funds to
28. Escrow Company, in a sufficient amount and in sufficient time to allow COE to occur on the COE Date.
29. Buyer acknowledges that failure to pay the required closing funds by the scheduled COE, if not cured after a cure notice is delivered
30. pursuant to Section 7a, shall be construed as a material breach of this Contract and the Earnest Money shall be subject to forfeiture.
31. All funds are to be in U.S. currency.
- 1e. 32. **Possession:** Seller shall deliver possession, occupancy, existing keys and/or means to operate all locks, mailbox, security
33. system/alarms, and all common area facilities to Buyer at COE or ☐ _____.
34. Broker(s) recommend that the parties seek independent counsel from insurance, legal, tax, and accounting professionals regarding
35. the risks of pre-possession or post-possession of the Premises.
- 1f. 36. **Addenda Incorporated:** ☐ Additional Clause ☐ Buyer Contingency ☐ Domestic Water Well ☐ H.O.A.
37. ☐ Lead-Based Paint Disclosure ☐ Loan Assumption ☐ On-site Wastewater Treatment Facility ☐ Seller Financing ☐
38. ☐ Other: _____

 SELLER SELLER
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BUYER BUYER

Residential Resale Real Estate Purchase Contract >>

- 1g. 39. Fixtures and Personal Property:** For purposes of this Contract, fixtures shall mean property attached/affixed to the Premises.
40. Seller agrees that all existing: fixtures on the Premises, personal property specified herein, and means to operate fixtures and
41. property (i.e.- remote controls) shall convey in this sale. Including the following:
- | | | |
|---|---|---|
| 42. • built-in appliances | • light fixtures | • storm windows and doors |
| 43. • ceiling fans and remote controls | • mailbox | • stoves: gas-log, pellet, wood-burning |
| 44. • central vacuum, hose, and attachments | • media antennas/satellite dishes (affixed) | • timers (affixed) |
| 45. • draperies and other window coverings | • outdoor fountains and lighting | • towel, curtain and drapery rods |
| 46. • fireplace equipment (affixed) | • outdoor landscaping (i.e. – shrubbery, trees and unpotted plants) | • wall mounted TV brackets and hardware (excluding TVs) |
| 47. • floor coverings (affixed) | • shutters and awnings | • water-misting systems |
| 48. • free-standing range/oven | • speakers (flush-mounted) | • window and door screens, sun shades |
| 49. • garage door openers and remote controls | • storage sheds | |
51. If owned by Seller, the following items also are included in this sale:
- | | | |
|---|--|--|
| 52. • affixed alternate power systems serving the Premises (i.e. – solar) | • in-ground pool and spa/hot tub equipment and covers (including any mechanical or other cleaning systems) | • security and/or fire systems and/or alarms |
| 53. | | • water purification systems |
| 54. | | • water softeners |
55. **Additional existing personal property included in this sale (if checked):**
56. ☐ refrigerator (description): _____
57. ☐ washer (description): _____
58. ☐ dryer (description): _____
59. ☐ above-ground spa/hot tub including equipment, covers, and any mechanical or other cleaning systems (description): _____
60. _____
61. ☐ other personal property not otherwise addressed (description): _____
62. ☐ other personal property not otherwise addressed (description): _____
63. **Additional existing personal property included shall not be considered part of the Premises and shall be transferred with no**
64. **monetary value, and free and clear of all liens or encumbrances.**
65. Leased items shall **NOT** be included in this sale. Seller shall deliver notice of all leased items within three (3) days after Contract
66. acceptance. Buyer shall provide notice of any leased items disapproved within the Inspection Period or five (5) days after receipt of
67. the notice, whichever is later.
68. **IF THIS IS AN ALL CASH SALE:** Section 2 does not apply - go to Section 3.

2. FINANCING

- 2a. 69. Pre-Qualification:** An AAR Pre-Qualification Form *is* attached hereto and incorporated herein by reference.
- 2b. 70. Loan Contingency:** Buyer's obligation to complete this sale is contingent upon Buyer obtaining loan approval without Prior to
71. Document ("PTD") conditions no later than three (3) days prior to the COE Date for the loan described in the AAR Loan Status
72. Update ("LSU") form or the AAR Pre-Qualification Form, whichever is delivered later. **No later than three (3) days prior to the**
73. **COE Date, Buyer shall either: (I) sign all loan documents; or (II) deliver to Seller or Escrow Company notice of loan**
74. **approval without PTD conditions AND date(s) of receipt of Closing Disclosure(s) from Lender; or (III) deliver to Seller or**
75. **Escrow Company notice of inability to obtain loan approval without PTD conditions.**
- 2c. 76. Unfulfilled Loan Contingency:** This Contract shall be cancelled and Buyer shall be entitled to a return of the Earnest Money if
77. after diligent and good faith effort, Buyer is unable to obtain loan approval without PTD conditions and delivers notice of inability
78. to obtain loan approval no later than three (3) days prior to the COE Date. If Buyer fails to deliver such notice, Seller may issue a
79. cure notice to Buyer as required by Section 7a and, in the event of Buyer's breach, Seller shall be entitled to the Earnest Money
80. pursuant to Section 7b. If, prior to expiration of any Cure Period, Buyer delivers notice of inability to obtain loan approval, Buyer
81. shall be entitled to a return of the Earnest Money. Buyer acknowledges that prepaid items paid separately from the Earnest Money
82. are not refundable.
- 2d. 83. Interest Rate / Necessary Funds:** Buyer agrees that (I) the inability to obtain loan approval due to the failure to lock the interest
84. rate and "points" by separate written agreement with the lender; or (II) the failure to have the down payment or other funds
85. due from Buyer necessary to obtain the loan approval without conditions and close this transaction is not an unfulfilled loan
86. contingency.
- 2e. 87. Loan Status Update:** Buyer shall deliver to Seller the LSU, with at a minimum lines 1-40 completed, describing the current status
88. of the Buyer's proposed loan within ten (10) days after Contract acceptance and instruct lender to provide an updated LSU to
89. Broker(s) and Seller upon request.

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BUYER	BUYER

Residential Resale Real Estate Purchase Contract >>

- 2f. 90. **Loan Application:** Unless previously completed, within three (3) days after Contract acceptance Buyer shall (i) provide lender with Buyer's name, income, social security number, Premises address, estimate of value of the Premises, and mortgage loan amount sought; and (ii) grant lender permission to access Buyer's Trimerged Residential Credit Report.
- 2g. 93. **Loan Processing During Escrow:** Within ten (10) days after receipt of the **Loan Estimate** Buyer shall (i) provide lender with notice of intent to proceed with the loan transaction in a manner satisfactory to lender; and (ii) provide to lender all requested signed disclosures and the documentation listed in the LSU at lines 32-35. Buyer agrees to diligently work to obtain the loan and will promptly provide the lender with all additional documentation requested.
- 2h. 97. **Type of Financing:** ☐ Conventional ☐ FHA ☐ VA ☐ USDA ☐ Assumption ☐ Seller Carryback ☐ _____
98. (If financing is to be other than new financing, see attached addendum.)
- 2i. 99. **Loan Costs:** All costs of obtaining the loan shall be paid by Buyer, unless otherwise provided for herein.
- 2j. 100. **Seller Concessions (if any):** In addition to the other costs Seller has agreed to pay herein, Seller agrees to pay up to _____% of the Purchase Price OR up to \$ _____ to be used only for Buyer's loan costs, impounds, Title/Escrow Company costs, recording fees, and, if applicable, VA loan costs not permitted to be paid by Buyer.
- 2k. 103. **Changes:** Buyer shall immediately notify Seller of any changes in the loan program, financing terms, or lender described in the Pre-Qualification Form attached hereto or LSU provided within ten (10) days after Contract acceptance and shall only make any such changes without the prior written consent of Seller if such changes do not adversely affect Buyer's ability to obtain loan approval without PTD conditions, increase Seller's closing costs, or delay COE.
- 2l. 107. **Appraisal Contingency:** Buyer's obligation to complete this sale is contingent upon an appraisal of the Premises acceptable to lender for at least the purchase price. If the Premises fail to appraise for the purchase price in any appraisal required by lender, Buyer has five (5) days after notice of the appraised value to cancel this Contract and receive a return of the Earnest Money or the appraisal contingency shall be waived, unless otherwise prohibited by federal law.
- 2m. 111. **Appraisal Cost(s):** Initial appraisal fee shall be paid by ☐ Buyer ☐ Seller ☐ Other _____
112. at the time payment is required by lender and is non-refundable. If Seller is paying the initial appraisal fee, the fee ☐ will ☐ will not be applied against Seller's Concessions at COE, if applicable. If Buyer's lender requires an updated appraisal prior to COE, it will be performed at Buyer's expense. Any appraiser/lender required inspection cost(s) shall be paid for by Buyer.

3. TITLE AND ESCROW

- 3a. 115. **Escrow:** This Contract shall be used as escrow instructions. The Escrow Company employed by the parties to carry out the terms of this Contract shall be:
117. _____
ESCROW/TITLE COMPANY
118. _____
ADDRESS CITY STATE ZIP
119. _____
EMAIL PHONE FAX
- 3b. 120. **Title and Vesting:** Buyer will take title as determined before COE. If Buyer is married and intends to take title as his/her sole and separate property, a disclaimer deed may be required. Taking title may have significant legal, estate planning and tax consequences. Buyer should obtain independent legal and tax advice.
- 3c. 123. **Title Commitment and Title Insurance:** Escrow Company is hereby instructed to obtain and deliver to Buyer and Seller directly, addressed pursuant to 8s and 9c or as otherwise provided, a Commitment for Title Insurance together with complete and legible copies of all documents that will remain as exceptions to Buyer's policy of Title Insurance ("Title Commitment"), including but not limited to Conditions, Covenants and Restrictions ("CC&Rs"); deed restrictions; and easements. Buyer shall have five (5) days after receipt of the Title Commitment and after receipt of notice of any subsequent exceptions to provide notice to Seller of any items disapproved. Seller shall convey title by warranty deed, subject to existing taxes, assessments, covenants, conditions, restrictions, rights of way, easements and all other matters of record. Buyer shall be provided at Seller's expense an American Land Title Association ("ALTA") Homeowner's Title Insurance Policy or, if not available, a Standard Owner's Title Insurance Policy, showing title vested in Buyer. Buyer may acquire extended coverage at Buyer's own additional expense. If applicable, Buyer shall pay the cost of obtaining the ALTA Lender Title Insurance Policy.

