



Residential Resale Real Estate Purchase Contract

A Layman's Explanation

**GREYSTONE
TITLE AGENCY**

POLISHED ♦ EXPERIENCED ♦ PROFESSIONAL

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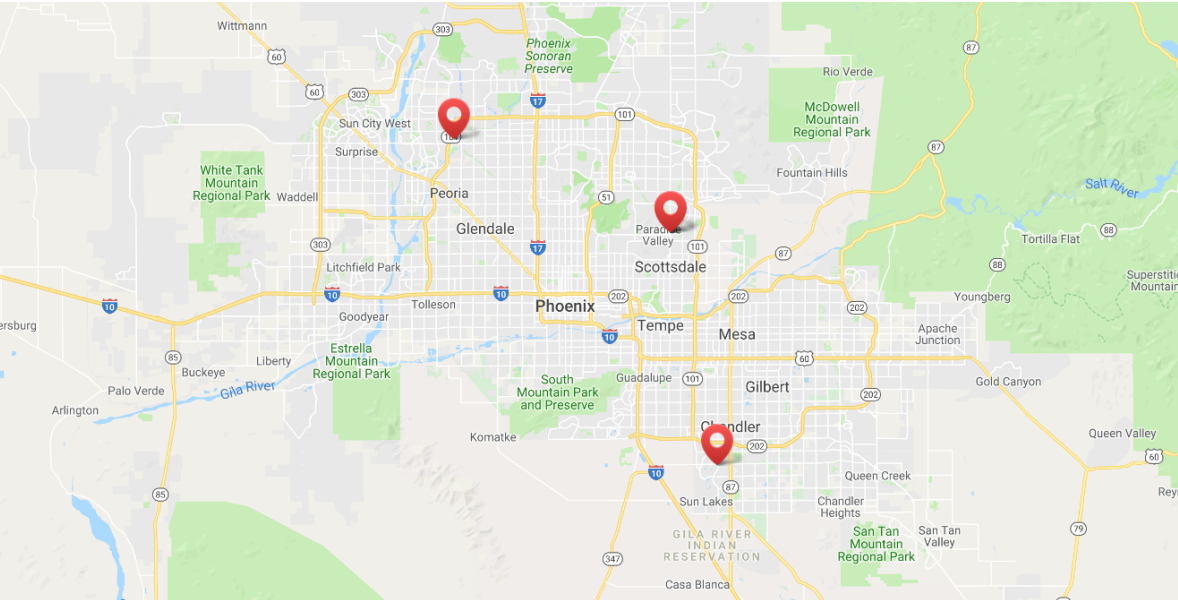
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our escrow office *locations*

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Corporate Office

6710 N Scottsdale Rd
Suite 180
Scottsdale, AZ 85253
480-624-8600 Main

Spectrum Scottsdale

6710 N. Scottsdale Rd., Suite 180
Scottsdale, AZ 85253
Phone: 480-624-4370
E-Fax: 480-624-3336
*Spanish-Speaking Location

Scottsdale North

6710 N. Scottsdale Rd., Suite 180
Scottsdale, AZ 85253
Phone: 480-624-4375
E-Fax: 480-624-5937

West Valley Branch / Atrium at Arrowhead

107505 N 79th Ave., Suite 114
Glendale, AZ 85308
Phone: 480-624-4376
E-Fax: 623-574-3905

Chandler—Southeast Valley

1035 W. Queen Creek Rd Suite 101
Chandler, AZ 85248
480-624-8610 Phone
480-624-3327 E-Fax
*Spanish-Speaking Location

Corporate Counsel

Mike Abel
1035 W. Queen Creek Rd Suite 101
Chandler, AZ 85248
480-624-4369 Phone

Buyer Attachment

This form is to be given to the Buyer. It is not part of the contract. It is used to advise the Buyer of their rights, responsibilities and duties under the contract and to further stress the importance of the items to be read, researched and investigated by the Buyer.

READ THE ENTIRE CONTRACT – The Buyer should not rely on someone else's opinion of the contract, but should instead read it on their own and seek professional advice on those items that they do not understand or have concerns about.

RESIDENTIAL SELLER PROPERTY DISCLOSURE STATEMENT – This form will provide the Buyer with a vast amount of information related to the property and its condition. The Seller should take great care in filling out the SPDS form so that they disclose all facts about the property of which they have knowledge. The Buyer should also review all items closely to make sure that they have no concerns.

INSPECTION PARAGRAPH – Buyers will want to pay particular attention to Section 6a of the contract. Buying a home is one of the biggest investments we make in our lives and the Buyer should seek out the services of a qualified general home inspector to guard against problems they may not discover on their own.

INSURANCE – The Buyer should be encouraged to obtain a homeowner's insurance quote as soon as possible. Depending on the property's location, the Buyer may find themselves in sticker shock from the premium and if they do not obtain this information early on in the process, it may be too late.

HOME LOAN – The Buyer will want to actively work with their lender, providing them with all requested information as soon as possible.

READ YOUR TITLE COMMITMENT AND CC&R'S – The Title Commitment and the CC&R's will advise the Buyer of the rules and regulations that govern the use of the property. If the Buyer would like to install a pool, satellite dish, have animals or want to make changes to the property in any manner, the Buyer should examine the deed restrictions and HOA restrictions to make sure they can.

WALKTHROUGH – ALWAYS make sure you do a pre-closing walkthrough prior to close. This is the only time the Buyer has to make sure no damage was done to the property between signing the contract and taking possession of the home. If you do not speak up, it may be too late.

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**

Section I - *Property*

Section I of your contract is the basic who, what, why and where of your transaction.

- 1a. This section sets out who the Buyer(s) and Seller(s) are under the contract. If uncertain how title is vested, it is advisable to check the box “as identified in section 9c”.
- 1b. This section identifies the property being purchased. All sections should be completed and the parcel number cross-referenced with the deed or Assessor’s parcel card to make sure the right property is being sold. It is the legal description and not the parcel number that identifies the property being sold.
- 1c. This section sets out the financial terms and conditions of the sale. Is there going to be a mortgage? Seller financing? All items should be set out with specificity so there are no misunderstandings when it comes to closing. This section also makes clear that the Buyer’s Earnest Money must be deposited with the Escrow Company upon contract acceptance and if they do not, the Seller can issue a Cure Notice and cancel the contract.

If the Buyer is paying cash for the home, then the Buyer must attach "proof of funds". This can either be a bank Letter of Credit or a copy of a bank statement.

