

Home Buyer's Guide

Insuring Your Peace of Mind When Purchasing A New Home in The Valley of The Sun



GREYSTONE TITLE AGENCY

POLISHED ♦ EXPERIENCED ♦ PROFESSIONAL



Realtor® _____ Phone No. _____

Insurance Co. _____ Phone No. _____ Policy No. _____

Home Warranty Co. _____ Phone No. _____ Contract No. _____

Title Insurance Company: Greystone Title Agency Escrow No. _____

Escrow Officer: _____ Phone No. _____

Lender: _____ Phone No. _____

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Greystone Locations

Scottsdale Spectrum Branch **

6710 N Scottsdale Rd #180

Scottsdale, AZ 85253

P: 480-624-4370

F: 480-624-3336

Anna Adams – Escrow Officer/Manager

Scottsdale North

6710 N Scottsdale Rd #180

Scottsdale, AZ 85253

P: 480-624-8605

F: 480-624-5937

Danita Francis – Escrow Officer/Manager

Chandler / Ocotillo **

1035 W Queen Creek Rd #101 Chandler,
AZ 85248

P: 480-624-8610

F: 480-624-3327

Janet Davis – Escrow Officer/Manager

West Valley / Atrium at Arrowhead

17505 N 79th Ave #114

Glendale, AZ 85308

P: 480-624-8609

F: 480-624-5934

Kay Roberts – Escrow Officer/Manager

Corporate Counsel

Mike Abel

1035 W Queen Creek Rd #101

Chandler, AZ 85248

P: 480-624-4369

**** Bilingual Office**

Steps to buying your new dream home

- Select a Realtor®
- Obtain Pre-approval by Lender
- Begin home search with Realtor®
- Select a home
- Confirm property seller has signed up for SmartStart Program. If not, encourage them to do so. It will save all parties 50% on escrow fees.
- Complete contract
- Negotiate any counter offers
- Request Greystone Title Agency, LLC—Escrow Officer _____
- Complete the loan process and Loan Status Report (LSR)
- Escrow opens at Greystone Title Agency and title report is ordered
- Earnest money deposited
- Appraisal ordered
- Home inspection ordered
- Completed inspection submitted to Escrow Officer
- Loan package submitted to Lender Underwriting
- Documents drawn by lender
- Closing documents compiled
- Appointment for signing set
- Documents signed at Greystone Title Agency
- Funding by Lender
- Final closing deposits made
- Documents recorded and copies sent to your lender according to instructions
- Greystone Title Agency disburses funds
- Escrow transaction is closed
- Buyer receives keys from Realtor®

Congratulations on the purchase of your new home.



Advantages of using a Realtor®

Here are a few of the many benefits of using a professional Realtor® to guide you through the home-buying process:

Knowledge

Not only is a real estate agent's market knowledge priceless, but they also have information on new home subdivisions, homes for sale by owner, builders and communities. If you are interested in a new home, be sure to take your Realtor® on your first visit.

Protection

As real estate transactions become more complicated, you can rest assured knowing a Realtor® will help protect you from financial liability. These trained experts will negotiate and prepare the contract on your behalf.

Successful closing

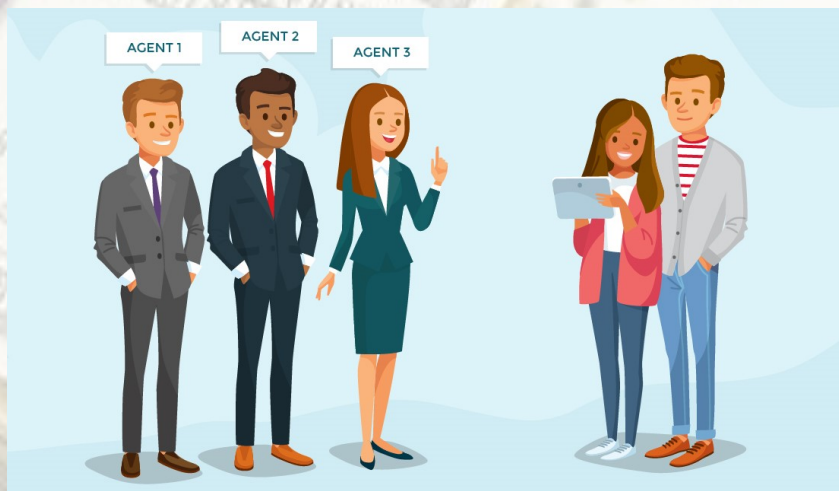
The likelihood of a transaction closing successfully increases dramatically when a Realtor® is involved. They prevent "fall-outs" and other issues from arising.

Choices

A Realtor® has privileges through the Multiple Listing Service that puts thousands of homes in front of you to choose from. This allows you to find your perfect home, and usually quicker!

It's Free

The Realtor® you select is traditionally paid by the seller.



Our Escrow Process

What is an escrow:

An escrow is created after the contract is signed to purchase the home. It is a process where the buyer and the seller deposit funds and documents with an escrow agent that acts as a neutral third party. Using the escrow agent as a common depository, the buyer and seller can proceed simultaneously in providing funds, deeds, inspection reports, insurance information and other required documents. Both parties give written instructions, the requirements of which must be met before the transaction is complete, to an experienced escrow officer.

How is an escrow opened?

Once the seller has agreed to the offer and the contract has been completed, the Realtor® will open the escrow. At this time, any earnest money and the contract are placed in escrow. Greystone Title Agency, as a neutral third party, can only respond to written instructions mutually agreed on by both interest parties and cannot alter the contract or create instructions.

What happens during the escrow process?

Greystone Title Agency will begin by researching records on the property for any unusual circumstances. After this, a commitment for title insurance is issued, indicating a clear title or the description of items that need to be cleared prior to closing. The escrow officer will then follow the instructions on the contract to coordinate deadlines and gather necessary paperwork.

Closing the escrow.

Once all terms and conditions are met, the escrow holder causes the necessary documents to be recorded and disburses funds according to the purchase contract or instructions. Escrow fees are included in these costs and are based on the sale price of the property, the loan amount and services required.

Security in the escrow process

The State of Arizona licenses and regulates all escrow companies. The stability, reliability and performance of your title and escrow company are vital to protect the interests of all parties involved in the transaction.

The authority given to an escrow agent is strictly limited by terms and conditions agreed to on the real estate purchase contract or instructions to allocate funds during the escrow period, such as real estate omission, title insurance, liens, recording fees and other closing costs. The real estate purchase contracts also specify the method of collecting funds, proration of insurance and taxes and time limitations on settling the transaction.