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Residential Resale Real Estate Purchase Contract >>

- 3d. 133. **Additional Instructions:** (i) Escrow Company shall promptly furnish notice of pending sale that contains the name and address of
134. Buyer to any homeowner's association(s) in which the Premises are located. (ii) If Escrow Company is also acting as the title agency
135. but is not the title insurer issuing the title insurance policy, Escrow Company shall deliver to Buyer and Seller, upon deposit of funds, a
136. closing protection letter from the title insurer indemnifying Buyer and Seller for any losses due to fraudulent acts or breach of escrow
137. instructions by Escrow Company. (iii) All documents necessary to close this transaction shall be executed promptly by Seller and
138. Buyer in the standard form used by Escrow Company. Escrow Company shall modify such documents to the extent necessary to be
139. consistent with this Contract. (iv) Escrow Company fees, unless otherwise stated herein, shall be allocated equally between Seller and
140. Buyer. (v) Escrow Company shall send to all parties and Broker(s) copies of all notices and communications directed to Seller, Buyer
141. and Broker(s). (vi) Escrow Company shall provide Broker(s) access to escrowed materials and information regarding the escrow. (vii)
142. If an Affidavit of Disclosure is provided, Escrow Company shall record the Affidavit at COE.
- 3e. 143. **Tax Prorations:** Real property taxes payable by Seller shall be prorated to COE based upon the latest tax information available.
- 3f. 144. **Release of Earnest Money:** In the event of a dispute between Buyer and Seller regarding any Earnest Money deposited with
145. Escrow Company, Buyer and Seller authorize Escrow Company to release the Earnest Money pursuant to the terms and conditions
146. of this Contract in its sole and absolute discretion. Buyer and Seller agree to hold harmless and indemnify Escrow Company against
147. any claim, action or lawsuit of any kind, and from any loss, judgment, or expense, including costs and attorney fees, arising from or
148. relating in any way to the release of the Earnest Money.
- 3g. 149. **Prorations of Assessments and Fees:** All assessments and fees that are not a lien as of COE, including homeowner's
150. association fees, rents, irrigation fees, and, if assumed, insurance premiums, interest on assessments, interest on encumbrances,
151. and service contracts, shall be prorated as of COE or ☐ Other: _____
- 3h. 152. **Assessment Liens:** The amount of any assessment lien or bond including those charged by a special taxing district, such as a
153. Community Facilities District, shall be prorated as of COE.

4. DISCLOSURE

- 4a. 154. **Seller's Property Disclosure Statement ("SPDS"):** Seller shall deliver a completed AAR Residential SPDS form to Buyer
155. within three (3) days after Contract acceptance. Buyer shall provide notice of any SPDS items disapproved within the Inspection
156. Period or five (5) days after receipt of the SPDS, whichever is later.
- 4b. 157. **Insurance Claims History:** Seller shall deliver to Buyer a written five (5) year insurance claims history regarding the Premises (or a
158. claims history for the length of time Seller has owned the Premises if less than five (5) years) from Seller's insurance company or an
159. insurance support organization or consumer reporting agency, or if unavailable from these sources, from Seller, within five (5) days
160. after Contract acceptance. Buyer shall provide notice of any items disapproved within the Inspection Period or five (5) days after
161. receipt of the claims history, whichever is later.
- 4c. 162. **Foreign Sellers:** The Foreign Investment in Real Property Tax Act ("FIRPTA") is applicable if Seller is a non-resident alien
163. individual, foreign corporation, foreign partnership, foreign trust, or foreign estate ("Foreign Person"). Seller agrees to complete,
164. sign, and deliver to Escrow Company a certificate indicating whether Seller is a Foreign Person. FIRPTA requires that a foreign
165. seller may have federal income taxes up to 15% of the purchase price withheld, unless an exception applies. Seller is responsible
166. for obtaining independent legal and tax advice.
- 4d. 167. **Lead-Based Paint Disclosure:** If the Premises were built prior to 1978, Seller shall: (i) notify Buyer of any known lead-based paint
168. ("LBP") or LBP hazards in the Premises; (ii) provide Buyer with any LBP risk assessments or inspections of the Premises in Seller's
169. possession; (iii) provide Buyer with the Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards, and any
170. report, records, pamphlets, and/or other materials referenced therein, including the pamphlet "Protect Your Family from Lead in Your
171. Home" (collectively "LBP Information"). Buyer shall return a signed copy of the Disclosure of Information on Lead-Based Paint and
172. Lead-Based Paint Hazards to Seller prior to COE.
173. ☐ LBP Information was provided prior to Contract acceptance and Buyer acknowledges the opportunity to conduct LBP risk
174. assessments or inspections during Inspection Period.
175. ☐ Seller shall provide LBP Information within five (5) days after Contract acceptance. Buyer may within ten (10) days
176. or _____ days after receipt of the LBP Information conduct or obtain a risk assessment or inspection of the Premises for the
177. presence of LBP or LBP hazards ("Assessment Period"). Buyer may within five (5) days after receipt of the LBP Information or five
178. (5) days after expiration of the Assessment Period cancel this Contract.
179. Buyer is further advised to use certified contractors to perform renovation, repair or painting projects that disturb lead-based paint in
180. residential properties built before 1978 and to follow specific work practices to prevent lead contamination.
181. If Premises were constructed prior to 1978, **(BUYER'S INITIALS REQUIRED)** _____ BUYER _____ BUYER _____
182. If Premises were constructed in 1978 or later, **(BUYER'S INITIALS REQUIRED)** _____ BUYER _____ BUYER _____

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Residential Resale Real Estate Purchase Contract >>

- 4e. 183. **Affidavit of Disclosure:** If the Premises are located in an unincorporated area of the county, and five (5) or fewer parcels of
 184. property other than subdivided property are being transferred, Seller shall deliver a completed Affidavit of Disclosure in the form
 185. required by law to Buyer within five (5) days after Contract acceptance. Buyer shall provide notice of any Affidavit of Disclosure items
 186. disapproved within the Inspection Period or five (5) days after receipt of the Affidavit of Disclosure, whichever is later.
- 4f. 187. **Changes During Escrow:** Seller shall immediately notify Buyer of any changes in the Premises or disclosures made herein,
 188. in the SPDS, or otherwise. Such notice shall be considered an update of the SPDS. Unless Seller is already obligated by this
 189. Contract or any amendments hereto, to correct or repair the changed item disclosed, Buyer shall be allowed five (5) days after
 190. delivery of such notice to provide notice of disapproval to Seller.

5. WARRANTIES

- 5a. 191. **Condition of Premises: BUYER AND SELLER AGREE THE PREMISES ARE BEING SOLD IN ITS PRESENT PHYSICAL**
 192. **CONDITION AS OF THE DATE OF CONTRACT ACCEPTANCE.** Seller makes no warranty to Buyer, either express or implied, as
 193. to the condition, zoning, or fitness for any particular use or purpose of the Premises. However, Seller shall maintain and repair the
 194. Premises so that at the earlier of possession or COE: (i) the Premises, including all personal property included in the sale, will be in
 195. substantially the same condition as on the date of Contract acceptance; and (ii) all personal property not included in the sale and
 196. debris will be removed from the Premises. Buyer is advised to conduct independent inspections and investigations regarding the
 197. Premises within the Inspection Period as specified in Section 6a. Buyer and Seller acknowledge and understand they may, but are
 198. not obligated to, engage in negotiations for repairs/improvements to the Premises. Any/all agreed upon repairs/improvements will be
 199. addressed pursuant to Section 6j.
- 5b. 200. **Warranties that Survive Closing:** Seller warrants that Seller has disclosed to Buyer and Broker(s) all material latent defects and
 201. any information concerning the Premises known to Seller, excluding opinions of value, which materially and adversely affect the
 202. consideration to be paid by Buyer. Prior to COE, Seller warrants that payment in full will have been made for all labor, professional
 203. services, materials, machinery, fixtures, or tools furnished within the 150 days immediately preceding COE in connection with the
 204. construction, alteration, or repair of any structure on or improvement to the Premises. Seller warrants that the information regarding
 205. connection to a sewer system or on-site wastewater treatment facility (conventional septic or alternative) is correct to the best of
 206. Seller's knowledge.
- 5c. 207. **Buyer Warranties:** Buyer warrants that Buyer has disclosed to Seller any information that may materially and adversely affect
 208. Buyer's ability to close escrow or complete the obligations of this Contract. At the earlier of possession of the Premises or COE,
 209. Buyer warrants to Seller that Buyer has conducted all desired independent inspections and investigations and accepts the Premises.
 210. **Buyer warrants that Buyer is not relying on any verbal representations concerning the Premises except disclosed as follows:**
 211. _____
 212. _____