- 1d. All parties should be aware that Close of Escrow (COE) is NOT when you sign your closing documents. Your escrow agent has a lot of work to do between the time the Buyer and Seller sign the closing documents and when the deed is actually recorded and funds disbursed. It is their job to make sure that all parties interests are protected, so COE is when the deed is actually recorded in the County Recorder’s office and the funds are ready to be disbursed.
- 1e. **Possession** – There are several important items hidden in this provision. This section governs when the Buyer gets to take possession of the premises. Unless you state otherwise, possession should be given to the Buyer as soon as everyone receives notice that the deed has been recorded. Hidden in this provision however, is probably something that can be even more important, risk of loss.

The contract advises the Buyer and Seller to seek counsel from appropriate insurance, legal, tax and accounting professionals regarding the risk of pre-possession or post-possession of the premises. Why is this important? What if the sale falls through and the Buyer has already moved in or the prior owner refuses to move out? Also, make sure your insurance is in full force prior to COE even if you are paying cash for the property. Accidents happen every day and you do not want to lose your investment because you did not have insurance.
- 1f. **Addendums** – Read them as applicable.
- 1g. The Buyer should take care to note the make and model of all fixtures that are to convey with the property. Many experts even recommend the Buyer video tape the premises during the inspection period. The Seller on the other hand, wants to make sure that they properly exclude any items that are not being transferred. Even if the listing states that the antique chandelier does not convey, if it is not excluded in the contract, it belongs to the Buyer.

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 ☐ Short Sale
38. ☐ Other: _____

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<div style="border: 1px solid black; width: 100px; height: 20px; margin-bottom: 5px;"></div> <div style="display: flex; justify-content: space-between;"> SELLER SELLER </div>	<div style="display: flex; justify-content: space-between;"> <Initials Initials> </div> <div style="border: 1px solid black; width: 100px; height: 20px; margin-bottom: 5px;"></div> <div style="display: flex; justify-content: space-between;"> BUYER BUYER </div>

Section 1 - *Property* (Cont.)

1g. If the Buyer wants any additional items, including the refrigerator, washer, dryer etc., those items must be listed here. If you are the Seller, make sure you exclude any items you want or need to keep. If any items are leased (water softener, solar panels etc., you must disclose

Section 2 - *Financing*

This section sets out all of the terms and conditions related to the financing of the property. Some important highlights you will want to be aware of are:

- 2a. The Buyer should attach the AAR Pre-Qualification Form with all offers. It is strongly suggested that the Buyer go one step farther and obtain a full "Pre-Approval" from a lender reflecting that the Buyer is approved for their loan, subject to appraisal and reverification.
- 2b. This section requires the Buyer to receive full loan approval three days prior to closing. If the Buyer or their lender cannot meet this deadline, the Buyer will want to make sure they give written notice to the Seller and / or the escrow agent. If the Buyer fails to do so and does not provide such notice within three days of being served with a "cure notice", then the Seller is entitled to the earnest money deposit.
- 2c. This section sets out that the Contract is cancelled if the Buyer, after making a good faith effort, cannot obtain loan approval. This does not eliminate the notice requirement under Section 2b though, so be careful.
- 2d. This section sets out that if the Buyer cannot qualify for the loan because they failed to lock their interest rate or that they did not have the down payment or other funds to close, then they are in breach and cannot rely on the contract being canceled due to the "unfulfilled loan contingency". So before you sign the contract saying you can put \$25,000 down, make sure your funds are readily available. And do not purchase a new car!
- 2f. This section requires the Buyer to apply for any loan during the inspection period. If the Buyer fails to do so, the Seller can issue a cure notice. If the Buyer does not correct the item by making application within three days, the Seller may cancel the contract and keep the deposit.
- 2g. This section requires the Buyer to sign all of their loan documents at least three days prior to close of escrow. As such the Buyer will need to work diligently with their lender so that they provide the escrow agent with all documentation in enough time to satisfy this condition. If the documents are not signed, the Seller can issue their three day notice to cure to preserve their rights.
- 2h. The Buyer should notify the Seller of the type of financing they will obtain if applicable.
- 2j. This section is used if the Seller will be contributing or making concessions to be used toward the Buyer's closing cost. These concessions are limited to only those fees or cost listed and any change will require amending the contract.
- 2k. This Section requires the Buyer to immediately notify the Seller of any changes to their prospective loan terms. Although the Buyer only has an obligation to notify the Seller of such changes, the Buyer must obtain the Sellers approval if the change would adversely effect the Buyer's ability to obtain their loan, delay closing or increase the Seller's closing cost.

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- 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 • in-ground pool and spa/hot tub equipment • security and/or fire systems and/or alarms
53. the Premises (i.e. – solar) and covers (including any mechanical or • water purification systems
54. other cleaning systems) • 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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<div style="border: 1px solid black; width: 150px; height: 20px; margin: 0 auto;"></div> <div style="text-align: center; font-weight: bold; font-size: small;">SELLER SELLER</div>	<Initials	Residential Resale Real Estate Purchase Contract • Updated: February 2017 Copyright © 2017 Arizona Association of REALTORS®. All rights reserved.	Initials>	<div style="border: 1px solid black; width: 150px; height: 20px; margin: 0 auto;"></div> <div style="text-align: center; font-weight: bold; font-size: small;">BUYER BUYER</div>
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Section 2 - *Financing* (cont.)

- 2l. This Section makes it clear that the property must appraise for the amount of the purchase price or the Buyer has five days to cancel the contract. This notice can be verbal or written. This provision does not apply to cash deals unless otherwise stated in your contract.
- 2m. This Section addresses the cost of the appraisal, who will pay and noting it is non-refundable. If the Seller is going to pay for the appraisal, you should note if it will be applied towards any Seller concessions. The Seller may want to consider including a separate provision requiring that they be reimbursed out of the Buyer escrow deposit should the transaction cancel through no fault of the Seller.

