

HOME SELLER'S GUIDE



Lawyers Title

lawyerstitlearizona.com

Home Seller's Guide

Lawyers Title of Arizona, Inc. has a long history of providing outstanding title and escrow services to the Arizona real estate industry. Lawyers Title consistently ranks as one of the top title insurance providers in the state of Arizona. At Lawyers Title we have a team united by our commitment to make the real estate transaction effective and efficient.

We offer the most comprehensive and reliable service available by utilizing skilled title and escrow officers combined with the expertise of our sales executives.

Lawyers Title is a wholly owned subsidiary of Fidelity National Financial, the #1 leader in financial strength. As part of the Fidelity family of companies, your real estate transactions are safe and secure.

Lawyers Title Of Arizona Services:

- Residential Resale
- Refinance & Lender Services
- Builder & Developer
- New Home Sales
- Trustee Sales Guarantees
- Foreclosure Services
- Multi Site, Multi State
- Commercial
- 1031 Exchange Services
- Home Warranty
- Home Inspection



For more information please visit:

www.lawyerstitlearizona.com

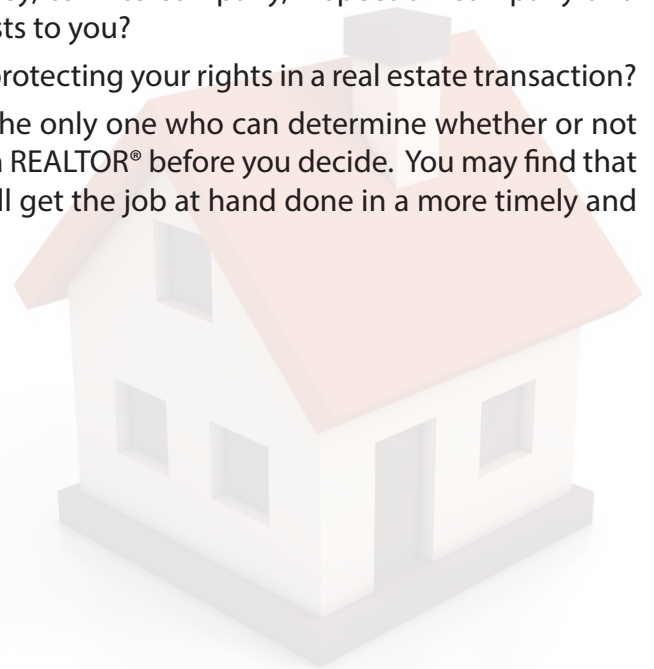
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Things To Consider Before Selling Your Property "By Owner"

Most of us do not like to spend money unnecessarily, especially when we feel we could do the job at hand as well as the person or persons we are hiring to complete the task. It would be a good idea to consider the following questions to assess the process of handling the sale of your property yourself, before attempting to do so:

- Do you know how to determine the current market value of your home?
- Do you know how and where to advertise your home most effectively and what the costs will be?
- Did you know that each REALTOR® has access to a Multiple Listing Service (MLS), which is a database of properties listed for sale by REALTORS®. Real Estate Agents refer to MLS for prospective properties to show their clients and for comparable sales when determining value for a prospective listing. Only Real Estate Agents have access to this information.
- Have you made arrangements for your home to be available for showing 12 hours a day, 7 days a week. If not, each hour that you do not provide this availability your home is "off the market".
- Are you concerned about having strangers walking through your home?
- Do you know how to determine whether or not a buyer can qualify for a home?
- Are you conversant enough with real estate law to write a legal and binding real estate contract?
- Do you understand the steps of an escrow and what is required of you and the buyer to complete the transaction?
- Do you know which title company, real estate attorney, termite company, inspection company and lender to hire that will provide the best service and costs to you?
- Do you have experience with resolving problems and protecting your rights in a real estate transaction?

Your home is probably your largest investment. You are the only one who can determine whether or not you should attempt to sell your home by yourself. Talk to a REALTOR® before you decide. You may find that working with a professional is a lot less expensive and will get the job at hand done in a more timely and less stressful manner than attempting to do it yourself.



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Selling A Home? It Pays To Work With A Realtor®

Without the professional guidance and expertise of a REALTOR®, selling a home can often entail many unnecessary complications. The following information, as prepared by the National Association of REALTORS®, best describes the many benefits of contacting a professional REALTOR® to handle all your real estate needs. The term REALTOR® is a registered, collective membership mark which identifies real estate professionals who are members of the National Association of REALTORS® and abide by its strict Code of Ethics. A REALTOR® is bound by a Code of Ethics and pledges to protect and promote the interest of the seller by providing fair treatment for all parties involved in the transaction. Here are some ways a REALTOR® can help you sell your home:

Promotion By:

- Preparing a flyer to describe your property for public distribution.
- Posting a "For Sale" sign on your property.
- Advertising in the media. This includes MLS, flyers, local paper and home buyer magazines.