6. DUE DILIGENCE

- 6a. 213. **Inspection Period:** Buyer's Inspection Period shall be ten (10) days or _____ days after Contract acceptance. During the
 214. Inspection Period Buyer, at Buyer's expense, shall: (i) conduct all desired physical, environmental, and other types of inspections
 215. and investigations to determine the value and condition of the Premises; (ii) make inquiries and consult government agencies,
 216. lenders, insurance agents, architects, and other appropriate persons and entities concerning the suitability of the Premises and
 217. the surrounding area; (iii) investigate applicable building, zoning, fire, health, and safety codes to determine any potential hazards,
 218. violations or defects in the Premises; and (iv) verify any material multiple listing service ("MLS") information. If the presence of
 219. sex offenders in the vicinity or the occurrence of a disease, natural death, suicide, homicide or other crime on or in the vicinity is
 220. a material matter to Buyer, it must be investigated by Buyer during the Inspection Period. Buyer shall keep the Premises free and
 221. clear of liens, shall indemnify and hold Seller harmless from all liability, claims, demands, damages, and costs, and shall repair all
 222. damages arising from the inspections. Buyer shall provide Seller and Broker(s) upon receipt, at no cost, copies of all inspection
 223. reports concerning the Premises obtained by Buyer. Buyer is advised to consult the Arizona Department of Real Estate *Buyer*
 224. *Advisory* to assist in Buyer's due diligence inspections and investigations.
- 6b. 225. **Square Footage: BUYER IS AWARE THAT ANY REFERENCE TO THE SQUARE FOOTAGE OF THE PREMISES, BOTH THE**
 226. **REAL PROPERTY (LAND) AND IMPROVEMENTS THEREON, IS APPROXIMATE. IF SQUARE FOOTAGE IS A MATERIAL**
 227. **MATTER TO BUYER, IT MUST BE INVESTIGATED DURING THE INSPECTION PERIOD.**
- 6c. 228. **Wood-Destroying Organism or Insect Inspection: IF CURRENT OR PAST WOOD-DESTROYING ORGANISMS OR INSECTS**
 229. **(SUCH AS TERMITES) ARE A MATERIAL MATTER TO BUYER, THESE ISSUES MUST BE INVESTIGATED DURING THE**
 230. **INSPECTION PERIOD.** Buyer shall order and pay for all wood-destroying organism or insect inspections performed during the
 231. Inspection Period. If the lender requires an updated Wood-Destroying Organism or Insect Inspection Report prior to COE, it will be
 232. performed at Buyer's expense.
- 6d. 233. **Flood Hazard: FLOOD HAZARD DESIGNATIONS OR THE COST OF FLOOD HAZARD INSURANCE SHALL BE**
 234. **DETERMINED BY BUYER DURING THE INSPECTION PERIOD.** If the Premises are situated in an area identified as having
 235. any special flood hazards by any governmental entity, **THE LENDER MAY REQUIRE THE PURCHASE OF FLOOD HAZARD**
 236. **INSURANCE.** Special flood hazards may also affect the ability to encumber or improve the Premises.

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SELLER	SELLER

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BUYER	BUYER

Residential Resale Real Estate Purchase Contract >>

- 6e. 237. **Insurance: IF HOMEOWNER'S INSURANCE IS A MATERIAL MATTER TO BUYER, BUYER SHALL APPLY FOR AND**
 238. **OBTAIN WRITTEN CONFIRMATION OF THE AVAILABILITY AND COST OF HOMEOWNER'S INSURANCE FOR THE**
 239. **PREMISES FROM BUYER'S INSURANCE COMPANY DURING THE INSPECTION PERIOD.** Buyer understands that any
 240. homeowner's, fire, casualty, flood or other insurance desired by Buyer or required by lender should be in place at COE.
- 6f. 241. **Sewer or On-site Wastewater Treatment System:** The Premises are connected to a:
 242. ☐ sewer system ☐ conventional septic system ☐ alternative system
243. **IF A SEWER CONNECTION IS A MATERIAL MATTER TO BUYER, IT MUST BE INVESTIGATED DURING THE INSPECTION**
 244. **PERIOD.** If the Premises are served by a conventional septic or alternative system, the AAR On-site Wastewater Treatment Facility
 245. Addendum is incorporated herein by reference.
246. (BUYER'S INITIALS REQUIRED) _____ BUYER _____ BUYER
- 6g. 247. **Swimming Pool Barrier Regulations:** During the Inspection Period, Buyer agrees to investigate all applicable state, county, and
 248. municipal Swimming Pool barrier regulations and agrees to comply with and pay all costs of compliance with said regulations prior to
 249. occupying the Premises, unless otherwise agreed in writing. If the Premises contains a Swimming Pool, Buyer acknowledges receipt
 250. of the Arizona Department of Health Services approved private pool safety notice.
251. (BUYER'S INITIALS REQUIRED) _____ BUYER _____ BUYER
- 6h. 252. **BUYER ACKNOWLEDGMENT: BUYER RECOGNIZES, ACKNOWLEDGES, AND AGREES THAT BROKER(S) ARE NOT**
 253. **QUALIFIED, NOR LICENSED, TO CONDUCT DUE DILIGENCE WITH RESPECT TO THE PREMISES OR THE SURROUNDING**
 254. **AREA. BUYER IS INSTRUCTED TO CONSULT WITH QUALIFIED LICENSED PROFESSIONALS TO ASSIST IN BUYER'S**
 255. **DUE DILIGENCE EFFORTS. BECAUSE CONDUCTING DUE DILIGENCE WITH RESPECT TO THE PREMISES AND THE**
 256. **SURROUNDING AREA IS BEYOND THE SCOPE OF BROKER'S EXPERTISE AND LICENSING, BUYER EXPRESSLY**
 257. **RELEASES AND HOLDS HARMLESS BROKER(S) FROM LIABILITY FOR ANY DEFECTS OR CONDITIONS THAT COULD**
 258. **HAVE BEEN DISCOVERED BY INSPECTION OR INVESTIGATION.**
259. (BUYER'S INITIALS REQUIRED) _____ BUYER _____ BUYER
- 6i. 260. **Inspection Period Notice:** Prior to expiration of the Inspection Period, Buyer shall deliver to Seller a signed notice of any items
 261. disapproved. AAR's Buyer's Inspection Notice and Seller's Response form is available for this purpose. Buyer shall conduct all
 262. desired inspections and investigations prior to delivering such notice to Seller and all Inspection Period items disapproved shall be
 263. provided in a single notice.
- 6j. 264. **Buyer Disapproval:** If Buyer, in Buyer's sole discretion, disapproves of items as allowed herein, Buyer shall deliver to Seller a
 265. signed notice of the items disapproved and state in the notice that Buyer elects to either:
 266. (1) Immediately cancel this Contract, in which case:
 267. (a) If Buyer's notice specifies disapproval of items as allowed herein, the Earnest Money shall be released to Buyer.
 268. (b) If Buyer's notice fails to specify items disapproved as allowed herein, the cancellation will remain in effect but Buyer has
 269. failed to comply with a provision of this Contract and Seller may deliver to Buyer a cure notice as required by Section 7a.
 270. If Buyer fails to cure their non-compliance within three (3) days after delivery of such notice, Buyer shall be in breach and
 271. Seller shall be entitled to the Earnest Money. If, prior to expiration of the Cure Period, Buyer delivers notice specifying
 272. items disapproved as allowed herein, Buyer shall be entitled to a return of the Earnest Money.
273. **OR**
274. (2) Provide Seller an opportunity to correct the items disapproved, in which case:
 275. (a) Seller shall respond in writing within five (5) days or _____ days after delivery to Seller of Buyer's notice of items
 276. disapproved. Seller's failure to respond to Buyer in writing within the specified time period shall conclusively be deemed
 277. Seller's refusal to correct any of the items disapproved.
 278. (b) If Seller agrees in writing to correct items disapproved, Seller shall correct the items, complete any repairs in a
 279. workmanlike manner and deliver any paid receipts evidencing the corrections and repairs to Buyer three (3) days
 280. or _____ days prior to the COE Date.
 281. (c) If Seller is unwilling or unable to correct any of the items disapproved, Buyer may cancel this Contract within five (5) days
 282. after delivery of Seller's response or after expiration of the time for Seller's response, whichever occurs first, and the
 283. Earnest Money shall be released to Buyer. If Buyer does not cancel this Contract within the five (5) days as provided,
 284. Buyer shall close escrow without correction of those items that Seller has not agreed in writing to correct.
285. **VERBAL DISCUSSIONS WILL NOT EXTEND THESE TIME PERIODS.** Only a written agreement signed by both parties will extend
 286. response times or cancellation rights.
287. **BUYER'S FAILURE TO GIVE NOTICE OF DISAPPROVAL OF ITEMS OR CANCELLATION OF THIS CONTRACT WITHIN**
 288. **THE SPECIFIED TIME PERIOD SHALL CONCLUSIVELY BE DEEMED BUYER'S ELECTION TO PROCEED WITH THE**
 289. **TRANSACTION WITHOUT CORRECTION OF ANY DISAPPROVED ITEMS.**

>>

Residential Resale Real Estate Purchase Contract >>

- 6k. 290. Home Warranty Plan:** Buyer and Seller are advised to investigate the various home warranty plans available for purchase. The parties acknowledge that different home warranty plans have different coverage options, exclusions, limitations, service fees and most plans exclude pre-existing conditions.

293. ☐ A Home Warranty Plan will be ordered by ☐ Buyer or ☐ Seller with the following optional coverage

294. _____, to be issued by _____ at a cost

295. not to exceed \$ _____, to be paid for by ☐ Buyer ☐ Seller ☐ Split evenly between Buyer and Seller

296. ☐ Buyer declines the purchase of a Home Warranty Plan.

297.

(BUYER'S INITIALS REQUIRED)

BUYER BUYER

- 6l. 298. Walkthrough(s):** Seller grants Buyer and Buyer's inspector(s) reasonable access to conduct walkthrough(s) of the Premises for the purpose of satisfying Buyer that any corrections or repairs agreed to by Seller have been completed, and the Premises are in substantially the same condition as of the date of Contract acceptance. If Buyer does not conduct such walkthrough(s), Buyer releases Seller and Broker(s) from liability for any defects that could have been discovered.
- 6m. 302. Seller's Responsibility Regarding Inspections and Walkthrough(s):** Seller shall make the Premises available for all inspections and walkthrough(s) upon reasonable notice by Buyer. Seller shall, at Seller's expense, have all utilities on, including any propane, until COE to enable Buyer to conduct these inspections and walkthrough(s).
- 6n. 305. IRS and FIRPTA Reporting:** The Foreign Investment in Real Property Tax Act ("FIRPTA") provides that, if a seller is a Foreign Person, a buyer of residential real property must withhold federal income taxes up to 15% of the purchase price, unless an exception applies. If FIRPTA is applicable and Buyer fails to withhold, Buyer may be held liable for the tax. Buyer agrees to perform any acts reasonable or necessary to comply with FIRPTA and IRS reporting requirements and Buyer is responsible for obtaining independent legal and tax advice.