Section 3 - *Title and Escrow*

- 3a. This section is where the Buyer and Seller can choose who will act as their title and escrow agent. Besides your Realtor, this is one of the most important decisions you will make when buying or selling real estate. We hope you will consider [GREYSTONE TITLE AGENCY](#) and choose us to provide these services for you.
- 3b. Another decision the Buyer(s) will have to make is how they would like to take title to the property. Although you can find an explanation of the various ways to take title in Arizona in the back of this book, the Buyer(s) are strongly advised to obtain legal and tax advice in regard to this matter.
- 3c. This section contains very important information as it relates to the title to your property. During the escrow process, the Buyer will receive a copy of a title commitment. This document will spell out all easements, restrictions, covenants or other items that may affect the ownership or even limit what they can or cannot do with the property. It is very important that the Buyer fully review their title commitment and all items listed therein, to make sure they can use the property as they wish. The Buyer only has five days to object to any item in the commitment, so they want to make sure they do not delay reviewing it. After closing, the Buyer will receive a Homeowners Title Insurance Policy insuring they have clear title to the property. This protects the Buyer from title issues, such as unpaid liens or forged deeds, that could cost them their home. Never let anyone talk you out of buying a title insurance policy merely because your lender is receiving one. If there is a claim, the lender will be covered however, the lien will still remain on the property and the Buyer could lose their home.
- 3d. This section instructs the Escrow Agent to perform all duties necessary to complete the transaction. They may need your cooperation, so you should respond quickly to any inquiries to assist escrow closing smoothly and on time.
- 3e. This section advises all parties that there will be a proration of real estate taxes.
- 3f. This section empowers your escrow agent to settle any disputes between the Buyer and Seller concerning who may be entitled to the Earnest Money. Although the Buyer and Seller agree to indemnify the Escrow Agent, most Escrow Agents will not make the decision if both parties claim the funds.

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- 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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SELLER SELLER <Initials> BUYER BUYER <Initials>

Section 3 - *Title and Escrow* (Cont.)

- 3g. If the property is subject to assessments and fees, such as HOA fees, rents, street lighting, etc. then such items will be prorated through the date of closing.
- 3h. If the property is subject to any assessments and fees that are a lien against the property (such as Community Facilities District liens, then these too will be prorated at closing unless it is addressed by an addendum to require them to be paid off.

Section 4 - *Disclosure*

- 4a. The Seller of residential real estate must provide the Buyer with a Seller Property Disclosure Statement within three days after the contract is accepted. This disclosure will provide the Buyer with a lot of important information about the property, including who services the utilities and if there are any known structural problems with the property. The Buyer has five days after receiving such notice to raise any objections to the items listed on the disclosure.
- 4b. The Seller must provide the Buyer with an Insurance Claims History report for the past five years (or less if they have not owned the home for five years).
- 4c. This section is very important when either the Buyer, Seller or both are foreign citizens. If you are a foreign Buyer or Seller, you should consult both your tax and legal advisor before purchasing or selling any US real estate. The way you hold title and file your taxes can have a substantial impact on financial condition and should not be taken lightly. If you are a Foreign Seller, you will want to contact your tax advisor as soon as you list your property or you may be subject to IRS withholding of up to 15% of the gross sales price at closing. Although many times these funds have to be remitted to the IRS, the foreign Seller will receive a refund of all or part of the remittance based on the ultimate tax due on the sale. If you are a foreign buyer, you will also want to contact your tax professional as to how you should take title to the property due to foreign tax and inheritance laws.
- 4d. If the home being purchased was built prior to 1978, the Seller must provide the Buyer with a Lead Based Paint Disclosure. The Buyer has ten days to inspect the premises and determine if they want to proceed with the sale. If the Buyer is concerned about the presence of Lead Paint, it is highly recommended that they retain a qualified inspector to review the property and make a proper assessment.
- 4e. If the property being sold is in an unincorporated area, and five or less lots are being sold, the Seller must present the Buyer with an Affidavit of Disclosure on the property. Your real estate professional should be able to assist.
- 4f. If there is any change in the premises such as the air conditioner stops working, the home sustains storm damage or even you find out your HOA changed management companies, the Seller must notify the Buyer.

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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SELLER SELLER	<Initials _____ _____	Initials>	BUYER BUYER

Section 5 - *Warranties*

- 5a. The Seller has a lot of responsibility during the escrow process. They must make sure the home stays in the same condition as it was when the contract was fully accepted. If an appliance breaks, the Seller must either repair or replace it. The Seller must also make sure that all of their personal property is removed prior to giving the Buyer possession.

This section is of most importance to the Buyer. The Buyer needs to know that the property is being purchased in its “as is” condition. The Seller provides no assurance or guarantee that the mechanical, electrical, plumbing or any other system or appliances etc. are in working order. As such, the Buyer should obtain the services of a Professional Home Inspector and investigate any concerns they may have.

- 5b. While most Seller warranties end when the deed is recorded, several do survive the closing.

Even though the property has transferred, the Seller remains liable to the Buyer for such issues as: failure to advise the Buyer of known latent defects; any mechanics liens that may pop up; and Seller did not misrepresent the actions regarding the sewer connection. All Sellers should realize that even if they require the Buyer to waive the Seller Property Disclosure, they still remain liable for known defects and should take care to advise the Buyer of any such defect at the time of contract.

- 5c. The Buyer also makes warranties to the Seller. The most important is that the Buyer did not intentionally misinform the Seller about their ability to purchase the property. The Buyer also acknowledges they are not relying on any verbal statements.

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- 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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Section 6 - *Due Diligence*

- 6a. The Buyer has ten days after the contract is fully accepted to perform all of their inspections. If the Buyer thinks it may take longer, they should request a few additional days in the contract. It is strongly recommended that the Buyer retain a quality home inspector to thoroughly review the prospective property. Your Realtor can help you find a reputable one. There are also free websites such as www.familywatchdog.us, <http://services.azre.gov/publicdatabase/SearchDevelopments.aspx> and numerous others listed in the Arizona Department of Real Estate Buyer's Advisory located at https://www.aaronline.com/wp-content/uploads/2016/03/Buyer-Advisory_09Mar2016.pdf that can provide the Buyer with information about their prospective home. A copy of any report the Buyer obtains must be given to the Seller free of charge.
- 6b. Many times there are errors in the MLS Listing or on the promotion flyers for the home. If the Buyer is concerned about the square footage of the home, they should either check it on their own or hire a Home Inspector to do so. Once you purchase the property it is too late.
- 6c. Termites can be a big problem in Arizona. As such, it is advisable for the Buyer to have the property inspected by a professional.
- 6d. If the property happens to be located in a Flood Zone, the Lender will generally require the Buyer to purchase flood insurance. Flood insurance can be very expensive and if this would be of concern to the Buyer, it must be investigated during the inspection period.
- 6e. Homeowner's insurance is one of the most overlooked products related to the Buyer's home purchase. Many Buyers have delayed inquiring about homeowner's insurance until just before closing only to discover that it was significantly more expensive than they expected or even that they could not insure the home properly. It is highly advisable that the Buyer obtain a quote and written confirmation of the availability and cost of the insurance during the inspection period or the Buyer may be stuck paying a lot more than expected.
- 6f. If the type of septic service is important to the Buyer, they need to verify and address their concerns during the inspection period.
- 6h. While your Realtor is one of the best resources a Buyer or Seller can have, they are not professional home inspectors and should not be relied upon or asked to offer such opinions.
- 6i. The Buyer MUST provide the Seller with an Inspection Period Notice prior to the expiration of the inspection period or they will waive their rights to make any objections. It is strongly advised that the Buyer use the AAR's Buyer's Inspection Notice and Seller's Response (BINSR) form when providing such notice. The Buyer needs to make sure they have all of their inspections completed prior to submitting such forms as all concerns must be included on the original notice. If the Buyer fails to include any concern in their original notice, they more than likely have waived all rights to object to the item.