Confidentiality is another important aspect of escrow. The agent will discuss escrow matters only with the parties directly involved in the transaction, specifically the buyer, seller, lender and real estate agent. No one else has access to this information, except through the property legal procedures. The escrow officer retains impartiality and confidentiality concerning the real estate process.

Who pays what?

A Guide to Closing Costs



The seller can generally be expected to pay for:

- Owner's Title Insurance Premium
- Escrow Fee – one half
- Real Estate Commission
- Termite Inspection (according to contract)
- Termite Work (according to contract)
- Home Warranty (negotiable)
- Any Judgments, Liens, Taxes, etc. against the seller
- Recording charges to clear all documents of record against the seller
- Tax proration for any unpaid taxes at the time of closing
- Any unpaid homeowners association dues
- Any bonds and/or assessments (according to contract)
- Any and all delinquent taxes

The buyer can generally be expected to pay for:

- Lender's Title Insurance Policy and Endorsements
- Escrow Fee – one half
- Document preparation
- Recording charges for all documents in buyer's name
- Homeowners Association transfer fee
- All new loan charges (except those the seller is required to pay)
- Interest on new loan from date of funding to 30 days prior to first payment date
- Assumption/Change of Records fees for takeover of existing loan
- Beneficiary Statement Fee for assumption of new loan
- Home Warranty (according to contract)
- Termite Inspection (according to contract)
- Fire Insurance Premium for first year

Mandatory Costs

FHA regulations require the buyer to pay reserves (impounds) for property taxes and hazard insurance plus adjusted interest. VA requires that the seller must pay the following fees if applicable: assignment, flood certification, recording to clear title, bringdown endorsements, document preparation, photo/inspection, tax service and warehousing, along with all escrow fees. Any additional costs not otherwise agreed upon by seller shall be paid by buyer.

The Loan Process

Prequalification's/Interview

The borrower meets with a lender who, through the course of the interview, gathers pertinent information and identifies any additional documentation that will be needed by the lender to obtain loan approval.

Verifications

The lender will mail out verification requests for documents required such as credit reports, appraisal on property, verifications of employment, mortgage or rent obligations, funds to close, landlord ratings and a preliminary title report.

Loan Submission

The loan package is assembled and submitted to the selected underwriter for approval.

Documentation

Supporting documentation is obtained as required. Lender follows up on any issues or problems that need resolution and requests any additional information or documentation required.

Loan approval

Official notification of loan approval is made.

Documents are drawn

Loan documents are completed and sent to Greystone Title Agency. The borrowers make an appointment and come in for final signatures.

Funding

Lender reviews the signed loan package for completeness and accuracy. Funds are then transferred.

Recording of Documents

Greystone Title Agency records the Deed and Deed of Trust at the County Recorder's Office and the escrow process is officially closed.

Having the following items handy will expedite your application process

- Driver's' License or other valid ID
- Social Security Number
- Addresses of residences for last two years
- Names and addresses of employers for last two years
- W2's for last two years
- Federal tax returns for last two years
- Two current paycheck stubs
- Names, addresses, account numbers and balances on all checking and savings accounts
- Bank statements for last two months
- Names, addresses, account numbers, balances and monthly payments on all open loans
- Names, addresses, account numbers, balances and monthly payments on all credit cards
- Addresses and values of other real estate owned
- Loan information on other real estate owned
- Estimated value of personal property (autos, furniture, jewelry, electronics, etc.)
- Full divorce decree if applicable
- Full Trust Agreement, if applicable
- Full Limited Liability Operating Agreement, if applicable
- Certificate of Eligibility and DD214's (VA loans only)
- Payment for credit report and appraisal

Loan Options

Fixed Rate Loan

This is a standard loan with a constant interest rate through-out the term of the loan.

Adjustable Rate Loan (ARM)

Adjustable or variable rate mortgage are loans that have a fluctuating interest rate that is adjusting periodically to coincide with changes to the index that the rate is based on. The loan terms will specify the amounts that the rate can change as well as how often. Buyers who use this option may be able to qualify for a higher loan amount.

Balloon Payment Loan

A balloon payment loan is typically amortized over a long period of time, but the balance is due much sooner. This type of loan can be extended or used when the buyer expects to refinance or sell the home before the balance is due.

Graduated payments

This mortgage has lower payments in the beginning that increase to a predetermined amount during the loan, typically on an annual basis.

Conventional Loan

A conventional loan is one that is not obtained through a government-insured program; it can be any type (i.e. fixed, adjustable or balloon).

FHA Loan

Insured by the Federal Housing Administration under Housing and Urban Development (HUD), this loan is easier to qualify for with less cash up front. The condition of the property is strictly regulated, and buyers will be a larger portion of the closing costs.

Down Loan

This loan is used when you pay a portion of your interest upfront to reduce monthly payments.

VA Loan

A VA loan is for those that have served in the U.S. armed forces and covers up to 100 percent of the loan amount with little to no down payment necessary. Although the seller pays the bulk of the closing costs, those fees are added to the price of the home.

Assumable Loan

This loan allows the buyer to pay the seller for their equity in the home and assume, or take over, the payments. Assumable loans require standard income, good credit and verified funds.

Loan FAQs

Q: Can I make a large purchase during the loan process?

A: Try to avoid withdrawing funds or increasing debt, which can impact your loan approval. Discuss this with your loan officer.

Q: What is Hazard (Fire) Insurance?

A: The lender requires you to have Hazard Insurance, which covers your home, before they will release the loan funds to Greystone title Agency. This coverage protects their risk in your home.

Q: I am thinking of changing jobs. Will this affect my loan approval?

A: It is best to avoid job changes, especially when it involves a lower income or different field. The lender may call employers just prior to funding the loan to re-verify employment.

Q: Do experts recommend I pay off existing accounts to improve credit scores?

A: If needed, your Loan Officer will advise you as to which bills should be lowered based on qualifying for a particular loan program. Otherwise, accounts should remain the same until the escrow closes.'

Important Property Tax Information

Annual tax statements are mailed in the fall of the current year, covering the calendar year beginning January 1st. The owner has a choice to pay the taxes all at once or in two installments.

- 1st half taxes covering January 1st through June 30th are due October 1st. The taxes are considered delinquent on November 1st.
- 2nd half taxes covering July 1st through December 31st are due March 1st. The taxes are considered on May 1st..

The County Treasurer will not be held responsible for tax payments being made on the wrong property. Verify you place the correct parcel on the check before sending. The County Treasurer will also not be held responsible for late/missed payments due the owner not receiving the tax statement.