7. REMEDIES

- 7a. 310. Cure Period:** A party shall have an opportunity to cure a potential breach of this Contract. If a party fails to comply with any provision of this Contract, the other party shall deliver a notice to the non-complying party specifying the non-compliance. If the non-compliance is not cured within three (3) days after delivery of such notice ("Cure Period"), the failure to comply shall become a breach of Contract. If Escrow Company or recorder's office is closed on the last day of the Cure Period, and COE must occur to cure a potential breach, COE shall occur on the next day that both are open for business.
- 7b. 315. Breach:** In the event of a breach of Contract, the non-breaching party may cancel this Contract and/or proceed against the breaching party in any claim or remedy that the non-breaching party may have in law or equity, subject to the Alternative Dispute Resolution obligations set forth herein. In the case of Seller, because it would be difficult to fix actual damages in the event of Buyer's breach, the Earnest Money may be deemed a reasonable estimate of damages and Seller may, at Seller's option, accept the Earnest Money as Seller's sole right to damages; and in the event of Buyer's breach arising from Buyer's failure to deliver the notice required by Section 2b, or Buyer's inability to obtain loan approval due to the waiver of the appraisal contingency pursuant to Section 2l, Seller shall exercise this option and accept the Earnest Money as Seller's sole right to damages. An unfulfilled contingency is not a breach of Contract. The parties expressly agree that the failure of any party to comply with the terms and conditions of Section 1d to allow COE to occur on the COE Date, if not cured after a cure notice is delivered pursuant to Section 7a, will constitute a material breach of this Contract, rendering the Contract subject to cancellation.
- 7c. 325. Alternative Dispute Resolution ("ADR"):** Buyer and Seller agree to mediate any dispute or claim arising out of or relating to this Contract in accordance with the REALTORS® Dispute Resolution System, or as otherwise agreed. All mediation costs shall be paid equally by the parties. In the event that mediation does not resolve all disputes or claims, the unresolved disputes or claims shall be submitted for binding arbitration. In such event, the parties shall agree upon an arbitrator and cooperate in the scheduling of an arbitration hearing. If the parties are unable to agree on an arbitrator, the dispute shall be submitted to the American Arbitration Association ("AAA") in accordance with the AAA Arbitration Rules for the Real Estate Industry. The decision of the arbitrator shall be final and nonappealable. Judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction. Notwithstanding the foregoing, either party may opt out of binding arbitration within thirty (30) days after the conclusion of the mediation conference by notice to the other and, in such event, either party shall have the right to resort to court action.
- 7d. 334. Exclusions from ADR:** The following matters are excluded from the requirement for ADR hereunder: (i) any action brought in the Small Claims Division of an Arizona Justice Court (up to \$3,500) so long as the matter is not thereafter transferred or removed from the small claims division; (ii) judicial or nonjudicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or agreement for sale; (iii) an unlawful entry or detainer action; (iv) the filing or enforcement of a mechanic's lien; or (v) any matter that is within the jurisdiction of a probate court. Further, the filing of a judicial action to enable the recording of a notice of pending action ("lis pendens"), or order of attachment, receivership, injunction, or other provisional remedies shall not constitute a waiver of the obligation to submit the claim to ADR, nor shall such action constitute a breach of the duty to mediate or arbitrate.
- 7e. 341. Attorney Fees and Costs:** The prevailing party in any dispute or claim between Buyer and Seller arising out of or relating to this Contract shall be awarded their reasonable attorney fees and costs. Costs shall include, without limitation, attorney fees, expert witness fees, fees paid to investigators, and arbitration costs.

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8. ADDITIONAL TERMS AND CONDITIONS

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SELLER	SELLER

<Initials

Initials>

BUYER	BUYER

- »

Residential Resale Real Estate Purchase Contract >>**8q. 443. Broker on behalf of Buyer:**

444. _____
PRINT AGENT'S NAME AGENT MLS CODE AGENT STATE LICENSE NO.

445. _____
PRINT AGENT'S NAME AGENT MLS CODE AGENT STATE LICENSE NO.

446. _____
PRINT FIRM NAME FIRM MLS CODE

447. _____
FIRM ADDRESS STATE ZIP CODE FIRM STATE LICENSE NO.

448. _____
PREFERRED TELEPHONE FAX EMAIL

8r. 449. Agency Confirmation: Broker named in Section 8q above is the agent of (check one):

450. ☐ Buyer; ☐ Seller; or ☐ both Buyer and Seller

8s. 451. The undersigned agree to purchase the Premises on the terms and conditions herein stated and acknowledge receipt of a copy hereof including the Buyer Attachment.

453. _____ MO/DA/YR ^ BUYER'S SIGNATURE MO/DA/YR ^ BUYER'S SIGNATURE

454. _____ ^ BUYER'S NAME PRINTED ^ BUYER'S NAME PRINTED

455. _____ ADDRESS ADDRESS

456. _____ CITY, STATE, ZIP CODE CITY, STATE, ZIP CODE

9. SELLER ACCEPTANCE**9a. 457. Broker on behalf of Seller:**

458. _____
PRINT AGENT'S NAME AGENT MLS CODE AGENT STATE LICENSE NO.

459. _____
PRINT AGENT'S NAME AGENT MLS CODE AGENT STATE LICENSE NO.

460. _____
PRINT FIRM NAME FIRM MLS CODE

461. _____
FIRM ADDRESS STATE ZIP CODE FIRM STATE LICENSE NO.

462. _____
PREFERRED TELEPHONE FAX EMAIL

9b. 463. Agency Confirmation: Broker named in Section 9a above is the agent of (check one):

464. ☐ Seller; or ☒ both Buyer and Seller

9c. 465. The undersigned agree to sell the Premises on the terms and conditions herein stated, acknowledge receipt of a copy hereof and grant permission to Broker named in Section 9a to deliver a copy to Buyer.

467. ☐ Counter Offer is attached, and is incorporated herein by reference. Seller must sign and deliver both this offer and the Counter Offer. If there is a conflict between this offer and the Counter Offer, the provisions of the Counter Offer shall be controlling.

469. _____ MO/DA/YR ^ SELLER'S SIGNATURE MO/DA/YR ^ SELLER'S SIGNATURE

470. _____ ^ SELLER'S NAME PRINTED ^ SELLER'S NAME PRINTED

471. _____ ADDRESS ADDRESS

472. _____ CITY, STATE, ZIP CODE CITY, STATE, ZIP CODE

473. ☐ OFFER REJECTED BY SELLER: _____, 20_____, _____
MONTH DAY YEAR (SELLER'S INITIALS)

For Broker Use Only:

Brokerage File/Log No. _____ Manager's Initials _____ Broker's Initials _____ Date _____
MO/DA/YR

H.O.A. CONDOMINIUM / PLANNED COMMUNITY ADDENDUM

Page 1 of 3

February 2015



The pre-printed portion of this form has been drafted by the Arizona Association of REALTORS®. Any change in the pre-printed language of this form must be made in a prominent manner. No representations are made as to the legal validity, adequacy and/or effects of any provision, including tax consequences thereof. If you desire legal, tax or other professional advice, please consult your attorney, tax advisor or professional consultant.



SELLER'S NOTICE OF H.O.A. INFORMATION

1. Seller: _____
2. Premises Address: _____
3. Date: _____

4. **INSTRUCTIONS:** (1) Homeowner's association ("H.O.A.") information to be completed by Seller at the time of listing the Premises for sale.
5. (2) Upon completion, this Addendum shall be uploaded to the multiple listing service, if available, or delivered to prospective buyers upon request prior to prospective buyer's submission of a Purchase Contract to Seller.

ASSOCIATION(S) GOVERNING THE PREMISES

8. **H.O.A.:** _____ Contact Info: _____
9. Management Company (if any): _____ Contact Info: _____
10. Amount of Dues: \$ _____ How often?: _____
11. Amount of special assessments (if any): \$ _____ How often?: _____ Start Date: _____ End Date: _____
MO/DA/YR MO/DA/YR
12. **Master Association** (if any): _____ Contact Info: _____
13. Management Company (if any): _____ Contact Info: _____
14. Amount of Dues: \$ _____ How often?: _____
15. Amount of special assessments (if any): \$ _____ How often?: _____ Start Date: _____ End Date: _____
MO/DA/YR MO/DA/YR
16. **Other:** _____ Contact Info: _____
17. Amount of Dues: \$ _____ How often?: _____

FEES PAYABLE UPON CLOSE OF ESCROW

19. **Transfer Fees:** Association(s) fees related to the transfer of title: H.O.A. \$ _____ Master Association \$ _____.
20. **Capital Improvement Fees,** including, but not limited to, those fees labeled as community reserve, asset preservation, capital reserve, working capital, community enhancement, future improvement fees, or payments: H.O.A. \$ _____ Master Association \$ _____.
22. **Prepaid Association(s) Fees:** Dues, assessments, and any other association(s) fees paid in advance of their due date: H.O.A. \$ _____
23. Master Association \$ _____.
24. **Disclosure Fees:** Association(s) Management/Company(ies) costs incurred in the preparation of a statement or other documents furnished by the association(s) pursuant to the resale of the Premises for purposes of resale disclosure, lien estoppels and any other services related to the transfer or use of the property. Pursuant to Arizona law, Disclosure Fees cannot be more than an aggregate of \$400.00 per association.
26. As part of the Disclosure Fees, each association may charge a statement or other documents update fee of no more than \$50.00 if thirty (30) days or more have passed since the date of the original disclosure statement or the date the documents were delivered. Additionally, each association may charge a rush fee of no more than \$100.00 if rush services are required to be performed within seventy-two (72) hours after the request. H.O.A. \$ _____ Master Association \$ _____.
31. **Other Fees:** \$ _____ Explain: _____
32. **SELLER CERTIFICATION:** By signing below, Seller certifies that the information contained above is true and complete to the best of Seller's actual knowledge as of the date signed. Broker(s) did not verify any of the information contained herein.

34. _____
35. ^ SELLER'S SIGNATURE _____ MO/DA/YR ^ SELLER'S SIGNATURE _____ MO/DA/YR

ADDITIONAL OBLIGATIONS

36. **If the homeowner's association has less than 50 units**, no later than ten (10) days after Contract acceptance, the Seller shall provide in writing to Buyer the information described below as required by Arizona law.
- 37.
38. **If the homeowner's association has 50 or more units**, Seller shall furnish notice of pending sale that contains the name and address of the Buyer to the homeowner's association within five (5) days after Contract acceptance and pursuant to Section 3d of the Contract. Escrow Company is instructed to provide such notice on Seller's behalf. The association is obligated by Arizona law to provide information described below to Buyer within ten (10) days after receipt of Seller's notice.
- 39.
- 40.
- 41.
42. **BUYER IS ALLOWED FIVE (5) DAYS AFTER RECEIPT OF THE INFORMATION FROM THE SELLER(S) OR HOMEOWNER'S ASSOCIATION TO PROVIDE WRITTEN NOTICE TO SELLER OF ANY ITEMS DISAPPROVED.**
- 43.