Section 6 - *Due Diligence* (Cont.)

- 6j. The Buyer needs to take great care to make sure they understand this section clearly as it imposes specific duties on them if they find any objectionable items during their inspection of the property. Prior to the expiration of the inspection period, the Buyer should provide the Seller with a Residential Buyer's Inspection Notice and Seller's Response (BINSR) form. If the Buyer objects to any item(s), they must list all of their objections on the BINSR form at one time. The Buyer needs to be aware that they cannot just write that they "disapprove of the home", they must list specific reasons why. If the Buyer does not list a specific reason for cancellation, the Seller can issue a Cure Notice requiring the Buyer to provide a specific reason within three (3) days, not counting the day it is served. If the Buyer fails to provide a detailed reason, the Buyer forfeits their deposit. So, the moral of the story is to always list a specific reason on the BINSR when canceling.

If the Buyer chooses to object to the condition of the property, they have two choices. The Buyer can either choose to cancel the contract and receive a refund of their earnest money, or they can give the Seller the opportunity to correct the items. This is where it can get a little tricky; if the Buyer gives the Seller the opportunity to correct the items, the Seller must respond to the Buyer's request within five days of receiving the notice. If the Seller does not respond, then the Buyer can either cancel the contract, and receive a refund of their earnest deposit, or they can agree to buy the property "as is" with no repairs being made.

If the Seller responds, they can either agree to make all of the repairs; counter agreeing to correct some of the items, or refuse to do any of the repairs. The Buyer then makes the final decision to accept the counter offer or cancel the contract. All offers and notices must be in writing and if the Buyer or Seller misses any of the time periods set out in this provision, then they waive their rights under the inspection period.

- 6k. Home Warranty Plans have become an important part of the home buying process. Unless you are 100% sure that nothing will ever break down, the Buyer should strongly consider purchasing one. The Seller should also consider providing one to their Buyer as many of the items the Seller warrants are covered under the policy. So if the air conditioner goes out, the Buyer will contact the home warranty company, not the Seller.

- 6l/m. The Seller grants the Buyer reasonable access to the premises so they can perform all inspections. The Seller is obligated to have all utilities on during the inspection period so that a thorough investigation of the property can be made.

- 6n. Just as in Section 4c, this Section is to disclose to the Buyer that if the Seller is a foreign Person, the Buyer can actually be held liable for the 15% withholding if the escrow company fails to remit. While this risk may be there, it can be significantly reduced (or eliminated), the Buyer wants to make sure that their service providers understand the process. Sometimes you may be asked to assist in signing an exemption affidavit or assist in filing a withholding certificate. While the Buyer is required to assist with FIRPTA compliance, they should seek legal and tax advice.

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- 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.**

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Section 7 - *Remedies*

- 7a. This section provides all parties three (3) days time to correct an error before they are found to have breached the contract. If either party believes that the other has breached the contract, they must notify the other party of such breach. The person receiving such notice has three days to “cure” the breach without liability. There can be no breach without the notice being issued. If a cure notice is issued, make sure you take some action. If the action required to cure the potential breach is to complete the close of escrow and either the title company or recorder's office is closed, the last day to cure is automatically extended until the next day both of them are opened for business.
- 7b. This section provides guidance as to just what is or is not a breach. It also allows the Seller to keep the entire earnest money deposit as liquidated damages if the Buyer breaches the contract.
- 7c. This section provides for an Alternative Dispute Resolution (ADR) process whereby the Buyer and Seller can settle their differences without going to court. Both parties agree that prior to “opting out” of such process, they will at least participate in a mediation conference. If they choose to opt out, they must do so within 30 days after the conclusion of the mediation conference.
- 7d. There are many items specifically excluded from the ADR process in section 7c.
- 7e. Before the Buyer or Seller opts out of mediation, they should consider that if they are the losing party, they may end up paying all of the other parties cost and expenses.

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- 6k. 290. **Home Warranty Plan:** Buyer and Seller are advised to investigate the various home warranty plans available for purchase. The
 291. parties acknowledge that different home warranty plans have different coverage options, exclusions, limitations, service fees and
 292. 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
 299. the purpose of satisfying Buyer that any corrections or repairs agreed to by Seller have been completed, and the Premises are
 300. in substantially the same condition as of the date of Contract acceptance. If Buyer does not conduct such walkthrough(s), Buyer
 301. 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
 303. and walkthrough(s) upon reasonable notice by Buyer. Seller shall, at Seller's expense, have all utilities on, including any propane,
 304. 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
 306. Person, a buyer of residential real property must withhold federal income taxes up to 15% of the purchase price, unless an exception
 307. applies. If FIRPTA is applicable and Buyer fails to withhold, Buyer may be held liable for the tax. Buyer agrees to perform any acts
 308. reasonable or necessary to comply with FIRPTA and IRS reporting requirements and Buyer is responsible for obtaining independent
 309. 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
 311. provision of this Contract, the other party shall deliver a notice to the non-complying party specifying the non-compliance. If the
 312. non-compliance is not cured within three (3) days after delivery of such notice ("Cure Period"), the failure to comply shall become a
 313. breach of Contract. If Escrow Company or recorder's office is closed on the last day of the Cure Period, and COE must occur
 314. 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
 316. breaching party in any claim or remedy that the non-breaching party may have in law or equity, subject to the Alternative Dispute
 317. Resolution obligations set forth herein. In the case of Seller, because it would be difficult to fix actual damages in the event of
 318. Buyer's breach, the Earnest Money may be deemed a reasonable estimate of damages and Seller may, at Seller's option, accept
 319. 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
 320. notice required by Section 2b, or Buyer's inability to obtain loan approval due to the waiver of the appraisal contingency pursuant
 321. to Section 2i, Seller shall exercise this option and accept the Earnest Money as Seller's sole right to damages. An unfulfilled
 322. contingency is not a breach of Contract. The parties expressly agree that the failure of any party to comply with the terms and
 323. 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,
 324. 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
 326. Contract in accordance with the REALTORS® Dispute Resolution System, or as otherwise agreed. All mediation costs shall be paid
 327. equally by the parties. In the event that mediation does not resolve all disputes or claims, the unresolved disputes or claims shall
 328. be submitted for binding arbitration. In such event, the parties shall agree upon an arbitrator and cooperate in the scheduling of
 329. an arbitration hearing. If the parties are unable to agree on an arbitrator, the dispute shall be submitted to the American Arbitration
 330. Association ("AAA") in accordance with the AAA Arbitration Rules for the Real Estate Industry. The decision of the arbitrator shall be
 331. final and nonappealable. Judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction.
 332. Notwithstanding the foregoing, either party may opt out of binding arbitration within thirty (30) days after the conclusion of the
 333. 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
 335. Small Claims Division of an Arizona Justice Court (up to \$3,500) so long as the matter is not thereafter transferred or removed from
 336. the small claims division; (ii) judicial or nonjudicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or
 337. 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
 338. 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
 339. ("lis pendens"), or order of attachment, receivership, injunction, or other provisional remedies shall not constitute a waiver of the
 340. 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
 342. Contract shall be awarded their reasonable attorney fees and costs. Costs shall include, without limitation, attorney fees, expert
 343. witness fees, fees paid to investigators, and arbitration costs.