Viewing By:

- "Open Houses" for the buying public.
- Conveniently scheduled appointments for house showings.

Networking By:

- Neighborhood mailings.
- National relocation services.
- The Real Estate Association.
- Their personal network of clients.

Working With You By:

- Conferring with you regarding when you want to place your home on the market.
- Establishing a sale price based on the following:
 - Research of comparable properties.
 - Considering the current local market conditions.
- Establishing your probable net proceeds.
- Advertising your home and making suggestions on what you can do to make your property more sellable.
- Reviewing the necessary paper work with you.

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Negotiating The Contract By:

- Reviewing the contract and your obligations.
- Explaining contingencies and release clauses.
- Explaining the legal disclosure requirements.
- Explaining the ramifications of pest control inspections/reports.
- Explaining your responsibilities regarding the condition of the property.
- Examining offers closely and explaining the reasons behind a possible counter-offer.

Managing And Closing Escrow By:

- Following closely the progress of the buyer's loan and coordinating the payoff of your existing loan.
- Facilitating the appraisal process.
- Staying in constant communication with the buyer's agent to ensure a smooth escrow.
- Closely monitoring contingency removal dates and discussing these with you.
- Coordinating the details of the transaction with the escrow officer.
- Making sure you get your check and settlement documents promptly after closing.



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Preparing Your House For Market

First Impressions First

- Let the front of your house greet guests with a clean, maintained yard by fertilizing lawns, planting fresh seasonal flowers, trimming overgrown shrubbery.
- Painting can be expensive, but a little touch up goes a long way.
- Make sure your front door is solid, fresh, and welcoming.
- Inspect the roof for necessary repairs and any visible broken tiles or shingles.
- Repair cracks in the driveway and sidewalks. Clean up oil stains.
- Mend or paint neighboring fences or walls.

A Little Decoration Goes a Long Way

- Simple, inexpensive redecorating such as paint and accessories can result in a quicker sale at a higher price. Light neutral paint colors, such as off-whites, permit most every one to “imagine” their furnishings in your home.
- Clean carpets if they are heavily soiled. Spot clean stains.

Eliminate the Distractions

- Repair the minor flaws that can detract from your home’s value, such as leaky faucets, sticking windows and doors, broken handles and knobs.
- Remove cobwebs from ceilings and other areas.

Never Enough Space

- Remove all unnecessary items in your attic, basement, or other storage areas and organize all closets to show ample space.
- Remove excess furniture so rooms don’t look small and cluttered.
- Have a garage sale to dispose of unneeded items-looks better now and less to move later!

Squeaky Clean Bathrooms!

- Check and repair caulking in showers and bathtubs.
- Install new shower curtain liners. Keep bathrooms looking and smelling fresh.

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15 Home Listing Tips

1. Price Your Home Right

Your agent can research comparable sales in your area and advise you of the appropriate price range for your property.

2. Be Flexible on Financing Terms

Have your agent explain what financing options are available. Flexibility on financing terms may secure a better selling price.

3. Time it Right

Ask a real estate professional to determine whether the market cycle is poised to net you the most money.

4. Make Your Property Accessible to Buyers

Lock boxes are a great way to make your home most accessible to agents for showing. Appointment-only showings are the most restrictive. If your lifestyle is not compatible with frequent showings, your agent will help you determine a solution to suit your needs. Remember, the easier a home is to show, the better the odds are of getting the deal you want.

5. Use the Latest Marketing Technology

Make sure your agent utilizes the latest technology, such as Internet sites and social media that cater to home-buyers. In some areas, cable advertising is popular. Others use 800-number interactive voice response systems. A good agent will know where you can get the best exposure.

6. Stage Your Property Correctly

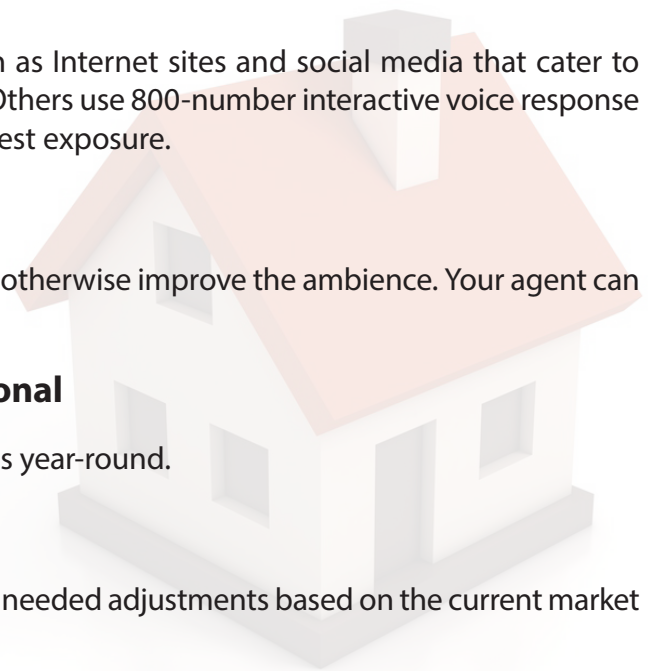
Put some items in storage, create more light, play music or otherwise improve the ambience. Your agent can offer helpful advice to create the right first impression.