INFORMATION REQUIRED BY LAW TO BE PROVIDED TO BUYER:

- 44.
45. 1. A copy of the bylaws and the rules of the association.
46. 2. A copy of the declaration of Covenants, Conditions and Restrictions ("CC&Rs").
47. 3. A dated statement containing:
48. (a) The telephone number and address of a principal contact for the association, which may be an association manager, an association management company, an officer of the association or any other person designated by the board of directors.
- 49.
50. (b) The amount of the common expense assessment and the unpaid common expense assessment, special assessment or other assessment, fee or charge currently due and payable from the Seller.
- 51.
52. (c) A statement as to whether a portion of the unit is covered by insurance maintained by the association.
53. (d) The total amount of money held by the association as reserves.
54. (e) If the statement is being furnished by the association, a statement as to whether the records of the association reflect any alterations or improvements to the unit that violate the declaration. The association is not obligated to provide information regarding alterations or improvements that occurred more than six years before the proposed sale. Seller remains obligated to disclose alterations or improvements to the Premises that violate the declaration. The association may take action against the Buyer for violations apparent at the time of purchase that are not reflected in the association's records.
- 55.
- 56.
57. (f) If the statement is being furnished by the Seller, a statement as to whether the Seller has any knowledge of any alterations or improvements to the unit that violate the declaration.
- 58.
59. (g) A statement of case names and case numbers for pending litigation with respect to the Premises or the association, including the amount of any money claimed.
- 60.
- 61.
- 62.
63. 4. A copy of the current operating budget of the association.
64. 5. A copy of the most recent annual financial report of the association. If the report is more than ten pages, the association may provide a summary of the report in lieu of the entire report.
- 65.
66. 6. A copy of the most recent reserve study of the association, if any.
67. 7. Any other information required by law.
68. 8. A statement for Buyer acknowledgment and signature are required by Arizona law.

BUYER'S ACKNOWLEDGMENT AND TERMS

69. Buyer: _____
70. Seller: _____
71. Premises Address: _____
72. Date: _____
73. **The following additional terms and conditions are hereby included as part of the Contract between Seller and Buyer for the**
74. **above referenced Premises.**
75. **Transfer Fees** shall be paid by: ☐ Buyer ☐ Seller ☐ Other: _____
76. **Capital Improvement Fees** shall be paid by: ☐ Buyer ☐ Seller ☐ Other: _____
77. Buyer shall pay all **Prepaid Association Fees**.
78. Seller shall pay all **Disclosure Fees** as required by Arizona law.
79. In a financed purchase, Buyer shall be responsible for all lender fees charged to obtain Association(s)/Management Company(ies) documents.
80. Other fees: _____
81. _____
82. **BUYER VERIFICATION:** Buyer may contact the Association(s)/Management Company(ies) for verbal verification of association **FEES**
83. **PAYABLE UPON CLOSE OF ESCROW.**
84. **ASSESSMENTS:** Any current homeowner's association assessment which is a lien as of Close of Escrow shall be paid in full by Seller.
85. Any assessment that becomes a lien after Close of Escrow is Buyer's responsibility.

ADDITIONAL TERMS AND CONDITIONS

90. _____
91. _____
92. _____
93. _____
94. **BUYER ACKNOWLEDGMENT:** By signing below, Buyer acknowledges receipt of all three (3) pages of this addendum and acknowledges
95. that although Seller has used best efforts to identify the amount of the fees stated herein, the precise amount of the fees may not be known
96. until written disclosure documents are furnished by the Association(s)/Management Company(ies) per Arizona law (A.R.S. § 33-1260 and
97. § 33-1806). Buyer further acknowledges that Broker(s) did not verify any of the information contained therein. Buyer therefore agrees to hold
98. Seller and Broker(s) harmless should the **FEES PAYABLE UPON CLOSE OF ESCROW** prove incorrect or incomplete.
99. The undersigned agrees to the additional terms and conditions set forth above and acknowledges receipt of a copy hereof.

100. _____

101. ^ BUYER'S SIGNATURE MO/DA/YR ^ BUYER'S SIGNATURE MO/DA/YR

102. SELLER'S ACCEPTANCE:

103. _____

104. ^ SELLER'S SIGNATURE MO/DA/YR ^ SELLER'S SIGNATURE MO/DA/YR

For Broker Use Only:

Brokerage File/Log No.: _____ Manager's Initials: _____ Broker's Initials: _____ Date: _____

MO/DA/YR

ARIZONA ASSOCIATION OF REALTORS®



Buyer Advisory



ARIZONA
association of
REALTORS®

REAL SOLUTIONS. REALTOR® SUCCESS.



REALTOR®

A Resource for Real Estate Consumers

*Provided by the Arizona Association of REALTORS®
and the Arizona Department of Real Estate*

A real estate agent is vital to the purchase of real property and can provide a variety of services in locating a property, negotiating the sale, and advising the buyer.

A real estate agent is generally not qualified to discover defects or evaluate the physical condition of property; however, a real estate agent can assist a buyer in finding qualified inspectors and provide the buyer with documents and other resources containing vital information about a prospective property.

This Advisory is designed to make the purchase of real property as smooth as possible. Some of the more common issues that a buyer may decide to

investigate or verify concerning a property purchase are summarized in this Advisory. Included in this Advisory are:

1. Common documents a buyer should review;
2. Physical conditions in the property the buyer should investigate; and
3. Conditions affecting the surrounding area that the buyer should investigate.

In addition, a buyer must communicate to the real estate agents in the transaction any special concerns the buyer may have about the property or surrounding area, whether or not those issues are addressed in this Advisory.

REMINDER:

This Advisory is supplemental to obtaining professional property inspections. Professional property inspections are absolutely essential: there is no practical substitute for a professional inspection as a measure to discover and investigate defects or shortcoming in a property.

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|---|--|---|
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Section 1

COMMON DOCUMENTS A BUYER SHOULD REVIEW

The documents listed below may not be relevant in every transaction, nor is the list exhaustive. Unless otherwise stated, the real estate broker has not independently verified the information contained in these documents.

1 Purchase Contract

Buyers should protect themselves by taking the time to read the real estate purchase contract and understand their legal rights and obligations before they submit an offer to buy a property.

<http://bit.ly/2kpUncl>

(AAR Sample Residential Resale Purchase Contract)

<http://www.azre.gov/PublicInfo/PropertyBuyerChecklist.aspx>

(ADRE Property Buyer's Checklist)

ADRE does not verify the information in the Public Report. Therefore, the Report could be inaccurate so it should be verified by the buyer.

2 MLS Printout

A listing is a contractual agreement between the seller and the listing broker and may authorize the broker to submit information to the Multiple Listing Service (MLS). The MLS printout is similar to an advertisement. Neither the listing agreement nor the printout is a part of the purchase contract between the buyer and seller. The information in the MLS printout was probably secured from the seller, the builder, or a governmental agency, and could be inaccurate, incomplete or an approximation. Therefore, the buyer should verify any important information contained in the MLS.

4 Seller's Property Disclosure Statement (SPDS)

Most sellers provide a SPDS. This document poses a variety of questions for the seller to answer about the property and its condition. The real estate broker is not responsible for verifying the accuracy of the items on the SPDS; therefore, a buyer should carefully review the SPDS and verify those statements of concern.

<http://bit.ly/2knrN0A> (AAR Sample SPDS)

<http://www.azre.gov/PublicInfo/PropertyBuyerChecklist.aspx>
(ADRE Property Buyer's Checklist)

3 The Subdivision Disclosure Report (Public Report)

A Subdivision Disclosure Report (Public Report) is intended to point out material information about a subdivision. Subdividers (any person who offers for sale or lease six or more lots in a subdivision or who causes land to be divided into a subdivision) are required to give buyers a Public Report. Read the Public Report before signing any contract to purchase property in a subdivision. Although some of the information may become outdated, subsequent buyers can also benefit from reviewing the Public Report. Public Reports dating from January 1, 1997, are available on the Arizona Department of Real Estate (ADRE) website.

<http://services.azre.gov/publicdatabase/SearchDevelopments.aspx>

(ADRE Search Developments)

5 Covenants, Conditions and Restrictions (CC&Rs)

The CC&Rs are recorded against the property and generally empower a homeowner's association to control certain aspects of property use within the development. By purchasing a property in such a development, the buyer agrees to be bound by the CC&Rs. The association, the property owners as a whole, and individual property owners can enforce the contract. It is essential that the buyer review and agree to these restrictions prior to purchasing a property.

<http://www.azre.gov/PublicInfo/PropertyBuyerChecklist.aspx>
(ADRE Property Buyer's Checklist)

ADRE ADVISES:

"Read the deed restrictions, also called CC&Rs (covenants, conditions and restrictions). You might find some of the CC&Rs are very strict."

Buyers should consult legal counsel if uncertain of the application of particular provisions in the CC&Rs.

6 Homeowners Association (HOA) Governing Documents

In addition to CC&Rs, HOAs may be governed by Articles of Incorporation, Bylaws, Rules and Regulations, and often architectural control standards. Read and understand these documents. Also, be aware that some HOAs impose fees that must be paid when the property is sold, so ask if the purchase of the property will result in any fees. Condominium and planned community HOAs are regulated by Arizona statutes. They are not under the jurisdiction of the Department of Real Estate (ADRE). Nonetheless, the Arizona's Homeowner's Association Dispute Process is administered by the ADRE.

<http://bit.ly/2ebBSLH> and <http://bit.ly/2e8jdM3>
(Chapter 16 and 18 of the Arizona Revised Statutes-Title 33)
<http://bit.ly/1rCg9kd> (ADRE HOA Information)
<http://www.re.state.az.us/HOA/HOA.aspx/>
(Homeowners Association Dispute Process)

7 HOA Disclosures

If purchasing a resale home in a condominium or planned community, the seller (if fewer than 50 units in the community) or the HOA (if there are 50 or more units) must provide the buyer with a disclosure containing a variety of information.