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Residential Resale Real Estate Purchase Contract • Updated: February 2017 Copyright © 2017 Arizona Association of REALTORS®. All rights reserved.	
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Page 7 of 10	<div style="border: 1px solid black; width: 100px; height: 20px; margin-bottom: 5px;"></div> <div style="border: 1px solid black; width: 100px; height: 20px; margin-bottom: 5px;"></div> <div style="display: flex; justify-content: space-between; font-size: small;"> BUYER BUYER </div>

Section 8 - *Additional Terms & Conditions*

8a. This section is where you include any items that are not addressed in the other parts of the contract. Maybe the Buyer wants the pool table or big screen T.V. or the Seller wants to exchange out the chandelier, you must spell it out here. If you are adding additional terms, it is highly advised to keep them clear and concise and no more than one thought or item per sentence.

Residential Resale Real Estate Purchase Contract >>

8. ADDITIONAL TERMS AND CONDITIONS

8a. 344. _____
 345. _____
 346. _____
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 389. _____

SAMPLE

>>

SELLER SELLER		<Initials	Residential Resale Real Estate Purchase Contract • Updated: February 2017 Copyright © 2017 Arizona Association of REALTORS®. All rights reserved.	Initials>	BUYER BUYER	
Page 8 of 10						

Section 8 - *Additional Terms & Conditions* (Cont.)

- 8b. What happens if the home suffers damage during the escrow process? This provision provides guidance as to how such damage is handled. If the premises suffers a loss that is less than 10% of the purchase price, the Seller bears the loss and must repair the premises. If the damage is over 10% of the purchase price either party may cancel the contract.
- 8i. The Buyer and Seller should pay close attention as to how “time periods” are calculated under the contract. When calculating time periods, the day on which the act occurs is not counted. In addition, the last day to act is counted as are all days, including weekends and holidays. So if you receive a 3-day cure notice on Thursday and Christmas Day is on Friday, you must still act prior to Sunday night at 11:59 p.m. or you may be in breach.
- 8k. This provision not only allows the Seller to continue to market the property after they accept an offer, it also allows them to accept back-up offers just in case the Buyer fails to close. This does not give the Seller the right to cancel an existing offer just because they received a higher one.
- 8n. Your Realtor is a highly qualified professional in their field, however, they should not be relied upon to fully investigate the property or its condition. Both the Buyer and Seller should independently satisfy themselves as to any concern they may have about the transaction and seek advice from their legal and / or tax professional should they have any questions.
- 8o. When the Buyer makes an offer on the property, they generally provide the Seller with a reasonable amount of time to consider it. However, it is very important to recognize that the Buyer, at any time before receiving the Seller acceptance, can withdraw their offer. So the Seller should be diligent in reviewing all offers, as not only does the offer have to be accepted prior to the written deadline, it has to be delivered to the Buyer and / or their agent before it expires, or the Buyer withdraws their offer.

The remaining part of this section will provide contact and other information about the Buyer and their Realtor in addition to the Buyers signature.

- >>

22

Section 9 - *Seller Acceptance*

This section will disclose the same information as above as it relates to the Seller. In addition however, the Seller will have to make one of three choices when presented with the Buyer's offer.

First, they can agree to accept the offer "as is", sign the contract and have their Realtor deliver it to the Buyer. Provided the Buyer did not withdraw their offer in the meantime, you should be on your way to a successful closing.

Second, the Seller can check the box on line 410, and make a Counter Offer to the Buyer. If the Seller does this however, it is important to know that the original offer is fully terminated so even if the Seller changes their mind and decides to accept the original offer they cannot do so without the Buyer's consent.

Third, the Seller can simply reject the offer by checking the box on line 416.

The contract is not valid without signatures of all seller parties in title.

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

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

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

Short Sale Addendum

The Short Sale Addendum has become more and more common over the past few years. If you are a Seller and are participating in a short sale, there are inherent risks in which you may want to obtain legal and tax advice.

Contingent Upon Acceptable Short Sale Agreement – Under this section, all parties recognize that there is more owed on the property than the Seller will receive from the purchase price. As such, the Seller will need to receive approval from their lender before they can complete the sale. If the Seller and their lender cannot agree on a resolution, the contract will be cancelled. This can be a long and tedious process; however, if all parties hang in there it can be worth it.

Also in this section, the Buyer and Seller acknowledge and agree that the Seller can accept and submit back-up offers and that the Lender will more than likely accept the one that nets the most proceeds. This provision completely changes the way back-up offers are normally handled under the contract. Many lenders require that the property stay actively listed during the approval process and that all offers received during that time must be submitted.

Documentation to Creditors – The Seller is obligated to work diligently with their lender in processing the Short Sale and authorizes their lender(s) to provide the Broker(s) and the Buyer status updates if they request them.