7. Remember that Selling Property is not Seasonal

Do not base selling decisions on the seasons. Property sells year-round.

8. Re-Evaluate the Marketing Plan

Re-evaluate your agent's marketing plan periodically. Make needed adjustments based on the current market and buyers.



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9. Analyze Why You Are Not Getting Offers

Eighty percent of all buyer activity comes from signs and MLS listings. So, if you are not getting offers and are flexible with showing your home, it may be time to re-evaluate your price, not necessarily your agent.

10. First Impressions are Golden

Sales have gone south thanks to unkempt lawns, cluttered closets, unpainted front doors, hard-to-work locks, blown light bulbs, bad color, stains, unlit areas, and foul smells. Spend time on the little things. Double up on your gardening. Keep things cleaner than usual. Take serious control of your pets during this time period.

11. Make the Right Kind of Repairs

Before making improvements, prior to listing, consult a real estate professional. Some upgrades will not yield any real increase in value, while others may increase property value substantially. Ask for low-cost solutions to minor repairs that will yield the best profits.

12. Give the Sales Process Enough Time

Homes may take three to six months in any market. Estimate how much time you have before you need to sell and then plan ahead to allow extra time. You don't want to be forced to accept a disappointing offer.

13. Screen Prospects Adequately

One of the best reasons for hiring an agent is his or her ability to pre-qualify a prospect financially so that you don't lose valuable negotiation time. Your agent may discover when a prospect has an ulterior motive for shopping homes.

14. Believe that You Can Make a Difference

The top agents in the industry report that their sellers are responsible for at least one out of ten sales. You can network with your business and personal friends, hand out flyers, and keep your house in move-in condition. Your agent should be ready to hand you all sorts of assignments to make the team effort successful.

15. Test the Market

Never put your property on the market unless you really want a sale! Get ready for a professional sales push when you list. If your plan harbors some indecision, resolve it before you list because success is every great agent's objective!

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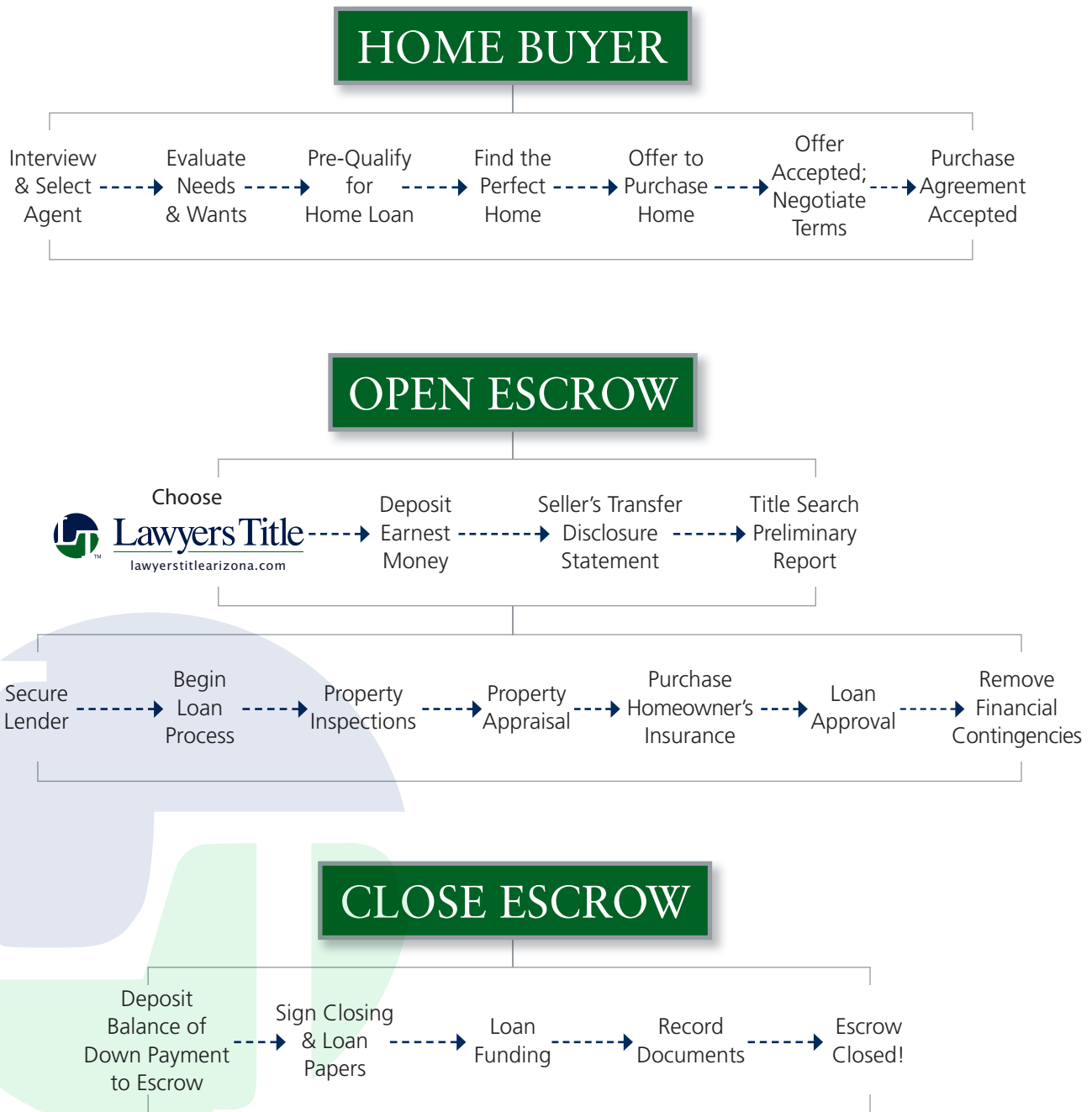
Home Showing Checklist