Contact Information:

Maricopa County
301 W Jefferson St. Room 100
Phoenix, AZ 85003
(602) 506-8511

Pinal County
PO Box 729
Florence, AZ 85132
(520) 509-3555

Selecting a home

During your home search, you will encounter many different homes, features and neighborhoods that you like/dislike. Use this guide to help keep track of your ratings; it will make it easier to recall the property later. We wish you the best of luck on the journey to finding your dream home!

Information	Home #1	Home #2	Home #3	Home #4	Home #5
Address					
Asking Price					
Bedrooms					
Bathrooms					
Sq. Footage					
Appearance					
Curb Appeal					
Location					
Neighborhood					
Living Room					
Dining Room					
SmartStart Program					

Notes

Why pay rent when...

- Buying builds equity in your home.
- Buying reduces the Federal and State income taxes you pay.
- Buying delivers a return on your investment.
- Buying can be affordable with low interest rates.

To determine your home-buying ability, call your real estate agent or lender.

Information	Home #1	Home #2	Home #3	Home #4	Home #5
Family Room					
Kitchen					
Master Bedroom					
Master Bath					
Add'l Rooms					
Garage					
Floor Plan					
Patio/Pool					
Lot/Landscaping					
Features					
Home meets needs					

Notes

Buyer's duties during escrow process

- Greystone Title Agency may ask the buyer for an identity statement to distinguish them from others with similar names that appear in County Records. The information provided is also utilized by your escrow officer to complete your escrow.
- Buyers are responsible for obtaining a home loan. Your Realtor® may be able to guide you to a lender and assist in the process.
- Certain documents may require a response from the buyers such as information pertaining to the Homeowners Association, Flood Hazard Disclosure, independent inspections and the Seller's Property Disclosure Statement which lists any problems with the property that the seller is aware of.
- Greystone Title Agency will give a copy of the title commitment to the buyers, realtors, sellers, and lender for review. Questions should be directed to your escrow officer.

Title Commitment

Explanation of the contents in the Title Commitment you receive from Greystone Title Agency

Schedule A

Your escrow officer submits this information to our Title Department. It contains information given to us by the buyer or the Realtor® such as the legal description, property address, and sale price of the property, loan amount, lender and the name of the buyer and seller.

Schedule B

Schedule B contains "exceptions," which are items attached to the property such as Covenants, Conditions and Restrictions (CC&Rs), easements, homeowners association regulations, leases and other items on record that transfer with the home. The buyer will receive a clear title, but their rights will be subject to conditions in the listed "exceptions."

Requirements

In order to provide a clear title to the property, these items need to be deleted or recorded by Greystone Title Agency:

- Any lien(s) on the property
- Assessment(s) owed
- Current property tax status

An identity statement may clear up items that show up against the parties when the transaction involves parties who have similar names.

Title Insurance

What is title insurance?

Title insurance is issued to a buyer and/or lender to guarantee their loan or “free and clear” title to the property being insured. It is designed to eliminate risk caused by defects in the title such as prior fraud or forgery that might go undetected until after closing and possibly jeopardize your ownership and investment. Title insurance protects the interest of the mortgage lender as well as the equity of the buyer for as long as they or their heirs own the property. Title companies post financial guarantees to ensure your home ownership.

Why do you need title insurance?

There are many title issues that can arise to cause the loss of your property or your mortgage investment. Title defects such as loans, liens, encumbrances, back taxes, easement or covenants, conditions or restrictions against the property, may not be discovered when you buy real estate, but may resurface months or years later. Without title insurance, your title could be useless but with proper insurance, your rights will be defended legally.

What are some possible title defects?

- Deeds by minors, foreign parties, defunct corporations or persons of unsound mind
- Defective notary acknowledgements
- Discovery or will of apparent interstate
- Erroneous reports furnished by tax officials
- Mistakes in recording legal documents
- Surviving children omitted from will, or birth or adoption of children after the creation of a will
- Claims of creditors against property sold by heirs or devisees
- Deed of community property recited to be separate property
- Deeds by persons supposedly single, but secretly married
- Deeds delivered after death of grantor/grantee, without consent of grantor
- False impersonation of the true owner
- Forged deeds, releases, etc.
- Deeds in lieu of foreclosure given under duress
- Marital rights of spouse purportedly, but not legally, divorced
- To name a few

When is the fee due?

The policy is issued for a one-time fee and will remain in effect as long as the buyer retains interest in the property. The fee is paid at the close of escrow. Customarily, the seller pays for the Owner’s Policy and if there is a new loan, the buyer pays for the Lender’s Policy.

The purchase of a home is one of the most important investments you will ever make. You and your mortgage lender will want to make sure the property is indeed yours and that no one else has any lien, claim or encumbrance on your property.

Ways to take Title in Arizona

Community Property

Arizona is a community property state. There is a statutory presumption that all property acquired by husband and wife, or legally married persons, is community property, entitling each spouse to half-interest in the estate. Upon the death of one of the spouses, the deceased spouse's interest will pass by either a will or intestate succession.

Joint Tenants with Right of Survivorship

This is a method of co-ownership that gives title to the real property to the last survivor. Title to real property can be acquired by two or more individuals, either married or unmarried. If a married couple acquires title as joint tenants with right of survivorship, they must specifically accept the joint tenancy to avoid the presumption of community property.

Community Proper with Right of Survivorship

A method of holding title between married persons that vests the title to real property in the surviving spouse when same is expressly declared in the deed. This vesting has come tax benefits along with probate avoidance features of "survivorship rights."

Tenants in Common

A method of co-ownership where parties do not have survivorship rights and each owns a specific undivided interest in the entire estate.

Sole and Separate

Real property owned by a spouse before marriage or any acquired after marriage by gift, descent or specific intent. If a married person acquires title as sole and separate property, his/her spouse must execute a Disclaimer Deed.

Corporation

Title may be taken in the name of a corporation provided the corporation is duly formed and in good standing in the State of its incorporation.

General Partnership

Title may be taken in the name of a general partnership duly formed under the laws of the State of the formation of the partnership. A partnership is defined as the voluntary association of two or more persons as co-owners in a business for profit.

Limited Partnership

A partnership formed by two or more persons under the Laws of Arizona or another State and having one or more general partners and one or more limited partners. A certificate of limited partnership must be filed in the Office of the Secretary of State and a certified copy of which must be recorded with the County Recorder's Office.

The above summarized information is being provided as a courtesy by Greystone Title Agency. The Escrow Agent is not in a position to give legal advice. If you have questions or would like opinions on which way of holding title would best benefit you, then you should obtain the assistance of an Attorney or other qualified person.