Terms Upon Acceptable Short Sale Agreement – It is very important for the Seller to promptly deliver notice to the Buyer as soon as the Seller and their lender reach an agreement. All parties must recognize that the contract is not binding on either party until the short sale approval is received and agreed to by the Seller and the notice is delivered to the Buyer. In addition, all inspection periods or other time frames are calculated from the date that the Buyer receives notice of Seller's acceptance of their lender's short sale approval. If not done already, the Buyer must deliver their earnest money deposit and open escrow.

The Buyer will want to pay particular attention to lines 28-34 of the addendum as it limits the Seller's warranties contained in the contract under lines 167-168. While the Seller no longer warrants these items, they do agree to maintain the premises and that all items will be in "substantially the same condition".

Buyer Cancellation – The Buyer can cancel at any time until they receive notice that the lender approved the sale.

SHORT SALE ADDENDUM TO THE RESIDENTIAL RESALE REAL ESTATE PURCHASE CONTRACT

Page 1 of 2

Document updated:
February 2017



ARIZONA
association of
REALTORS®
REAL SOLUTIONS. REALTOR® SUGGESTS.

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. Seller: _____
2. Buyer: _____
3. Premises Address: _____
4. Date: _____

5. The following additional terms and conditions are hereby included as part of the Contract between Seller and Buyer for the above
6. referenced Premises. Delivery of all notices and documentation shall be deemed delivered and received when sent as required by
7. Section 8m of the Contract.

8. **CONTINGENT UPON ACCEPTABLE SHORT SALE AGREEMENT**

9. Buyer and Seller acknowledge that there is more debt owing against the Premises than the purchase price. Therefore, this
10. Contract is contingent upon an agreement between Seller and Seller's creditor(s), acceptable to both, to sell the Premises for
11. less than the loan amount(s) ("short sale"). Buyer and Seller acknowledge that it may take weeks or months to obtain creditor(s)
12. approval of a short sale.
13. Nothing shall limit a Seller from accepting subsequent offers from subsequent buyer(s) and submitting the back-up contract(s) to
14. Seller's creditor(s) for consideration. All parties understand and agree that Seller's creditor(s) may elect to allow Seller to sell the
15. Premises only to the holder of the Contract with terms and conditions most acceptable to creditor(s).

16. **DOCUMENTATION TO CREDITOR(S)**

17. Seller shall submit to creditor(s) a copy of this Contract, including this and other Addenda, and any other documentation required by the
18. creditor(s) for approval of this sale within five (5) days after Contract acceptance. Seller agrees to diligently work to obtain short sale
19. approval and will promptly provide the creditor(s) with all additional documentation required, including an appraisal, at Seller's expense,
20. if required. Seller instructs creditor(s) to provide approval status updates to Broker(s) and Buyer upon request.

21. **TERMS UPON ACCEPTABLE SHORT SALE AGREEMENT**

22. **Agreement Notice:** If Seller and Seller's creditors enter into a short sale agreement, Seller shall immediately deliver notice to
23. Buyer ("Agreement Notice").
24. **Time Periods:** The date of Seller's delivery of the Short Sale Agreement Notice to Buyer shall be deemed the date of Contract
25. acceptance for purposes of all applicable Contract time periods.
26. **Escrow and Earnest Money:** Buyer shall promptly open Escrow and deposit Earnest Money as described in the Contract upon
27. receipt of Agreement Notice.
28. **Close of Escrow:** Close of Escrow shall occur thirty (30) days or _____ days after delivery of Agreement Notice.
29. **Creditor Requirements:** Buyer and Seller agree to cooperate with Creditor(s) and sign additional Creditor disclosure(s) or execute
30. additional addendum(a) required by Creditor(s) as a condition of approval of the short sale, provided that Buyer and Seller incur no
31. additional cost or liability.

32. **BUYER CANCELLATION**

33. Buyer may unilaterally cancel this Contract by notice to Seller at any time before receipt of a short sale Agreement Notice from Seller.

34. **LEGAL AND TAX ADVICE**

35. Seller acknowledges that Broker is not qualified to provide financial, legal, or tax advice regarding a short sale
36. transaction. Therefore, the Seller is advised to obtain professional tax advice and consult independent legal counsel
37. immediately regarding the tax implications and advisability of entering into a short sale agreement.

38.

(SELLER'S INITIALS REQUIRED)

SELLER

SELLER

>>

Short Sale Addendum to the Residential Resale Real Estate
Purchase Contract • Updated: February 2017

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SELLER SELLER

<Initials

Initials>

BUYER BUYER

Short Sale Addendum (Cont.)

Legal and Tax Advice – The Seller is strongly advised to seek professional tax and legal advice in regard to the implications of a short sale. Even though the lender agrees to a short sale it does not mean the Seller will not be responsible for the delinquency. In addition, depending on the debt forgiven, the Seller may have significant tax implications.

Unfulfilled Contingency – If the Seller and their lender cannot reach an agreement, the Seller must immediately notify the Buyer. This will automatically terminate the contract.

Short Sale Addendum to the Residential Resale Real Estate Purchase Contract >>**39. UNFULFILLED CONTINGENCY**

40. In the event that Seller and Seller's creditor(s) are unable to reach a short sale agreement acceptable to both, at the sales price
 41. contained herein, Seller shall promptly notify Buyer of same, and the Contract shall be deemed cancelled due to the unfulfilled short
 42. sale contingency. If applicable, Buyer shall be entitled to a return of any Earnest Money.

43. OTHER TERMS AND CONDITIONS

44. _____
 45. _____
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 72. _____
 73. _____

74. In the event that any provision contained in this Addendum conflicts in whole or in part with any terms contained in the Contract,
 75. the provisions of this Addendum shall prevail and the conflicting terms are hereby considered deleted and expressly waived by
 76. both Buyer and Seller.

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

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

For Broker Use Only:

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

Homeowners Association Addendum

The H.O.A. Condominium / Planned Community Addendum is probably the most used and important addendum used with the AAR Contract today. The monthly dues collected by a properties Home Owner's Association (HOA) can be significant and could have an impact on the Buyer's ability to purchase their dream home. While not always followed, this form should be filled out by the Seller at the time of listing and upload it into the MLS so that the prospective purchaser can download it and include with their offer.

Association(s) Governing the Premises

Many developments have more than one HOA's and the Seller, or their representative, should make sure they obtain all the contact information for each HOA that may be associated with the property and the monthly fees associated with each HOA. Are the fees paid monthly? Quarterly? Yearly? And are there any special assessments against the property.