- If possible, make arrangements to be out of the house to permit the agent to do "their job." If you are home, don't force conversation with potential buyers. Be polite, answer questions, and point out highlights. They want to inspect your house, not make new friends.
- Protect your pets. Keep them out of the way in a restricted area or even out of the house.
- Open all blinds and drapes to make the home light and cheerful.
- Turn on additional lights and lamps as needed.
- Remove excess clutter from floor, tables, and counter tops.
- Keep your valuables safely locked up or out of sight.
- Clean the bathrooms so they sparkle!
- Don't forget to make the bed and do the dishes.
- Dust and vacuum the house thoroughly.
- Removes excess toys and equipment from yards.
- Wash down your driveway and patios.
- Turn off all TVs. Very soft background music may be acceptable in some cases.
- Fresh flowers in the front yard, on the porch, and in the house can create a welcoming effect.



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HOME BUYING PROCESS CHART



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The Escrow Process

Escrow is a neutral depository for funds and documents needed to complete a real estate transaction. When a buyer and seller have signed a purchase contract, a copy of that contract along with the buyer's earnest money check are deposited into escrow. This constitutes opening of escrow and the escrow process begins and progresses as follows:

A copy of existing deed is ordered by the escrow officer, to obtain the legal description of the property and the names of the record owners.

The escrow officer or an assistant then orders a commitment for title insurance from the company's title department, in order to determine what will be required to close the transaction and to inform the buyer and the buyer's lender what will remain of record against the property after closing.

Statements from the seller's existing lender and the homeowners association are ordered in order to determine the amounts needed for payoff and/or transfer at the close of escrow.

Copies of the commitment for title insurance, covenants, conditions and restrictions and termite inspection reports are forwarded to buyer, seller and lender for their approval as received.

Upon receipt of the buyer's loan documents from the buyer's lender, the escrow officer prepares the settlement statement (or HUD), based on the information provided by the buyer's new lender, the statements from homeowners association and payoff lenders and the purchase contract. The buyer and seller are contacted separately to schedule signing appointments for each. Buyer and seller sign separately. The buyer will deposit closing funds at the scheduled signing time unless other arrangements are previously made.

After signing, the loan documents are returned to the buyer's lender for approval and funding. Upon receipt of the loan proceeds from the lender, the escrow officer will release the documents in the transaction for recording with the County Recorder on the agreed upon recording date. After recording, the funds are disbursed and copies of all documents are provided to REALTORS®, buyers and sellers and the title insurance policies are issued to the buyer and the buyer's new lender.

In Arizona, real estate agents are authorized to write purchase contracts and escrow/title companies are authorized to complete standard documents to close a real estate transaction. As a result, attorneys are not commonly engaged in real estate closings of residential property. The real estate professionals generally involved include the real estate agents, the escrow officer and the buyer's loan officer.