Preparing for the closing appointment

Closing Funds

You may wire your closing costs in the amount indicated to you by your escrow officer to Greystone Title Agency to ensure an immediate close of escrow. However; know that there is wire fraud and you must communicate with your Escrow Officer often, during and up to the actual time of sending funds. DO NOT send money based on unverified emails. Greystone Title Agency will provide wiring instructions. You may also obtain a cashier's or certified check made payable to Greystone Title Agency. However, a 24-hour hold may be placed on cashier's checks since Greystone Title Agency is required to have "good funds" (meaning the check has been deposited) before disbursing funds from escrow. Submitting a personal check will delay the closing.

Lender Requirements

Make sure you are aware of your lender's requirements and that you have satisfied those requirements before you come to Greystone Title Agency to sign the closing documents. Your loan officer can assist you with these requirements.

Identification

You will need to bring a valid, government-issued form of photo identification such as your driver's license. This is necessary so that your identity can be verified by a notary public. It's a routine step but it's important for your protection.

Hazard/Fire Insurance

Be sure to order your hazard/fire insurance once your loan has been approved. You must have your insurance in place before the lender will send funds to Greystone Title Agency.

The Next Steps

You will sign documents and have them notarized during your closing appointment at Greystone Title Agency. You will also review the settlement statement and give the escrow officer your closing funds. Once the signed loan documents are returned the lender for review, Greystone Title Agency will ask the lender to fund the loan. If the loan documents are satisfactory, the lender will send the wire directly to Greystone Title Agency. We will then verify that all necessary funds have been received, record the deed at the County Recorder's Office, and disburse escrow funds to the seller and other appropriate parties. This signals that your escrow is closed.

Items to bring with you on Move Day

- Phone number of moving company
- Cash or traveler's checks
- Papers related to the sale of your home
- Insurance policies and agent's phone number
- Your current contact list
- Medications
- Enough clothing in case the movers are late
- Important personal records and documents
- Bedding and linens for the first night in your new home
- Personal hygiene items
- Pet food and supplies

Arizona Relocation Information

Driving in Arizona

Vehicle Registration

As soon as you move to Arizona, you will need to register your vehicle. You will need your out-of-state title, previous license plates, proof of a passed vehicle emissions test and verification of your vehicle identification number (VIN) through an inspection report.

Driver's License

To obtain an Arizona driver's license, you must bring your previous license and one other form of identification to the Motor Vehicle Division. A written test may not be required but you will need to take a vision test and pay the fee.

Traffic Laws

Be sure to research Arizona's traffic laws as they may differ from other states. For example, Arizona has strict laws on drunk driving and utilizes photo radar systems to catch speeders in certain cities. Cell phone usage, unless "handsfree" and texting is banned in certain cities. Also, worth noting, it is a law that passengers in the front seat must wear their seat belt and children 5 and younger must be in a child-restraint seat in the back of the vehicle.

For vehicle registration or driver's license information, call (602) 255-0072 or visit: www.az.gov for a link to the Motor Vehicle Division (MVD).

Area Codes

The Phoenix Metropolitan area is divided into large geographic areas by three area codes. The 602 code is generally associated with Phoenix, 480 represents the East Valley including most parts of Scottsdale and 623 applies to the West Valley.

Tips

You do not need to dial "1" between any of these area codes because they are considered local calls, not long distance.

In general, cities north and west of the Phoenix Metropolitan area have the code 928.

Cities to the southeast of the Valley are typically represented by the area code 520.

GENERAL DIRECTORY

Maricopa County

For additional information, visit: www.maricopa.gov

Services and Utilities

Maricopa County General Information	602-506-3011
Maricopa County Library District	602-652-3000
Arizona Public Service	602-371-7171
Salt River Project	602-236-8888
Southwest Gas	877-860-6020
Century Link	866-449-1979
Cox Cable	623-215-4350

School Districts

Agua Fria Union District	623-932-7000
Alhambra Elementary District	602-336-2920
Avondale Elementary District	623-772-5000
Balsz Elementary District	602-629-6400
Buckeye Elementary District	623-386-4487
Buckeye Union District	623-386-9701
Cartwright Elementary District	623-691-4000
Cave Creek Unified District	480-575-2000
Chandler Unified District	480-812-7000
Creighton Elementary District	602-381-6000
Deer Valley Unified District	623-445-5000
Dysart Unified District	623-876-7000
Fountain Hills Unified District	480-664-5000
Fowler Elementary District	623-707-4500
Gilbert Unified District	480-497-3300
Glendale Elementary District	623-842-8100
Glendale Union District	623-435-6000
Higley Unified District	480-279-7000
Isaac Elementary District	602-445-6700
Kyrene Elementary District	480-783-4000
Laveen Elementary District	602-237-9100
Liberty Elementary District	623-474-6600
Litchfield Elementary District	623-535-6000
Littleton Elementary District	623-478-5600
Madison Elementary District	602-664-7900
Maricopa Regional	602-452-4700
Mesa Unified	480-472-0000
Murphy Elementary District	602-353-5000
Osborn Elementary District	602-707-2000
Paradise Valley Unified District	602-867-5100
Pendergast Elementary District	623-772-2200
Peoria Unified District	623-846-6000
Phoenix Elementary District	602-257-3755
Phoenix Union District	602-764-1100
Queen Creek Unified District	480-987-5935
Riverside Elementary District	602-477-8900
Roosevelt Elementary District	602-243-4800
Scottsdale Unified School District	480-484-6100
Tempe Elementary District	480-730-7100
Tempe Union District	480-839-0292
Tolleson Elementary District	623-936-9740
Tolleson Union District	623-478-4000
Washington Elementary District	602-347-2802
Wilson Elementary District	602-681-2200

Pinal County

For additional information, visit: www.pinalcounty.gov

Services and Utilities

US Post Office	800-275-8777
Salt River Project	602-236-8888
City of Mesa Utilities	480-644-2221
H2O Inc.	480-491-6971
Cox Cable	623-215-4350
Johnson Utilities (water)	480-987-9870
Apache Junction (waste)	480-982-1961