Fees Payable upon the Close of Escrow

Many HOAs require a purchaser to prepay a few months of their HOA dues and impose transfer fees, disclosure fees, or other fees that need to be collected at closing. These fees can range from hundreds to thousands of dollars and may be material to the transaction. As such, it is imperative that the Seller contact each HOA that the property may be subject to and ask them for any and all fees that may be associated with the transfer of the property. Ask: Are there any transfer fees? What prepaid fees do they require? Do they have any Capital Improvement or other fees related to the development of the property? Do they have any third-party contractors who will charge additional fees? Are there any other fees than those disclosed in which the HOA or other providers will charge? You want to make sure that no additional fee pops up during the closing process which could jeopardize the transaction.

Additional Obligations

This section not only advises the Buyer of the "Information Required by Law to be Provided to Buyer" but also lets them know when they should expect the information to be delivered. Unless the HOA is not managed by a professional management company, this should be a straight forward process. Your escrow agent, upon opening escrow, should order the HOA disclosure. The Buyer should receive a full disclosure package (by mail or email) within 10 – 15 days of contract acceptance. This is important as the Buyer has five days after receipt of such materials to review the information and determine if there is anything that they may object to.

Buyer's Acknowledgment and Terms

This is the section where the Buyer and Seller negotiate who will pay the fees charged by the HOA. From a general sense, the Buyer generally pays, unless otherwise agreed to, all prepaid association fees required to be paid (line 77) and the Seller generally pays the disclosure fee (line 78). All other fees can be paid by the Buyer, Seller or split, depending on the parties wishes. Line 82 advises the Buyer that they may, at their option, contact the Associations management company to verify all information, something we strongly advise a Buyer to do.

Sometimes the HOA Disclosure will advise the parties of outstanding liens against the property. Any HOA Assessment Lien that is a lien at the time of closing is paid by the Seller. If it becomes a lien after the close of escrow, it becomes the responsibility of the Buyer. As such, it would probably be in the Buyer's best interest to ask the HOA Management Company if any future assessments are planned so they do not have an unpleasant surprise in the future.

One thing to keep in mind, lines 91-95 clearly provide that although the fees in question may be listed, no one provides any warranty as to the accuracy as the final determination of fees charged so the Buyer wants to closely examine the HOA Disclosure upon receipt.

H.O.A. CONDOMINIUM / PLANNED COMMUNITY ADDENDUM

Page 1 of 3

February 2015



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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/DAY/YR MO/DAY/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/DAY/YR MO/DAY/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.
27. 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/DAY/YR ^ SELLER'S SIGNATURE _____ MO/DAY/YR

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Page 1 of 3

Arizona Elite Properties, 225 E. Germann Rd. Suite 110 Gilbert, AZ 85295
Phone: (480)478-4515 Fax: Mike Abel

2017 AAR

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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. Buyer to the homeowner's association within five (5) days after Contract acceptance and pursuant to Section 3d of the Contract. Escrow
40. Company is instructed to provide such notice on Seller's behalf. The association is obligated by Arizona law to provide information
41. described below to Buyer within ten (10) days after receipt of Seller's notice.
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
49. management company, an officer of the association or any other person designated by the board of directors.
50. (b) The amount of the common expense assessment and the unpaid common expense assessment, special assessment or
51. other assessment, fee or charge currently due and payable from the Seller.
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
55. alterations or improvements to the unit that violate the declaration. The association is not obligated to provide information
56. regarding alterations or improvements that occurred more than six years before the proposed sale. Seller remains obligated
57. to disclose alterations or improvements to the Premises that violate the declaration. The association may take action against
58. the Buyer for violations apparent at the time of purchase that are not reflected in the association's records.
59. (f) If the statement is being furnished by the Seller, a statement as to whether the Seller has any knowledge of any alterations
60. or improvements to the unit that violate the declaration.
61. (g) A statement of case names and case numbers for pending litigation with respect to the Premises or the association, including
62. the amount of any money claimed.
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
65. a summary of the report in lieu of the entire report.
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 as required by Arizona law.



H.O.A. Condominium / Planned Community Addendum >>

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.
86. **ADDITIONAL TERMS AND CONDITIONS**
87. _____
88. _____
89. _____
90. _____
91. **BUYER ACKNOWLEDGMENT:** By signing below, Buyer acknowledges receipt of all three (3) pages of this addendum and acknowledges
92. 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
93. until written disclosure documents are furnished by the Association(s)/Management Company(ies) per Arizona law (A.R.S. § 33-1260 and
94. § 33-1806). Buyer further acknowledges that Broker(s) did not verify any of the information contained therein. Buyer therefore agrees to hold
95. Seller and Broker(s) harmless should the FEES PAYABLE UPON CLOSE OF ESCROW prove incorrect or incomplete.
96. The undersigned agrees to the additional terms and conditions set forth above and acknowledges receipt of a copy hereof.
97. _____
98. ^ BUYER'S SIGNATURE MO/DA/YR ^ BUYER'S SIGNATURE MO/DA/YR
99. **SELLER'S ACCEPTANCE:**
100. _____
101. ^ 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

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GREYSTONE TITLE AGENCY

6710 N Scottsdale Rd Ste 180

Scottsdale, AZ 85253

480.624.4386 phone

480.624.5921 fax

WAYS TO TAKE TITLE IN ARIZONA

Community Property	Community Property with Rights of Survivorship	Joint Tenancy with Right of Survivorship	Tenancy in Common
Valid marriage required	Valid marriage required	Marriage not required and can be unlimited number of Joint Tenants	Marriage not required and can be unlimited number of Tenants in Common
Each spouse holds an undivided one-half interest in property	Each spouse holds an undivided one-half interest in property	Each Joint Tenant holds an equal and undivided interest in the estate	Each Tenant in Common holds an undivided fractional interest. Can be disproportionate
Requires both spouses to sell or convey property	Requires both spouses to sell or convey property	Either Joint Tenant can partition their interest by selling their interest	Each Tenant in Common can sell, mortgage or devise
Requires both spouses to sign, convey or encumber	Requires both spouses to sign, convey or encumber	Requires signatures of all Joint Tenants to convey or encumber the whole	Requires signatures of all Tenants to convey or encumber the whole
Either spouse can devise (will) one-half of the property to anyone	Property transfers to surviving spouse outside of probate	Property transfers to surviving Tenant(s) outside of probate	Tenant(s) share passes by will or intestate succession
Upon death, the estate of the deceased must be "cleared" through probate affidavit or adjudication	No court action required to "clear" title upon the first death	No court action required to "clear" title upon the death of joint tenant(s)	Upon death the estate of the deceased must be "cleared" through probate affidavit or adjudication
Both halves of the property get "stepped up" tax basis as of date of death	Both halves of the property get "stepped up" tax basis as of date of death	Deceased share is entitled "stepped up" as of date of death	Each share has its own tax basis

NOTE: Arizona is a community property state. Property acquired by a husband and wife is presumed to be community property unless legally specified otherwise. Title may be held as "Sole and Separate". If a married person acquires title as sole and separate property, his or her spouse must execute a disclaimer deed to avoid the presumption of community property. Parties may choose to hold title in the name of an entity, e.g., a corporation; a limited liability company; a partnership (general or limited), or a trust. Each method of taking title has certain legal and tax consequences. Therefore, you are encouraged to obtain advice from an attorney or other qualified professional.