Be advised, however, that none of the above referenced professionals are allowed by law to offer legal advice. If you have a complex transaction or have questions or doubts that cannot be answered by your real estate professionals, it is important that you consult with an attorney.

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Title Insurance Defined And Why You Should Have It

In every real estate transaction, the matter of title insurance arises. A policy of title insurance is issued to a buyer and/or a lender to guarantee to the insured party or parties, "Free and Clear" title to the property being insured, from the beginning of time until the date and time the buyer acquires title to the property, or in the case of a lender's policy until the date and time the lender's loan document is recorded against the property. "Free and Clear" is defined as there being no loans, liens, encumbrances, back taxes, easements or covenants, conditions or restrictions against the property that were not disclosed on Schedule 'B' of the commitment for title insurance issued by the insuring company. The policy is issued for a one-time fee and will remain in effect as long as you or your heirs retain an interest in the property. This protects the buyer's or the lender's investment in real estate, including their legal defense against any claim or claimant. If a claim is valid, the title insurer will either resolve the title problem or pay the insured's losses.

Why You're At Risk

There are many title issues that can arise to cause the loss of your property or your mortgage investment. Title issues not disclosed by a most careful search of the public records, called hidden risks, are the most dangerous. Because of them, your title may be worthless or have a diminished value. Here are some title issues that can occur. You may not discover them when you buy real estate, but months or years later they can result in the loss of your property or an expensive lawsuit.

- Deeds by foreign parties
- Deeds by minors
- Deeds by persons of unsound mind
- Deeds to or from defunct corporations
- Defective acknowledgements (notary)
- Discovery of will of apparent intestate
- Duress in execution of instruments
- Erroneous reports furnished by tax officials
- False impersonation of the true owner of the land
- Forged deeds, releases, etc.
- Misrepresentation of wills
- Mistakes in recording legal documents
- Surviving children omitted from will
- Administration of estate of persons absent but not deceased
- Birth or adoption of children after date of 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
- Deeds in lieu of foreclosure given under duress
- Marital rights of spouse purportedly, but not legally, divorced
- Ultra vires deed given under false corporate resolution

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The Appraisal Process

When you sell your house and the buyer is securing a new loan in order to purchase the property, the buyer's lender requires a licensed appraiser to estimate the market value of the property to show the lender that they are making a prudent decision lending the buyer the money to buy your house. The cost of the appraisal is negotiable.

Once the buyer begins the new loan application process, the lender will order the appraisal. In order to estimate the market value of your house, the appraiser will research the houses which have sold in your subdivision and/or your immediate area. Appraisers prefer to use sales which have occurred within the past 6 months and are similar to yours in regards to square footage, year built and amenities (i.e. swimming pool, garage, single story).

The appraiser will measure your home, take photographs, and examine your house for its condition, specific improvements and amenities. You can help the appraiser by preparing a list of recent improvements and remodeling that has been done and include the approximate amounts spent for each improvement. Some appraisers will appreciate this information while others may not. However, if you had the information prepared for buyers looking at your home, then providing it for the appraiser will be a snap.

If the buyers of your property are getting an FHA or VA loan, a few special requirements will be placed on your house. You must scrape and paint all chipping or peeling paint on your house or any structures on the property. You should also replace any missing or damaged shingles and missing slats or blocks in your fence.

The lender will receive a copy of the appraisal a few days after the appraiser has been to your home. You may be told that the appraiser has some repair requirements before the lender can loan the buyer any money on your house. In that case, you must repair these problems and the appraiser will return for a re-inspection for an additional cost.



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Inspections

The standard Arizona Association of Realtors® purchase contract used by most real estate agents contains a provision that allows the buyer to physically inspect the property being purchased, either by himself or by a professional inspector or inspectors within the first ten days of acceptance of the contract by the seller. It is the seller's obligation to provide the buyer access to the property during this ten day inspection period for whatever inspections the buyer requires. Below is a list of common types of inspections.

Structural Pest Control

- To determine any active infestation by wood destroying organisms.
- To determine whether there is any earth to wood contact, cellulose debris or faulty grades on the property.

In the event that there are wood destroying organisms or secondary issues with regard to the property, generally these issues must be addressed prior to the close of escrow and if the termite company that did the initial report does not do the repairs, then the property must be reinspected by a termite company and a clear report deposited into escrow, prior to the close of escrow.

Physical Inspection

- This inspection can encompass inspection of the roof, plumbing, electrical, heating and any other accessible area of the property.
- A detailed report or reports will be written by the inspector or inspectors with recommendations for repairs, and same will be delivered to the buyer. Subsequently the buyer will request of the seller any repairs that the buyer wishes the seller to be responsible for, which, if the seller agrees to the repairs, would be completed prior to the close of escrow.