<http://bit.ly/2ebBSLH> (A.R.S. § 33-1260)
<http://bit.ly/2e8jdM3> (A.R.S. § 33-1806)

8 Community Facilities District

The Arizona Community Facilities District Act allows for the formation of a community facilities district (CFD) by a municipality or county for the purpose of constructing or acquiring a public infrastructure. It is important when purchasing property to determine whether it falls within the boundaries of a CFD as this may result in an additional tax burden upon the owner. While the presence of a CFD may be noted on the Residential Seller's Property Disclosure Statement, prospective buyers can further investigate the issue by contacting the treasurer's office or assessor's office for the county in which the property is located.

9 Title Report or Title Commitment

The title report or commitment contains important information and is provided to the buyer by the

title/escrow company or agent. This report or commitment lists documents that are exceptions to the title insurance (Schedule B Exceptions). Schedule B Exceptions may include encumbrances, easements, and liens against the property, some of which may affect the use of the property, such as a future addition or swimming pool. Make sure you receive and review all of the listed documents. Questions about the title commitment and Schedule B documents may be answered by the title or escrow officer, legal counsel, or a surveyor.

www.alta.org/consumer/questions.cfm
(American Land Title Association)

<https://insurance.az.gov/consumers/help-hometitleflood-insurance>
(Arizona Department of Insurance)

10 Loan Information and Documents

Unless a buyer is paying cash, the buyer must qualify for a loan in order to complete the purchase. A buyer should complete a loan application with a lender before making an offer on a property if at all possible and, if not, immediately after making an offer. It will be the buyer's responsibility to deposit any down payment and ensure that the buyer's lender deposits the remainder of the purchase price into escrow prior to the close of escrow date. Therefore, make sure you get all requested documentation to your lender as soon as possible.

<http://1.usa.gov/1Ewofgr> (Your Home Loan Toolkit -
Consumer Financial Protection Bureau)
<http://1.usa.gov/1uNYamL> (HUD)

<https://www.mba.org/who-we-are/consumer-tools>
(Mortgage Bankers Association)

https://www.namb.org/links_to_government_resources.php
(National Association of Mortgage Brokers- Consumer Info)

11 Home Warranty Policy

A home warranty [policy] is a service contract that typically covers the repair and/or replacement costs of home appliances and major systems such as heating, cooling, plumbing, and possibly other components of a home that fail due to normal usage and age. Coverage varies depending on the policy. Be aware that pre-existing property conditions are generally not covered. A home warranty may be part of the sale of the home. If so, buyers should thoroughly read the home warranty contract to understand coverage, limitations, exclusions, and costs associated with the policy.

12 Affidavit of Disclosure

If the buyer is purchasing five or fewer parcels of land (whether improved or vacant), other than subdivided land, in an unincorporated area of a county, the seller must furnish the buyer with an Affidavit of Disclosure.

<http://bit.ly/1p6CjDO>
(AAR Sample Affidavit of Disclosure)

13 Lead-Based Paint Disclosure Form

If the home was built prior to 1978, the seller must provide the buyer with a lead-based paint disclosure form. Buyer is further advised to use certified contractors to perform renovation, repair or painting projects that disturb lead-based paint in residential properties built before 1978 and to follow specific work practices to prevent lead contamination.

<http://www2.epa.gov/lead>, <http://1.usa.gov/1uO5wGS> (EPA)
<http://bit.ly/1rCq9kd> (ADRE Lead Based Paint Information)

14 Professional Inspection Report

The importance of having a property inspected by a professional inspector cannot be over-emphasized. An inspection is a visual physical examination, performed for a fee, designed to identify material defects in the property. The inspector will generally provide the buyer with a report detailing information about the property's condition. The buyer should carefully review this report with the inspector and ask the inspector about any item of concern. Pay attention to the scope of the inspection and any portions of the property excluded from the inspection.

<https://btr.az.gov/laws-standards/standards/home-inspectors>
(BTR—Home Inspector Standards)

<http://www.azashi.com/articles> (Additional Information)

15 County Assessors/Tax Records

The county assessor's records contain a variety of valuable information, including the assessed value of the property for tax purposes and some of the physical aspects of the property, such as the reported square footage. The date built information in the assessor's records can be either the actual or effective/weighted age if the residence has been remodeled. All information on the site should be verified for accuracy.

Apache:
<http://bit.ly/1FKUhk8>

Coconino:
<http://1.usa.gov/1n2zoY0>

Graham:
<http://1.usa.gov/1oUTsLP>

La Paz:
<http://bit.ly/1BuxdWY>

Mohave:
<http://bit.ly/Yq6nAj>

Pima:
<http://1.usa.gov/1oUVeFT>

Santa Cruz:
<http://bit.ly/1yRYwXl>

Yuma:
<http://bit.ly/1FZ1uir>

Cochise:
<http://bit.ly/1oUS7ok>

Gila:
<http://bit.ly/Yq3bV9>

Greenlee:
<http://bit.ly/1md668Y>

Maricopa:
<http://1.usa.gov/1pWx1tF>

Navajo:
<http://bit.ly/1pWxgVA>

Pinal:
<http://1.usa.gov/1rOIQBr>

Yavapai:
<http://bit.ly/1AsANj5>

16 Termites and Other Wood Destroying Insects and Organisms

Termites are commonly found in some parts of Arizona. The Office of Pest Management (OPM) regulates pest inspectors and can provide the buyer with information regarding past termite treatments on a property.

<http://opm.azda.gov> (Office of Pest Management-General Information)

<http://opm.azda.gov/> (Obtain a Termite History Report on a Property)

www.sb.state.az.us/TermiteInsp.php (What You Should Know About Wood-Destroying Insect Inspection Reports)

17 Foreign Investment in Real Property Tax Act (FIRPTA)

Foreign Investment in Real Property Tax Act (FIRPTA) may impact the purchase of property if the legal owner(s) of the property are foreign persons or non-resident aliens pursuant to FIRPTA. If so, consult a tax advisor as mandatory withholding may apply.

<http://1.usa.gov/1ldMdnq> (I.R.S. FIRPTA Definitions)

www.irs.gov/Individuals/International-Taxpayers/FIRPTA-Withholding (I.R.S. FIRPTA Information)

<http://www.irsvideos.gov/Individual/education/FIRPTA> (I.R.S. FIRPTA Video)

Section 2

COMMON PHYSICAL CONDITIONS IN THE PROPERTY A BUYER SHOULD INVESTIGATE

Because every buyer and every property is different, the physical property conditions requiring investigation will vary.

1 Repairs, Remodeling and New Construction

The seller may have made repairs or added a room to the property. The buyer should feel comfortable that the work was properly done or have an expert evaluate the work. Request copies of permits, invoices or other documentation regarding the work performed.

<https://roc.az.gov/before-hire>

(Before You Hire a Contractor – Tips)

www.greaterphoenixnari.org (National Association of Remodeling Industry – Greater Phoenix Chapter)

<http://www.nariofsouthernarizona.memberlodge.com/>

(National Association of Remodeling Industry – Southern Arizona)

<https://apps-secure.phoenix.gov/PDD/Search/Permits>

(City of Phoenix – Building Permit Records)

2 Square Footage

Square footage on the MLS printout or as listed by the county assessor's records is often only an estimate and generally should not be relied upon for the exact square footage in a property. An appraiser or architect can measure the property's size to verify the square footage. If the square footage is important, you should have it confirmed by one of these experts during the inspection period in a resale transaction and prior to executing a contract in a new home transaction.

<https://boa.az.gov/directories/appraiser>

(AZFI - Arizona Board of Appraisers Directory)

3 Roof

If the roof is 10 years old or older, a roof inspection by a licensed roofing contractor is highly recommended.

www.azroofing.org

(Arizona Roofing Contractors Association)

<https://roc.az.gov/before-hire>

(Before You Hire a Contractor – Tips)

4 Swimming Pools and Spas

If the property has a pool or a spa, the home inspector may exclude the pool or spa from the general inspection so an inspection by a pool or spa company may be necessary.

The Arizona REALTORS® Residential Purchase Contract provides guidance for the buyer to investigate all applicable state, county, and municipal Swimming Pool Barrier regulations and acknowledge receipt of the Arizona Department of Health Services approved private pool safety notice. The state requirements contained in the notice may be superseded by local swimming pool barrier ordinances that are equal to or more restrictive than the state requirements.

<http://bit.ly/20ZG8tp> (AAR)

bit.ly/2dhVPdw (A.R.S. 36-1681 Swimming Pool Enclosures)

5 Septic and Other On-Site Wastewater Treatment Facilities

If the home is not connected to a public sewer, it is probably served by an on-site wastewater treatment facility (conventional septic or alternative system). A qualified inspector must inspect any such facility within six months prior to transfer of ownership. For information on current inspection and transfer of ownership requirements, contact the specific county environmental/health agency where the property is located or the Arizona Department Environmental Quality (ADEQ).

<http://bit.ly/2pIVsZe>

(ADEQ – AZ Statewide Inspection Program)

<http://az.gov/app/own/home.xhtml>

(File a Notice of Transfer Online)

6 SEWER

Even if the listing or SPDS indicates that the property is connected to the city sewer, a plumber, home inspector, or other professional should verify it. Some counties and cities can perform this test as well.

7 Water/Well Issues

You should investigate the availability and quality of the water to the property.

<http://bit.ly/1rj4DFW> or <http://bit.ly/VAuDO8>
(Wells & Assured/Adequate Water Information)

Adjudications: Arizona is undertaking several Stream Adjudications, which are court proceedings to determine the extent and priority of water rights in an entire river system.

For information regarding water uses and watersheds affected by these adjudications, and the forms upon sale of the property, visit the Department of Water Resources online.

<http://bit.ly/1AsX14w>
(Department of Water Resources – Adjudications)

Additionally, the Verde Valley Water Users assists members in matters pertaining to the Gila River System Adjudication.

www.verdevalleywaterusers.org (Verde Valley Water Users Association)

CAGRDs: The Central Arizona Groundwater Replenishment District (CAGRD) functions to replenish groundwater used by its members, individual subdivisions and service areas of member water providers. Homeowners in a CAGRD pay an annual assessment fee which is collected through the county property tax process based on the amount of groundwater served to member homes.

www.cagrd.com
(Central Arizona Ground Water Replenishment District)

8 Soil Problems

The soil in some areas of Arizona has “clay-like” tendencies, sometimes referred to as “expansive soil.”