Critical Date Checklist

GREYSTONE TITLE AGENCY

SELLER:

BUYER:

PROPERTY ADDRESS:

ESCROW COMPANY:

GREYSTONE TITLE AGENCY

GREYSTONE ESCROW NUMBER:

ESCROW OFFICER:

PHONE:

FAX:

EMAIL:

LISTING AGENT NAME:

SELLING AGENT NAME:

COMPANY:

COMPANY:

PHONE:

FAX:

PHONE:

FAX:

EMAIL:

EMAIL:

This is a Critical Date List, for the transaction listed above as of this date: ____/____/____.

ACTIONS:	SELLER DUE DATE:	BUYER DUE DATE:	DATE COMPLETED:
Mutual Acceptance of Purchase Contract:			____/____/____
Inspection Period begins (10 days or _____):	____/____/____	____/____/____	____/____/____
<input checked="" type="checkbox"/> Earnest Money deposited with GREYSTONE TITLE AGENCY :		Upon Acceptance	____/____/____
<input checked="" type="checkbox"/> S.P.D.S Completed and delivered to Buyer (5 days):	____/____/____		____/____/____
<input checked="" type="checkbox"/> Claims History (i.e. C.L.U.E.) completed and delivered to Buyer (5 days):	____/____/____		____/____/____
<input checked="" type="checkbox"/> HOA notified and documents ordered (10 days):	____/____/____		____/____/____
<input checked="" type="checkbox"/> Buyer's Response to S.P.D.S. (5 days):		____/____/____	____/____/____
<input checked="" type="checkbox"/> Buyer to supply LSU (5 days):		____/____/____	____/____/____
<input checked="" type="checkbox"/> Buyer to complete loan application per section 2f of RPC (Inspection Period):		____/____/____	____/____/____
Buyer's Response to Claims History (i.e. C.L.U.E.)(5 days):		____/____/____	____/____/____
Flood Status Report provided to Buyer:		____/____/____	____/____/____
Buyer's Inspection Notice (Inspection Period):		____/____/____	____/____/____
Seller's Response to Buyer's Inspection Notice (5 days):	____/____/____		____/____/____
Buyer's Reply to Seller's Response of Inspection Notice (5 days):		____/____/____	____/____/____
Buyer to apply for Homeowners Insurance:		____/____/____	____/____/____
Termite or Insect Inspection (Inspection Period):		____/____/____	____/____/____
Buyer's disapproval of Title Commitment/Sch. B. items, etc. (5 days):		____/____/____	____/____/____
Buyer's disapproval of HOA documents (5 days):		____/____/____	____/____/____
In the event of low appraisal, Buyer may cancel (5 day):		____/____/____	____/____/____
Buyer's Homeowners Insurance in place (COE):		____/____/____	____/____/____
Buyer's Walkthrough(s) no later than:		____/____/____	____/____/____

Critical Date Checklist

GREYSTONE TITLE AGENCY

Premises Address: _____

- | | | |
|--|-------------|-------------|
| <input type="checkbox"/> Buyer to sign closing and loan documents no later than (3 days prior to COE): | ___/___/___ | ___/___/___ |
| <input type="checkbox"/> Buyer to have good funds into Greystone Title Agency to allow COE on COE Date: | ___/___/___ | ___/___/___ |
| <input type="checkbox"/> Failure to qualify notice delivered by Buyer (3 days prior to COE): | ___/___/___ | ___/___/___ |
| <input type="checkbox"/> Repairs (if any) completed / receipts to Greystone Title Agency . (3 days prior to COE): | ___/___/___ | ___/___/___ |
| <input type="checkbox"/> Recordation of Documents by Greystone Title Agency (COE): | ___/___/___ | ___/___/___ |
| <input type="checkbox"/> Seller to deliver possession, keys, security system/alarms, mailbox, etc. (COE): | ___/___/___ | ___/___/___ |

OTHER ACTIONS REQUIRED SPECIFIC TO TRANSACTION:

	SELLER DUE DATE:	BUYER DUE DATE:	DATE COMPLETED:
<input type="checkbox"/> ADWR Registration of Existing Well (5 days):	___/___/___		___/___/___
<input type="checkbox"/> Buyer's Response to ADWR Registration of Existing Well (5 days):		___/___/___	___/___/___
<input type="checkbox"/> Onsite Wastewater Treatment Facility Certification (prior to COE):	___/___/___		___/___/___
<input type="checkbox"/> Onsite Wastewater Treatment Facility Ownership Transfer Doc (3 days prior to COE):	___/___/___	___/___/___	___/___/___
<input type="checkbox"/> Lead Based Paint Disclosure (5 days):	___/___/___		___/___/___
<input type="checkbox"/> Buyer Response to Lead Based Paint Disclosure (5 days):		___/___/___	___/___/___
<input type="checkbox"/> Affidavit of Disclosure (5 days):	___/___/___		___/___/___
Buyer Response to Affidavit of Disclosure (5 days):		___/___/___	___/___/___
Home Warranty Plan Ordered:	___/___/___	___/___/___	___/___/___
Other:	___/___/___	___/___/___	___/___/___

CURE PERIOD ACTIVATED

Date: ___/___/___

Reason: _____

Cure Deadline: ___/___/___

Date Cured: ___/___/___

or Date Cancelled: ___/___/___

Date: ___/___/___

Reason: _____

Cure Deadline: ___/___/___

Date Cured: ___/___/___

or Date Cancelled: ___/___/___

THANK YOU FOR CHOOSING
GREYSTONE TITLE AGENCY
PROFESSIONAL, EXPERIENCED.



GREYSTONE TITLE AGENCY



GREYSTONE TITLE AGENCY

GREYSTONE
TITLE AGENCY