Other Common Inspections Might Include:

- Well and Septic
- Hazardous materials
- Chimney
- Heating and Cooling
- Survey
- Zoning and Building permit compliance
- Structural Engineering



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Home Warranties

Home Warranties are insurance policies designed to protect a seller during the listing period and a buyer for one year after the close of escrow, against repair costs for mechanical systems and major appliances. The cost of a home warranty policy is a one time fee which either the buyer or the seller can pay at the close of escrow and which is renewable annually. There are a variety of home warranty companies and plans. The plans vary according to the optional coverage chosen by the insured which might include, but not be limited to heating, air conditioning, dishwasher, washer, dryer, refrigerator, garbage disposals, and pool or pool and spa equipment.

A Few Of The Benefits Of A Home Warranty Are Listed As Follows:

- Replacement or repair of major or minor plumbing, heating or electrical problems during the policy period at a nominal service fee per incident.
- A full network of qualified technicians at your service.
- Protection of your budget against unexpected expenses for repairs or replacements of systems in your home for the first year of ownership (or subsequent years if renewed).



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A Guide To Closing Costs - Who Pays What?

Although most costs involved in a real estate transaction can be negotiated between buyer and seller, there are a lot of costs that are traditionally paid by one party or the other. We have set forth below a list of these charges:

The Seller can be expected to pay:

- owner's policy of title insurance
- homeowners association fees
- real estate commissions
- escrow fees (50%)
- payoff all existing loans, liens and encumbrances, including all associated costs and fees
- termite work
- taxes due and payable or back taxes
- recording fee (50%)
- delivery fees

The Buyer can pay:

- lenders policy of title insurance
- endorsement fees for title insurance
- escrow fees (50%)
- impounds and interest on new loan
- all new loan charges (including appraisal, origination and discount fees, document preparation, etc...).
- termite inspection fee
- hazard insurance premium for first year
- delivery fees
- homeowners association dues required by the association for future months
- recording fee (50%)

Below is a list of costs involved in a transaction that are negotiable and there is no general tradition as to which party pays them:

- home warranty
- homeowners association transfer fees

Mandatory Costs:

FHA AND VA regulations require the seller to pay the following fees in an FHA or VA transaction, if applicable: assignment fee, flood certification fee, bring down endorsements, document preparation fees, photo/inspection fees, tax service contract, warehousing fees, or any other loan cost or charge except the following: prepaid interest, impounds on new loan, loan origination, loan discount fees or appraisal. In addition, on a VA transaction the seller is required to pay the entire escrow fee.

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The Seller's Eight Most Frequently Asked Questions

Q. When do I get my proceeds check?

A. On the date of recording, you may request that your escrow officer either cut you a check for your proceeds or wire the funds directly into your bank account.

Q. Why do I have to pay interest on my loan pay-off past the day of recording?

A. Your lender continues to accrue interest to the date that they post your loan as being paid in full. This could be one or two days from the date your escrow officer sends your pay-off check via overnight mail or wire transfer.

Q. When do I get a refund from my impound account?

A. After your escrow officer sends your pay-off check to your existing lender, you can expect to get impound account back direct from your lender within 30-60 days. If you have any questions after that time, we suggest calling your lender.

Q. When do I cancel homeowner's/fire insurance?

A. Please do not cancel your insurance until you have confirmed that your transaction has closed.

Q. Why does my escrow officer require that I complete a 1099 form?

A. A 1099 form is the reporting form adopted by the IRS for submitting the information required by law. Under guidelines established by the IRS, sellers of real property are required to have their sales price reported on the 1099 form.

Q. What is a Statement of information?

A. Statements of information provide title companies with the information they need to distinguish the buyers and sellers of real property from others with similar names, for the issuance of title insurance at close of escrow. After identifying the true buyers and sellers, title companies may disregard the judgements, liens or other matters on the public records under similar names.

Q. I don't understand tax pro-rations. How do they work?

A. Each year on January 1st, the lien of that year's property taxes attached to the land, pursuant to Arizona Law. However, the lien is not due and payable until October 1st of that year for the first half of that year's bill and the second half of that year's bill is not due until March 1st of the following year. Pro-rations are done to reimburse the buyer for the portion of the year that the seller has owned the property and has not yet paid taxes.

Q. What will I need to take with me to Lawyers Title of Arizona to sign my closing documents?

A. Take one of the following: Arizona Drivers License, Arizona ID card or Military ID.

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Moving Checklist

Old Residence

Preparing For The Move

- Leave keys & garage openers
- Travel funds (cash & checks)
- Defrost refrigerator
- Pet transportation

Address Change

- Bank accounts
- Subscriptions/magazines
- Forward address to post office
- Credit cards

Utilities

- Telephone (check for refund)
- Gas (check for refund)
- Electric (check for refund)
- Water (check for refund)
- Cable (check for refund)
- Garbage pickup
- Bottled water, propane, etc.