Other areas are subject to fissure, subsidence and other soil conditions. Properties built on such soils may experience significant movement causing a major problem.

If it has been disclosed that the property is subject to any such soil conditions or if the buyer has any

concerns about the soil condition or observes evidence of cracking, the buyer should secure an independent assessment of the property and its structural integrity by a licensed, bonded, and insured professional engineer.

<http://www.re.state.az.us/PublicInfo/Fissures.aspx>
(ADRE – Overview of Arizona Soils)

<http://data.azgs.az.gov/hazard-viewer/>
(AZGS – Natural Hazards Viewer)

http://www.azgs.az.gov/hazards_problemsoils.shtml
(Arizona’s Swelling & Shrinking Soils)

<http://azgs.az.gov/efmaps.shtml> (Area Maps)

<http://bit.ly/XvZEEQ> (Information on Land Subsidence & Earth Fissures)

www.btr.state.az.us (State Certified Engineers & Firms)

9 Previous Fire/Flood

If it is disclosed there has been a fire or flood on the property, a qualified inspector should be hired to advise you regarding any possible future problems as a result of the fire or flood damage and/or any subsequent repairs. For example, if the property was not properly cleaned after a flood, mold issues may result. Your insurance agent may be able to assist you in obtaining information regarding fire, flood, or other past damage to the property.

10 Pests

Cockroaches, rattlesnakes, black widow spiders, scorpions, termites and other pests are common in parts of Arizona. Fortunately, most pests can be controlled with pesticides.

Scorpions: Scorpions, on the other hand, may be difficult to eliminate. If the buyer has any concerns or if the SPDS indicates the seller has seen scorpions or other pests on the property, seek the advice of a pest control company.

Bed bugs: Infestations are on the rise in Arizona and nationally.

Roof Rats: Roof Rats have been reported in some areas by Maricopa County Environmental Services.

Termites: Consumer Information is available from the Office of Pest Management (OPM).

Bark Beetles: OPM reports bark beetles have been Reported in some forested areas.

<http://bit.ly/1HLW5s5> (Information on Scorpions)

<http://bit.ly/1PFP9Y2> (Information on Bed Bugs)

<http://www2.epa.gov/bedbugs> (Bed Bugs: Get Them Out and Keep Them Out)

<http://www.maricopa.gov/FAQ.aspx?TID=104> (Maricopa County – Roof Rats)

<http://www.sb.state.az.us/ReTermite.php> (Termite Information)

<http://www.sb.state.az.us/BarkBeetles.php> (Bark Beetle Information)

11 Endangered & Threatened Species

Certain areas in the state may have issues related to federally listed endangered or threatened species that may affect land uses. Further information may be obtained on the U.S. Fish and Wildlife website or by contacting the appropriate planning/development service department.

<http://www.fws.gov/southwest/es/arizona/> (Arizona Ecological Services)

<http://www.fws.gov/endangered/map/state/AZ.html>
(Arizona Endangered Species)

12 Deaths and Felonies on the Properties

Arizona law states that sellers and real estate licensees have no liability for failure to disclose to a buyer that the property was ever the site of a natural death, suicide, murder or felony.

This information is often difficult to uncover; however, the local law enforcement agency may be able to identify incidents related to a property address.

<http://bit.ly/2lo53MZ> (A.R.S. § 32-2156)

13 Indoor Environmental Concerns

Attention has been given to the possible health effects of mold in homes, apartments and commercial buildings. Certain types of mold may cause health problems in some people while triggering only common allergic responses in others.

Mold is often not detectable by a visual inspection. To determine if the premises you are purchasing or leasing contains mold or airborne health hazards, you may retain an environmental expert to perform an indoor air quality test. This is particularly important if any of the inspection reports or disclosure documents indicate the existence of past or present moisture, standing water, visible water stains, or water intrusion in the Premises.

The Arizona Department of Health Services, Office of Environmental Health, states:

“If you can see mold, or if there is an earthy or musty odor, you can assume you have a mold problem.”

<http://1.usa.gov/1it5voK> (Indoor Air Quality)

www.epa.gov/mold (EPA)

<http://www.epa.gov/iaq/pubs/index.html> (Publications & Resources)

www.cdc.gov/mold (Mold Information)

Imported Drywall: There have been reports of problematic drywall, produced in China, used in Arizona homes. Residents in homes with problem drywall report health issues such as respiratory irritation, and other problems such as copper corrosion and sulfur odors. Visit the Consumer Product Safety Commission website for more information.

Radon Gas and Carbon Monoxide: Radon gas and carbon monoxide poisoning are two of the more common and potentially serious indoor air quality (IAQ) concerns. Both of these concerns can be addressed by the home inspector, usually for an additional fee. For information on radon levels in the state, visit Arizona Radiation Regulatory Agency online.

Drug labs: Residual contamination arising from the illicit manufacture of methamphetamine and other drugs carried out in clandestine drug laboratories presents a serious risk of harm to human and environmental health.

Other: For information on other indoor environmental concerns, the EPA has a host of resource materials and pamphlets online.

bit.ly/2kRk7jm (Drywall Information Center)

<https://arra.az.gov/radon/about-radon> (About Radon)

<http://www2.epa.gov/asbestos> (Asbestos Information)

bit.ly/2gUZcSt (Voluntary Guidelines for Methamphetamine)

<http://1.usa.gov/1OC9Yji> (EPA Formaldehyde Information)

14 Property Boundaries

If the property boundaries are of concern, a survey may be warranted. For example, a survey may be advisable if there is an obvious use of property by others, i.e., a well-worn path across a property and/or parked cars on the property or fences or structures of adjacent property owners that appear to be built on the property. For more information, visit the Arizona Professional Land Surveyors online. A search for surveyors may be found online at the Board of Technical Registration.

www.azpls.org/ (AZ Professional Land Surveyors)

<https://btr.az.gov/standards-landing> (AZ BTR Land Surveyors)

15 Flood Insurance/Flood Plain Status

Your mortgage lender may require you to purchase flood insurance in connection with your purchase of the property. The National Flood Insurance Program provides for the availability of flood insurance and established flood insurance policy premiums based on the risk of flooding in the area where properties are located. Changes to the federal law (The Biggert-Waters Flood Insurance Reform Act of 2012 and the Homeowner Flood Insurance Affordability Act of 2014, in particular) will result in changes to flood insurance premiums that are likely to be higher, and in the future may be substantially higher, than premiums paid for flood insurance prior to or at the time of sale of the property. As a result, purchasers of property should not rely on the premiums paid for flood insurance on the property previously as an indication of the premiums that will apply after completion of the purchase. In considering purchase of the property you should consult with one or more carriers of flood insurance for a better understanding of flood insurance coverage, current and anticipated future flood insurance premiums, whether the prior owner's policy may be assumed by a subsequent purchase of the property, and other matters related to the purchase of flood insurance for the property.

If community floodplain information is not available for a specific property, and in order to obtain flood insurance, it may be necessary to have an elevation survey and obtain an elevation certificate. This is necessary to determine a property's insurability and premium rate. You may also wish to contact the Federal Emergency Management Agency (FEMA) for

more information about flood insurance as it relates to the property.

[National Flood Insurance Program](#) (FEMA)

<https://msc.fema.gov/portal> (Flood Map Service Center)

bit.ly/2egwpza (Elevation Certificates: Who Needs Them and Why - fact sheet)

http://www.azgs.az.gov/hazards_floods.shtml (AZ Flood & Debris)

<http://www.fcd.maricopa.gov/3847/Flood-Control-District> (Maricopa County Flood Control District-Services)

<http://pdsd.tucsonaz.gov/pdsd/floodplain-information> (Tucson Flood Information)

Other Arizona Counties: Consult County Websites.

16 Insurance (Claims History)

Many factors affect the availability and cost of homeowner's insurance. Property owners may request a five-year claims history from their insurance company, an insurance support organization or consumer reporting agency.

<https://insurance.az.gov/consumers/help-hometitleflood-insurance> (AZ Department of Insurance)

<http://bit.ly/VDp15E> (Home Seller's Disclosure Report)

17 Other Property Conditions

Plumbing: Check functionality.

Cooling/Heating: Make sure the cooling and heating systems are adequate.

Electrical Systems: Check for function and safety.

Section 3

CONDITIONS AFFECTING THE AREA SURROUNDING THE PROPERTY THE BUYER SHOULD INVESTIGATE

Every property is unique; therefore, important conditions vary.

Environmental Concerns

It is often very difficult to identify environmental hazards. The Arizona Department of Environmental Quality (ADEQ) website contains environmental information regarding the locations of open and

closed landfills (Solid Waste Facilities), wildfire information, as well as, air and water quality information (and more).

<http://www.azdeq.gov/> (ADEQ)

<http://legacy.azdeq.gov/environ/waste/solid/plan.html> (ADEQ-Solid Waste Facilities)

www.azdeq.gov/function/programs/wildfire.html (Wildfire Information)

1 Environmentally Sensitive Land

Ordinance: Approximately two-thirds of the City of Scottsdale is affected by the Environmentally Sensitive Land Ordinance (ESLO), which requires some areas on private property be retained in their natural state and designated as National Area Open Space (NAOS).

<http://www.scottsdaleaz.gov/codes/eslo>
(Environmentally Sensitive Land Ordinance)

<http://www.scottsdaleaz.gov/codes/eslo/naos>
(Natural Area Open Space)

2 Electromagnetic Fields

For information on electromagnetic fields, and whether they pose a health risk to you or your family, visit the National Institute of Environmental Health Sciences website.

www.niehs.nih.gov/health/topics/agents/emf/
(National Institute of Environmental Health Sciences)

3 Superfund Sites

There are numerous sites in Arizona where the soil and groundwater have been contaminated by improper disposal of contaminants. Maps may be viewed on ADEQ's website to see if a property is in an area designated by the ADEQ as requiring cleanup.

<https://www.azdeq.gov/function/programs/gis.html> (ADEQ)
www.epa.gov/superfund/ (EPA), <http://espanol.epa.gov/> (Spanish)

4 Freeway Construction and Traffic Conditions

Although the existence of a freeway near the property may provide highly desirable access, sometimes it contributes to undesirable noise. To search for roadway construction and planning, visit the Arizona Department of Transportation (ADOT) website.

www.azdot.gov (ADOT)
www.azdot.gov/Highways (Statewide Projects)
www.az511.com (Traffic Conditions – Alerts)

5 Crime Statistics

Crime statistics, an imperfect measurement at best, provide some indication of the level of criminal activity in an area.