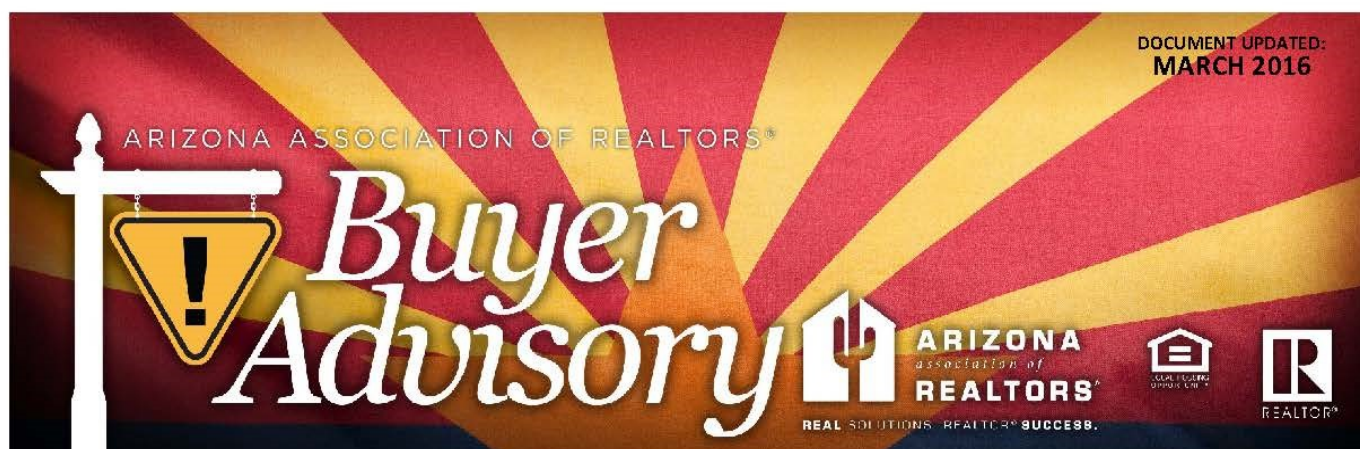
Police and Fire Services

Pinal County Sheriff	480-987-3492
Rural Fire Department	480-945-6311

Public School Districts

Apache Junction Unified	480-982-1110
Casa Grande Elementary	520-836-2111
Casa Grande Union High School	520-836-8500
Coolidge Unified	520-723-2040
Eloy Elementary	520-466-2100
Florence Unified	520-866-3500
JO Combs Elementary	480-987-5300
Mammoth/San Manuel Unified	520-385-2337
Maricopa Unified	520-568-5100
Mary C O'Brien Accommodation District	520-723-9700





A Resource for Real Estate Consumers

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

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

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

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

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

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

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

REMINDER:

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

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| 3 Covenants, Conditions and Restrictions (CC&Rs) | 4 Loan Information & Documents | 5 Foreign Investment in Real Property Tax Act (FIRPTA) |
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SECTION 2

COMMON PHYSICAL CONDITIONS IN THE PROPERTY A BUYER SHOULD INVESTIGATE

- | | | |
|--|---|--|
| 6 Repairs, Remodeling and New Construction | 7 Water/Well Issues (Adjudications, CAGRDs) | 8 Indoor Environmental Concerns (Mold, Chinese Drywall, Radon Gas & Carbon Monoxide, Drug labs, Other) |
| 6 Square Footage | 7 Soil Problems | 8 Property Boundaries |
| 6 Roof | 7 Previous Fire/Flood | 9 Flood Insurance / Flood Plain Status |
| 6 Swimming Pools and Spas (Barriers) | 7 Pests (Scorpions, Bed bugs, Roof Rats, Termites & Bark Beetles) | 9 Insurance (Claims History) |
| 6 Septic and Other On-Site Wastewater Treatment Facilities | 8 Endangered & Threatened Species | 9 Other Property Conditions (Plumbing, Cooling/Heating, Electrical systems) |
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Section 1

COMMON DOCUMENTS A BUYER SHOULD REVIEW

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

1 Purchase Contract

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

<http://bit.ly/1n1jm29>
(AAR Sample Residential Resale Purchase Contract)

2 MLS Printout

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

3 The Subdivision Disclosure Report (Public Report)

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

<http://services.azre.gov/publicdatabase/SearchDevelopments.aspx>
(ADRE Search Developments)

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

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

4 Seller's Property Disclosure Statement (SPDS)

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

<http://bit.ly/1MoBQJv> (AAR Sample SPDS)
<http://www.azre.gov/PublicInfo/PropertyBuyerChecklist.aspx>
(ADRE Property Buyer's Checklist)

5 Covenants, Conditions and Restrictions (CC&Rs)

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

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

ADRE ADVISES:

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

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

6 Homeowners Association (HOA) Governing Documents

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

<http://bit.ly/1mSf00n>

(Chapter 16 and 18 of the Arizona Revised Statutes—Title 33)

<http://bit.ly/1rCg9kd> (ADRE HOA Information)

7 HOA Disclosures

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

<http://www.azleg.state.az.us/ars/33/01260.htm>

<http://www.azleg.state.az.us/ars/33/01806.htm>

(Arizona Revised Statutes)

8 Community Facilities District

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

9 Title Report or Title Commitment

The title report or commitment contains important information and is provided to the buyer by the title/escrow company or agent. This report or

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

www.alta.org/consumer/questions.cfm

(American Land Title Association)

<https://insurance.az.gov/consumers/help-hometitleflood-insurance>

(Arizona Department of Insurance)

10 Loan Information and Documents

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

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

<http://1.usa.gov/1tfzFvP> (Ginnie Mae Consumer Information)

<http://1.usa.gov/1uNYamL> (HUD)

<http://www.homeloanlearningcenter.com/default.htm>

(Mortgage Bankers Association)

http://www.namb.org/namb/Home_Buyers_Home.asp

(National Association of Mortgage Brokers)

11 Home Warranty Policy

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

12 Affidavit of Disclosure

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

<http://bit.ly/1p6GIDO>

(AAR Sample Affidavit of Disclosure)

13 Lead-Based Paint Disclosure Form

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

<http://www2.epa.gov/lead>, <http://1.usa.gov/1u05wGS> (EPA)

<http://bit.ly/1rCq9kl> (ADRE Lead Based Paint Information)

14 Professional Inspection Report

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

www.btr.state.az.us (BTR – Search for Certified Inspectors)

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

15 County Assessors/Tax Records

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

Apache:
<http://bit.ly/1FKUHK8>

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

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

Gila:
<http://bit.ly/1Yc3bV9>

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

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

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

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

Mohave:
<http://bit.ly/1Yc6nAj>

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

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

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

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

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

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

16 Termites and Other Wood Destroying Insects and Organisms

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

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

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

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

www.sb.state.az.us/index.php (Additional Information on Pest Management)

17 Foreign Investment in Real Property Tax Act (FIRPTA)

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

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

www.irs.gov/individuals/international-taxpayers/FIRPTA-Withholding (I.R.S. FIRPTA Information)

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

Section 2

COMMON PHYSICAL CONDITIONS IN THE PROPERTY A BUYER SHOULD INVESTIGATE

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

1 Repairs, Remodeling and New Construction

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

<http://www.azroc.gov/Acrobat/News/homeownersinfo.pdf>
(10 Tips for Hiring a Contractor)

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

<http://www.nariofsouthernarizona.memberlodge.com/>
(National Association of Remodeling Industry –
Southern Arizona Chapter)