Documents To Obtain

- Medical records
- Dental records
- School transcripts
- Veterinary records

New Residence

Address Change

- Ask postman to hold mail for your arrival
- Utilities
- Telephone
- Electric
- Gas
- Water
- Garbage pickup
- Cable
- Bottled water, propane, etc.

Schools, Licenses, Services

- Register children for school
- Register to vote
- Register car
- Driver's License (apply for new address)

Medical Services

- New doctor
- New dentist
- New veterinarian

RESIDENTIAL SELLER DISCLOSURE ADVISORY

Document updated:
February 2017



WHEN IN DOUBT – DISCLOSE!



Arizona law requires the seller to disclose material (important) facts about the property, even if you are not asked by the buyer or a real estate agent. These disclosure obligations remain even if you and the buyer agree that no Seller's Property Disclosure Statement ("SPDS") will be provided.

The SPDS is designed to assist you, the seller, in making these legally required disclosures and to avoid inadvertent nondisclosures of material facts. To satisfy your disclosure obligations and protect yourself against alleged nondisclosure, you should complete the SPDS by answering all questions as truthfully and as thoroughly as possible. Attach copies of any available invoices, warranties, inspection reports, and leases, to insure that you are disclosing accurate information. Use the blank lines to explain your answers. If you do not have the personal knowledge to answer a question, it is important not to guess – use the blank lines to explain the situation.



If the buyer asks you about an aspect of the property, you have a duty to disclose the information, even if you do not consider the information material.* You also have a legal duty to disclose facts when disclosure is necessary to prevent a previous statement from being misleading or misrepresented: for example, if something changes.

If you do not make the legally required disclosures, you may be subject to civil liability.

Under certain circumstances, nondisclosure of a fact is the same as saying that the fact does not exist. Therefore, nondisclosure may be given the same legal effect as fraud.

If you are using the Arizona Association of REALTORS® ("AAR") Residential Resale Real Estate Purchase Contract, the seller is required to deliver "a completed AAR Residential SPDS form to the Buyer within three (3) days after Contract acceptance." If the Seller does not provide the SPDS as the Contract requires, the Seller is potentially in breach of the Contract, thereby enabling the Buyer to cancel the transaction and receive the earnest money deposit.

* By law, sellers are not obligated to disclose that the property is or has been: (1) a site of a natural death, suicide, homicide, or any other crime classified as a felony; (2) owned or occupied by a person exposed to HIV, or diagnosed as having AIDS or any other disease not known to be transmitted through common occupancy of real estate; or (3) located in the vicinity of a sex offender. However, the law does not protect a seller who makes an intentional misrepresentation. For example, if you are asked whether there has been a death on the property and you know that there was such a death, you should not answer "no" or "I don't know." Instead you should either answer truthfully or respond that you are not legally required to answer the question.

R RESIDENTIAL SELLER'S PROPERTY DISCLOSURE STATEMENT (SPDS) *(To be completed by Seller)*

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.



MESSAGE TO THE SELLER:

Sellers are obligated by law to disclose all known material (important) facts about the Property to the Buyer. The SPDS is designed to assist you in making these disclosures. If you know something important about the Property that is not addressed on the SPDS, add that information to the form. Prospective Buyers may rely on the information you provide.

INSTRUCTIONS: (1) Complete this form yourself. (2) Answer all questions truthfully and as fully as possible. (3) Attach all available supporting documentation. (4) Use explanation lines as necessary. (5) If you do not have the personal knowledge to answer a question, use the explanation lines to explain. *By signing on page 7, you acknowledge that the failure to disclose known material information about the Property may result in liability.*

MESSAGE TO THE BUYER:

Although Sellers are obligated to disclose all known material (important) facts about the Property, there are likely facts about the Property that the Sellers do not know. Therefore, it is important that you take an active role in obtaining information about the Property.

INSTRUCTIONS: (1) Review this form and any attachments carefully. (2) Verify all important information. (3) Ask about any incomplete or inadequate responses. (4) Inquire about any concerns not addressed on the SPDS. (5) Review all other applicable documents, such as CC&R's, association bylaws, surveys, rules, and the title report or commitment. (6) Obtain professional inspections of the Property. (7) Investigate the surrounding area.

THE FOLLOWING ARE REPRESENTATIONS OF THE SELLER(S) AND ARE NOT VERIFIED BY THE BROKER(S) OR AGENT(S).