<http://1.usa.gov/1kSEpHc> (Phoenix Crime Statistics)

<http://www.tucsonaz.gov/police/statistics> (Tucson Crime Stats)
www.leagueaz.org/lgd (Crime Statistics All Arizona Cities)

6 Sex Offenders

Since June 1996, Arizona has maintained a registry and community notification program for convicted sex offenders. Prior to June 1996, registration was not required, and only the higher-risk sex offenders are on the website. The presence of a sex offender in the vicinity of the property is not a fact that the seller or real estate broker is required to disclose.

www.azdps.gov/Services/Sex_Offender/ (Registered Sex Offenders and Community Notification)

<http://www.nsopw.gov/en> (National Sex Offender Public Site)

7 Forested Areas

Life in a forested area has unique benefits and concerns. Contact county/city fire authority for more information on issues particular to a community.

<http://azsf.az.gov/> or www.firewise.org
(Protecting Your Property from Wildfire)
<http://cals.arizona.edu/firewise>
(Arizona Fire Wise Communities)

8 Military and Public Airports

The legislature has mandated the identification of areas in the immediate vicinity of military and public airports that are susceptible to a certain level of noise from aircraft. The boundaries of these areas have been plotted on maps that are useful in determining if a property falls within one of these areas. The maps for military and public airports may be accessed on the Arizona Department of Real Estate (ADRE) website. Additionally, the boundaries of military and public airports in Maricopa County may be viewed on the county website. These maps are intended to show the area subject to a preponderance of airport-related noise from a given airport. Periodic over-flights that may contribute to noise cannot usually be determined from these maps.

Vacant land or lots may be for sale within areas of high noise or accident potential zones. Because the zoning of these lots may conflict with the buyer's ability to develop the property, the buyer should verify whether development is prohibited.

Zoning regulations for these areas, may be found at A.R.S. §28-8481.

<http://www.re.state.az.us/AirportMaps/MilitaryAirports.aspx>
(ADRE - Maps of Military Airports & Boundaries)

www.re.state.az.us/AirportMaps/PublicAirports.aspx
(ADRE - Maps of Public Airports & Boundaries)

9 Zoning/Planning/Neighborhood Services

Information may be found on community websites.

<http://phoenix.gov/business/zoning> (Phoenix)

<http://www.tucsonaz.gov/pdsd/planning-zoning> (Tucson)

<http://www.leagueaz.org/lgd/> (Other Cities and Towns)

10 Schools

Although there is no substitute for an on-site visit to the school to talk with principals and teachers, there is a significant amount of information about Arizona's schools on the Internet. Visit the Arizona Department of Education website for more information.

<http://www.azed.gov/> (Arizona Department of Education)

ADRE ADVISES:

"Call the school district serving the subdivision to determine whether nearby schools are accepting new students. Some school districts, especially in the northwest part of the greater Phoenix area, have placed a cap on enrollment. You may find that your children cannot attend the school nearest you and may even be transported to another community."

www.azre.gov/PublicInfo/PropertyBuyerChecklist.aspx (ADRE)

11 City Profile Report

Information on demographics, finances and other factors are drawn from an array of sources, such as U.S. Census Bureau, Bureau of Labor, Internal Revenue Service, Federal Bureau of Investigation, and the National Oceanic and Atmospheric Administration and may be viewed on Homefair's Website.

<http://www.homefair.com/real-estate/city-profile/index.asp>
(City Profile Report)

Section 4

OTHER METHODS OF GETTING INFORMATION ABOUT A PROPERTY

Talk to the Neighbors

Neighbors can provide a wealth of information. Buyers should always talk to the surrounding residents about the neighborhood and the history of the property the buyer is considering for purchase.

Drive around the Neighborhood

Buyers should always drive around the neighborhood, preferably on different days at several

different times of the day and evening, to investigate the surrounding area.

Investigate your Surroundings:

Google Earth is an additional method to investigate the surrounding area:

<https://www.google.com/earth/>

Section 5

RESOURCES

Market Conditions Advisory

The real estate market is cyclical and real estate values go up and down. The financial market also changes, affecting the terms on which a lender will agree to loan money on real property. It is impossible to accurately predict what the real estate or financial market conditions will be at any given time.

The ultimate decision on the price a buyer is willing to pay and the price a seller is willing to accept for a specific property rests solely with the individual buyer or seller. The parties to a real estate transaction must decide on what price and terms they are willing to buy or sell in light of market conditions, their own financial resources and their own unique circumstances.

The parties must, upon careful deliberation, decide how much risk they are willing to assume in a transaction. Any waiver of contingencies, rights or warranties in the Contract may have adverse consequences. Buyer and seller acknowledge that they understand these risks.

Buyer and Seller assume all responsibility should the return on investment, tax consequences, credit effects, or financing terms not meet their expectations. The parties understand and agree that the Broker(s) do not provide advice on property as an investment. Broker(s) are not qualified to provide financial, legal, or tax advice regarding a real estate transaction. Therefore, Broker(s) make no representation regarding the above items. Buyer and seller are advised to obtain professional tax and legal advice regarding the advisability of entering into this transaction.

<http://bit.ly/1sSTpri>

(AAR - Sample Forms)

Fair Housing and Disability Laws

The Fair Housing Act prohibits discrimination in the sale, rental, and financing of dwellings based on race,

color, national origin, religion, sex, familial status (including children under the age of 18 living with people securing custody of children under the age of 18), and handicap (disability).

<http://1.usa.gov/1pbD5iW> (US Government – HUD)

<http://www.ada.gov/pubs/ada.htm>

(Americans with Disabilities Act)

Wire Fraud

Beware of wiring instructions sent via email. Cyber criminals may hack email accounts and send emails with fake wiring instructions. You should independently confirm wiring instruction in person or via a telephone call to a trusted and verified phone number prior to wiring any money.

<http://bit.ly/2gQNWms> (FTC & NAR - Protect your mortgage closing from scammers)

<http://bit.ly/2vDDvFk> (CFPB- Buying a home? Watch out for mortgage closing scams)

Additional Information

NATIONAL ASSOCIATION OF REALTORS® (NAR)

<https://www.nar.realtor/>

NAR'S Ten Steps to Homeownership

<http://bit.ly/YweGug>

Home Closing 101

www.homeclosing101.org

Information about Arizona Government, State Agencies, City & County Websites

Arizona Department of Real Estate
Consumer Information

www.azre.gov/InfoFor/Consumers.aspx

Arizona Association of REALTORS®

www.aaronline.com

BUYER ACKNOWLEDGMENT

Buyer acknowledges receipt of all 13 pages of this Advisory.

Buyer further acknowledges that there may be other disclosure issues of concern not listed in this Advisory. Buyer is responsible for making all necessary inquiries and consulting the appropriate persons or entities prior to the purchase of any property.

The information in this Advisory is provided with the understanding that it is not intended as legal or other professional services or advice. These materials have been prepared for general informational purposes only. The information and links contained herein may not be updated or revised for accuracy. If you have any additional questions or need advice, please contact your own lawyer or other professional representative.

^ BUYER SIGNATURE

DATE

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DATE





MARICOPA COUNTY



1 | ADMINISTRATION /TITLE

3200 N. Central Ave., Suite 950
Phoenix, AZ 85012
Phone: (480) 385-2475
Fax: (480) 682-3335

2 | BILTMORE

2920 E. Camelback Rd., Suite 130
Phoenix, AZ 85016
Phone: (602) 385-7400
Fax: (602) 682-3450

3 | NORTH SCOTTSDALE

17015 N. Scottsdale Rd., Suite 130
Scottsdale, AZ 85255
Phone: (480) 748-2100
Fax: (480) 682-3330

4 | AHWATUKEE UNIT 4

15905 S. 46th St. Suite 180
Phoenix, AZ 85048
Phone: (480) 385-6275
Fax: (480) 682-3306

5 | AHWATUKEE

3930 E. Chandler Blvd. Suite 2
Phoenix, AZ 85048
Phone: (480) 385-4300
Fax: (480) 682-3325

6 | OCOTILLO

2301 S. Stearman Dr. Suite 2
Chandler, AZ 85286
Phone: (480) 339-7000
Fax: (480) 682-3350

7 | PHOENICIAN

6991 E. Camelback Rd. Suite C-158
Scottsdale, AZ 85251
Phone: (480) 682-0200
Fax: (480) 385-6862

8 | SUN CITY WEST

13843 W. Meeker Blvd. Suite 113
Sun City West, AZ 85375
Phone: (623) 385-4000
Fax: (623) 792-1863

9 | ARROWHEAD

17235 N. 75th Ave., Suite C-150
Glendale, AZ 85308
Phone: (623) 385-3500
Fax: (623) 792-1855

10 | POWER ROAD

7400 S. Power Rd., Suite 102
Gilbert, AZ 85297
Phone: (480) 339-7010
Fax: (480) 682-3340

11 | TEMPE

3920 S. Rural Rd., Suite 101
Tempe, AZ 85282
Phone: (480) 455-3700
Fax: (480) 682-3377

12 | TEMPE #2

2077 E. Warner Rd., Suite 103
Tempe, AZ 85284
Phone: (480) 339-7030
Fax: (480) 682-3395

13 | KYRENE

9180 S. Kyrene Rd., Suite 106
Tempe, AZ 85284
Phone: (480) 682-0250
Fax: (480) 682-3310

14 | ALMA SCHOOL

4913 S Alma School, Suite 2
Chandler, AZ 85308
Phone: (480) 339-7050
Fax: (480) 682-3335

**MAGNUS TITLE AGENCY
LOCATIONS**



MAGNUS TITLE AGENCY

WITH

Magnus

YOU MATTER

Magnus Title Agency has been serving Maricopa County since 2004. Our Company was built on a philosophy of integrity, a focus on innovation, and a compassion for our clients and our employees.

Our experienced senior management team leads our organization of outstanding title and escrow professionals. Our commitment is to consistently deliver solutions that make sense for each client, in every transaction.

This guide is provided by Magnus Title Agency as a complimentary resource for real estate consumers.