<https://apps-secure.phoenix.gov/PDD/Search/Permits>
(City of Phoenix – Building Permit Records)

2 Square Footage

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

<https://boa.az.gov/directories/appraiser>
(Arizona Board of Appraisals – List of Appraisers)

3 Roof

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

www.azroofig.org
(Arizona Roofing Contractors Association)

www.azroc.gov/Acrobat/News/homeownersinfo.pdf
(Hiring a Licensed Contractor)

4 Swimming Pools and Spas

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

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

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

http://www.azdhs.gov/phs/ceh/pool_rules.htm
(Arizona Department of Health Services)

www.azleg.state.az.us/ars/36/01681.htm
(Arizona Revised Statutes)

5 Septic and Other On-Site Wastewater Treatment Facilities

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

<http://bit.ly/1DnuAr7> (ADEQ)

<http://az.gov/app/own/home.xhtml>
(File a Notice of Transfer Online)

6 Sewer

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

7 Water/Well Issues

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

<http://bit.ly/1r4DFW> or <http://bit.ly/VAuDO8>
(Wells & Assured/Adequate Water Information)

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

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

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

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

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

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

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

8 Soil Problems

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

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

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

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

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

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

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

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

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

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

9 Previous Fire/Flood

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

10 Pests

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

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

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

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

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

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

<http://bit.ly/1HUIW5S>
(Information on Scorpions)

<http://bit.ly/1PEP9Y2>
(Information on Bed Bugs)

<http://www.cdc.gov/parasites/bedbugs/> (FAQ's)

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

<http://1.usa.gov/1ldZKLP> (Maricopa County Roof Rats)

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

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

11 Endangered & Threatened Species

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

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

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

12 Deaths and Felonies on the Properties

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

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

www.azleg.state.az.us/ars/32/02156.htm (Arizona Revised Statutes)

13 Indoor Environmental Concerns

Mold: Mold has always been with us, and it is a rare property that does not have some mold. However, over the past few years a certain kind of mold has been identified as a possible contributor to illnesses. Allergic individuals may experience symptoms related to mold.

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

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

Chinese Drywall: There have been a few reports of Chinese Drywall used in Arizona homes. Visit the Consumer Product Safety Commission website for more information.

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

Drug labs: Unremediated meth labs and other dangerous drug labs must be disclosed to buyers by Arizona law. A list of unremediated properties and a list of registered drug laboratory site remediation firms can be found online.

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

<http://1.usa.gov/1i5voK> (Indoor Air Quality)

www.epa.gov/mold (EPA)

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

www.cdc.gov/mold (Mold Information)

<http://www.qpsc.gov/info/drywall/where.html>
(Drywall Information Center)

www.azrra.gov/radon/index.html (About Radon)

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

<https://btr.az.gov/drug-lab-site-clean>
(Unremediated - Search Public List and for Remediation Firms)

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

14 Property Boundaries

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

<http://www.azpls.org/> (AZ Professional Land Surveyors)

www.btr.state.az.us (AZ Land Surveyors)

15 Flood Insurance/Flood Plain Status

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

www.floodsmart.gov (National Insurance Program)

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

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

www.coconino.az.gov/index.aspx?nid=641 (Flood Advisory)

<http://coconino.az.gov/index.aspx?NID=976> (Flood Preparedness)

<http://www.fcd.maricopa.gov/> (Maricopa County)

<http://www.fcd.maricopa.gov/flooding/floodplain.aspx>
(Floodplain Information - Maricopa County)

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

<http://az-santacruzcounty.civicplus.com/238/Flood-Control>
(Santa Cruz County Flood Control Information)

Other Arizona Counties: Consult County Websites.

16 Insurance (Claims History)

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

<http://www.azinsurance.gov/consumerautohome.html>
(AZ Department of Insurance)

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

17 Other Property Conditions

Plumbing: Check functionality.

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

www.acca-az.org
(Air Conditioning Contractors of America – AZ State Chapter)

Electrical systems: Check for function and safety.

Section 3

CONDITIONS AFFECTING THE AREA SURROUNDING THE PROPERTY THE BUYER SHOULD INVESTIGATE

Every property is unique; therefore, important conditions vary.

Environmental Concerns

It is often very difficult to identify environmental hazards. The Arizona Department of Environmental Quality (ADEQ) website contains environmental information regarding the locations of open and closed landfills (Solid Waste Facilities), wildfire

information, as well as air and water quality information (and more).

www.adeq.state.az.us (ADEQ)

<http://www.adeq.gov/environ/waste/solid/index.html>
(ADEQ-Solid Waste Facilities)

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

1 Pests Environmentally Sensitive Land

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

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

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

2 Electromagnetic Fields

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

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

3 Superfund Sites

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

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

4 Freeway Construction and Traffic Conditions

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

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

5 Crime Statistics

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

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

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

6 Sex Offenders

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

www.azdps.gov/Services/Sex_Offender/ (Convicted Sex Offenders – Registry & Community Program Notification)

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

7 Forested Areas

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

<http://azsf.az.gov/> or www.firewise.org
 (Protecting Your Property from Wildfire)

<http://cals.arizona.edu/firewise>
 (Arizona Fire Wise Communities)

8 Military and Public Airports

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

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

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

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

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

9 Zoning/Planning/Neighborhood Services

Information may be found on community websites.

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

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

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

10 Schools

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

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

ADRE ADVISES:

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

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

11 City Profile Report

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

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

Section 4

OTHER METHODS OF GETTING INFORMATION ABOUT A PROPERTY

Talk to the Neighbors

Neighbors can provide a wealth of information.

Buyers should always talk to the surrounding residents about the neighborhood and the history of the property the buyer is considering for purchase.

Drive around the Neighborhood

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

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

Investigate your Surroundings:

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

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

Section 5

RESOURCES

Market Conditions Advisory

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

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

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

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

<http://bit.ly/1sSTorj> (AAR - Sample Forms)

Fair Housing & Disability Laws

The Fair Housing Act prohibits discrimination in the sale, rental, and financing of dwellings based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with people securing custody of children under the age of 18), and handicap (disability).

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

<http://www.aca.gov/pubs/aca.htm>
(Americans with Disabilities Act)

Additional Information

NATIONAL ASSOCIATION OF REALTORS® (NAR)

www.realtor.org

NAR'S Ten Steps to Homeownership

<http://bit.ly/YweGug>

Home Closing 101

www.homeclosing101.org

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

**Arizona Department of Real Estate
Consumer Information**

www.azre.gov/infoFor/Consumers.aspx

Arizona Association of REALTORS®

www.aaronline.com

BUYER ACKNOWLEDGMENT

Buyer acknowledges receipt of all 13 pages of this Advisory.

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

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

^ BUYER SIGNATURE

DATE

^ BUYER SIGNATURE

DATE



Purchase Contract

Purchase Contract and Addendum

The Purchase Contract and Addendum(s) is a lengthy but important contract. It is the legal written document that details the specific agreement by which this transaction will take place. It is the only written record of your agreement and will serve as the sole resource document for all parties involved. It is a crucial document, for which you should have an understanding.

Let your Realtor® guide you through the Purchase Contract. Knowing the specifics of your situation, your Realtor® can show you what portions of the contract will be of primary importance to you in achieving a successful transaction.

Disclosures and Contingencies

Disclosures: The Purchase Contract requires the Seller to complete a Seller's Property Disclosure Statement (SPDS). This is a document that informs the Buyer of any significant facts about the condition of the property, based on their best knowledge.

Contingencies: There will be various contingency dates in your Purchase Contract. Be aware of these and make certain that actions required are performed within the time agreed. Stay closely in touch with your real estate agent regarding these important dates.



BUYER ATTACHMENT

Document updated:
February 2017



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



ATTENTION BUYER!

You are entering into a legally binding agreement.

- ☐ 1. Read the entire contract **before** you sign it.
- ☐ 2. Review the Residential Seller's Property Disclosure Statement (See Section 4a).
 - This information comes directly from the Seller.
 - Investigate any blank spaces, unclear answers or any other information that is important to you.
- ☐ 3. Review the Inspection Paragraph (see Section 6a).

If important to you, hire a qualified:

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

Verify square footage (see Section 6b)
Verify the property is on sewer or septic (see Section 6f)
- ☐ 4. Confirm your ability to obtain insurance and insurability of the property during the inspection period with your insurance agent (see Sections 6a and 6e).
- ☐ 5. Apply for your home loan now, if you have not done so already, and provide your lender with all requested information (see Section 2f).

It is your responsibility to make sure that you and your lender follow the timeline requirements in Section 2, and that you and your lender deliver the necessary funds to escrow in sufficient time to allow escrow to close on the agreed upon date. Otherwise, the Seller may cancel the contract and you may be liable for damages.
- ☐ 6. Read the title commitment within five (5) days of receipt (see Section 3c).
- ☐ 7. Read the CC&R's and all other governing documents within five (5) days of receipt (see Section 3c), especially if the home is in a homeowner's association.
- ☐ 8. Conduct a thorough pre-closing walkthrough (see Section 6l). If the property is unacceptable, speak up. After the closing may be too late.

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

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

☒ **Buyer's Check List**

RESIDENTIAL RESALE REAL ESTATE PURCHASE CONTRACT

Document updated:
February 2017



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



1. PROPERTY

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

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BUYER BUYER

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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 the Premises (i.e. – solar) | • in-ground pool and spa/hot tub equipment and covers (including any mechanical or other cleaning systems) | • security and/or fire systems and/or alarms |
| 53. | | • water purification systems |
| 54. | | • water softeners |
55. **Additional existing personal property included in this sale (if checked):**
56. ☐ refrigerator (description): _____
57. ☐ washer (description): _____
58. ☐ dryer (description): _____
59. ☐ above-ground spa/hot tub including equipment, covers, and any mechanical or other cleaning systems (description): _____
60. _____
61. ☐ other personal property not otherwise addressed (description): _____
62. ☐ other personal property not otherwise addressed (description): _____
63. **Additional existing personal property included shall not be considered part of the Premises and shall be transferred with no**
64. **monetary value, and free and clear of all liens or encumbrances.**
65. Leased items shall **NOT** be included in this sale. Seller shall deliver notice of all leased items within three (3) days after Contract
66. acceptance. Buyer shall provide notice of any leased items disapproved within the Inspection Period or five (5) days after receipt of
67. the notice, whichever is later.
68. **IF THIS IS AN ALL CASH SALE:** Section 2 does not apply - go to Section 3.

2. FINANCING

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

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- 2f. 90. **Loan Application:** Unless previously completed, within three (3) days after Contract acceptance Buyer shall (i) provide lender
91. with Buyer's name, income, social security number, Premises address, estimate of value of the Premises, and mortgage loan
92. amount sought; and (ii) grant lender permission to access Buyer's Trimergerd 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
94. notice of intent to proceed with the loan transaction in a manner satisfactory to lender; and (ii) provide to lender all requested
95. signed disclosures and the documentation listed in the LSU at lines 32-35. Buyer agrees to diligently work to obtain the loan and
96. 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 _____%
101. of the Purchase Price **OR** up to \$ _____ to be used only for Buyer's loan costs, impounds, Title/Escrow Company costs,
102. 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
104. Pre-Qualification Form attached hereto or LSU provided within ten (10) days after Contract acceptance and shall only make any
105. such changes without the prior written consent of Seller if such changes do not adversely affect Buyer's ability to obtain loan
106. 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
108. lender for at least the purchase price. If the Premises fail to appraise for the purchase price in any appraisal required by lender,
109. Buyer has five (5) days after notice of the appraised value to cancel this Contract and receive a return of the Earnest Money or
110. 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
113. be applied against Seller's Concessions at COE, if applicable. If Buyer's lender requires an updated appraisal prior to COE, it will be
114. 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
116. 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
121. and separate property, a disclaimer deed may be required. Taking title may have significant legal, estate planning and tax
122. 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,
124. addressed pursuant to 8s and 9c or as otherwise provided, a Commitment for Title Insurance together with complete and legible copies
125. of all documents that will remain as exceptions to Buyer's policy of Title Insurance ("Title Commitment"), including but not limited to
126. Conditions, Covenants and Restrictions ("CC&Rs"); deed restrictions; and easements. Buyer shall have five (5) days after receipt of the
127. Title Commitment and after receipt of notice of any subsequent exceptions to provide notice to Seller of any items disapproved. Seller
128. shall convey title by warranty deed, subject to existing taxes, assessments, covenants, conditions, restrictions, rights of way, easements
129. and all other matters of record. Buyer shall be provided at Seller's expense an American Land Title Association ("ALTA") Homeowner's
130. Title Insurance Policy or, if not available, a Standard Owner's Title Insurance Policy, showing title vested in Buyer. Buyer may acquire
131. extended coverage at Buyer's own additional expense. If applicable, Buyer shall pay the cost of obtaining the ALTA Lender Title
132. Insurance Policy.

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- 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
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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.

>>

 SELLER SELLER

<Initials

Initials>

 BUYER BUYER

Residential Resale Real Estate Purchase Contract >>

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

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SELLER SELLER _____ Initials	Initials _____ BUYER BUYER

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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 parties acknowledge that different home warranty plans have different coverage options, exclusions, limitations, service fees and most plans exclude pre-existing conditions.
293. ☐ A Home Warranty Plan will be ordered by ☐ Buyer or ☐ Seller with the following optional coverage
294. _____, to be issued by _____ at a cost
295. not to exceed \$ _____, to be paid for by ☐ Buyer ☐ Seller ☐ Split evenly between Buyer and Seller
296. ☐ Buyer declines the purchase of a Home Warranty Plan.
297. _____ (BUYER'S INITIALS REQUIRED) _____ BUYER BUYER
- 6l. 298. **Walkthrough(s):** Seller grants Buyer and Buyer's Inspector(s) reasonable access to conduct walkthrough(s) of the Premises for the purpose of satisfying Buyer that any corrections or repairs agreed to by Seller have been completed, and the Premises are in substantially the same condition as of the date of Contract acceptance. If Buyer does not conduct such walkthrough(s), Buyer releases Seller and Broker(s) from liability for any defects that could have been discovered.
- 6m. 302. **Seller's Responsibility Regarding Inspections and Walkthrough(s):** Seller shall make the Premises available for all inspections and walkthrough(s) upon reasonable notice by Buyer. Seller shall, at Seller's expense, have all utilities on, including any propane, until COE to enable Buyer to conduct these inspections and walkthrough(s).
- 6n. 305. **IRS and FIRPTA Reporting:** The Foreign Investment in Real Property Tax Act ("FIRPTA") provides that, if a seller is a Foreign Person, a buyer of residential real property must withhold federal income taxes up to 15% of the purchase price, unless an exception applies. If FIRPTA is applicable and Buyer fails to withhold, Buyer may be held liable for the tax. Buyer agrees to perform any acts reasonable or necessary to comply with FIRPTA and IRS reporting requirements and Buyer is responsible for obtaining independent legal and tax advice.

7. REMEDIES

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

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Residential Resale Real Estate Purchase Contract >>

8. ADDITIONAL TERMS AND CONDITIONS

8a. 344. _____
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SAMPLE

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Initials>

BUYER	BUYER
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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: MONTH DAY, 20 YEAR (SELLER'S INITIALS)

For Broker Use Only:

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

Glossary of terms

Amendment

A change to alter, add to or correct part of an agreement without changing the principle idea or essence.

Amortized Loan

A loan where the principle of the loan is paid down over the life of the loan according to an amortization schedule, typically through equal payments.

Appraisal

An estimated value of property resulting from analysis of facts about the property; an opinion of value.

Appreciation

An increase in the value of real estate.

Assignment

An assignment of the beneficial interest under the deed of trust from one beneficiary to another.

Assumption of Mortgage

The purchase of mortgage property whereby the buyer accepts liability for the debt that continues to exist. The seller remains liable to the mortgage lender unless the lender agrees to release him.

Beneficiary

The lender on a deed of trust.

CC&R's

Covenants, Conditions and Restrictions. Limitations sometimes put on the use and enjoyment of real property, such as limiting the property to single family or to a one-story dwelling.

Closing

The final settlement of a real estate transaction between buyer and seller.

Cloud on Title

A deed (title to real property) that has been recorded but includes an unusual characteristic that would give a reasonable person pause before accepting title. Often, the presence of a cloud on title provides the grantee the option to back out of a contract.

Comparable Sales

A real estate appraisal term referring to properties with characteristics that are similar to a subject property whose value is being sought. Commonly called "comps" for shorthand.

Conventional Mortgage

A mortgage securing a loan made by investors without governmental underwriting (i.e. not FHA or VA insured.)

Conveyance

The transfer of a title of property from one person to another, or the granting of an encumbrance such as a mortgage or lien.

Counter Offer

A rejection of an offer by a seller along with an agreement to sell the property to the potential buyer on terms differing from the original offer.

Deed

Written instrument, which when property executed and delivered, conveys title to real property.

Deed of Trust

An instrument used in many states in place of a mortgage.

Deed Restrictions

Limitations placed on a deed that can restrict property usage.

Earnest Money

Down payment made by a purchaser as evidence of good faith.

Easement

A right, privilege or interest limited to a specific purpose that one party has in the land of another.

Equity

The interest or value which an owner has in real estate over and above the liens against the real property.

Escrow

Deposit of instruments and funds with instructions to a neutral third party (Escrow Agent) to carry out the provisions of an agreement or contract.

FHA Loans

(Federal Housing Administration) A Loan that has been insured by the Federal Government guaranteeing its payment in case of default by the owner.

Hazard Insurance

Real estate insurance protecting against fire, some natural causes, vandalism, etc., depending upon the policy. Buyer often adds liability insurance and extended coverage for personal property.

Homestead Exemption

A legal regime designed to protect the value of the homes of residents from property taxes, creditors and circumstances arising from the death of the homeowner spouse. In Arizona, a person age 18 or over, married or single, who resides in the state may hold as a homestead exempt from attachment, execution and forced sale, not exceeding \$150,000 in value, certain property.

Impound Account

A trust type of account established by the lender for the accumulation of borrower's funds to meet periodic payments of taxes, mortgage insurance premiums and/or future insurance policy premiums, required to protect their security.

Legal Description

A description of land recognized by law, based on gov't surveys, spelling out the exact boundaries of the entire piece of land. It should so thoroughly identify a parcel of land that it cannot be confused with any other.

Lien

A form of encumbrance that usually makes property security for the payment of a debt or discharge of an obligation (i.e., judgments, mortgages, etc.)

Mortgage

The pledging of a property to a lender as a security for a mortgage loan.

Mortgage Insurance

Insurance written by an independent mortgage insurance company protecting the mortgage lender against loss insured by a mortgage default, thus enabling the lender to lend a higher percentage of the sales price.

PITI

A payment that combines Principle, Interest, Taxes and Insurance.

Power of Attorney

Authorization to act on someone else's behalf in a legal or business matter.

VA Loan

A loan guaranteed by the Veterans Administration.

Warranty Deed

A deed used to convey real property that contains warranties of title and quiet possession, and the grantor agrees to defend the premises against the lawful claims of third persons.

BUSINESS CARDS

Agent

Escrow Officer

Loan Officer

Moving Company

Insurance Agent

Home Warranty

Alarm Company

NOTES

NOTES

A collage of financial and business-related images. It features a blurred background of a modern building with large windows. In the foreground, there is a stack of US dollar bills, with a \$100 bill prominently displayed. Next to the money is a spiral-bound notebook with a light-colored cover and a dark pen resting on it. The overall theme is finance, investment, and business planning.