PROPERTY AND OWNERSHIP

1. As used herein, "Property" shall mean the real property and all fixtures and improvements thereon and appurtenances incidental thereto,
 2. plus fixtures and personal property described in the Contract.
 3. **PROPERTY ADDRESS:** _____
(STREET ADDRESS) (CITY) (STATE) (ZIP)
 4. Does the Property include any leased land? Yes No
 5. Explain: _____
 6. Is the Property located in an unincorporated area of the county? Yes No If yes, and five or fewer parcels of land other than subdivided land
 7. are being transferred, the Seller must furnish the Buyer with a written Affidavit of Disclosure in the form required by law.
 8. **LEGAL OWNER(S) OF PROPERTY:** _____ Date Purchased: _____
 9. The Property is currently: Owner-occupied Leased Estate Foreclosure Vacant If vacant, how long? _____
 10. If a rental property, how long? _____ Expiration date of current lease: _____ (Attach a copy of the lease if available.)
 11. If any refundable deposits or prepaid rents are being held, by whom and how much? Explain: _____
 12. _____
 13. Is the legal owner(s) of the Property a foreign person pursuant to the Foreign Investment in Real Property Tax Act (FIRPTA)?
 14. Yes No If yes, consult a tax advisor; mandatory withholding may apply.
 15. Is the Property located in a community defined by the fair housing laws as housing for older persons? Yes No
 16. Explain: _____
 17. Approximate year built: _____. If Property was built prior to 1978, Seller must furnish the Buyer with a lead-based paint disclosure form.
18. **NOTICE TO BUYER: If the Property is in a subdivision, a subdivision public report, which contains a variety of**

19. **information about the subdivision at the time the subdivision was approved, may be available by contacting the Arizona**

20. **Department of Real Estate or the homebuilder. The public report information may be outdated. www.azre.gov.**

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Initials >

BUYER	BUYER

Residential Seller's Property Disclosure Statement (SPDS) >>

YES NO

- 21. Have you entered into any agreement to transfer your interest in the Property in any way, including rental renewals or options to purchase? Explain: _____
- 22. _____
- 23. Are you aware if there are any association(s) governing the Property?
- 24. If yes, provide contact(s) information: Name: _____ Phone #: _____
- 25. Name: _____ Phone #: _____
- 26. If yes, are there any fees? How much? \$ _____ How often? _____
- 27. How much? \$ _____ How often? _____
- 28. Are you aware of any association fees payable upon transfer of the Property? Explain: _____
- 29. _____
- 30. Are you aware of any proposed or existing association assessment(s)? Explain: _____
- 31. _____
- 32. Are you aware of any pending or anticipated disputes or litigation regarding the Property or the association(s)? Explain: _____
- 33. _____
- 34. Are you aware of any of the following recorded against the Property? (Check all that apply):
- 35. Judgment liens Tax liens Other non-consensual liens
- 36. Explain: _____
- 37. Are you aware of any assessments affecting the Property? (Check all that apply):
- 38. Paving Sewer Water Electric Other
- 39. Explain: _____
- 40. Are you aware of any title issues affecting the Property? (Check all that apply):
- 41. Recorded easements Use restrictions Lot line disputes Encroachments
- 42. Unrecorded easements Use permits Other _____
- 43. Explain: _____
- 44. Are you aware if the Property is located within the boundaries of a Community Facilities District (CFD)?
- 45. If yes, provide the name of the CFD: _____
- 46. _____
- 47. Are you aware of any public or private use paths or roadways on or across the Property?
- 48. Explain: _____
- 49. Are you aware of any problems with legal or physical access to the Property? Explain: _____
- 50. The road/street access to the Property is maintained by the County City Homeowners' Association Privately
- 51. If privately maintained, is there a recorded road maintenance agreement? Explain: _____
- 52. Are you aware of any violation(s) of any of the following? (Check all that apply):
- 53. Zoning Building Codes Utility Service Sanitary health regulations
- 54. Covenants, Conditions, Restrictions (CC&R's) Other _____ (Attach a copy of notice(s) of violation if available.)
- 55. Explain: _____
- 56. _____
- 57. Are you aware of any homeowner's insurance claims having been filed against the Property?
- 58. Explain: _____

NOTICE TO BUYER: Your claims history, your credit report, the Property's claims history and other factors may affect the insurability of the Property and at what cost. Under Arizona law, your insurance company may cancel your homeowner's insurance within 60 days after the effective date. Contact your insurance company.

BUILDING AND SAFETY INFORMATION

- 62. **YES NO ROOF / STRUCTURAL:**
- 63.

NOTICE TO BUYER: Contact a professional to verify the condition of the roof.
- 64. Are you aware of any past or present roof leaks? Explain: _____
- 65. _____
- 66. Are you aware of any other past or present roof problems? Explain: _____
- 67. _____

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Initials >

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BUYER BUYER

Residential Seller's Property Disclosure Statement (SPDS) >>

YES NO

68. Are you aware of any roof repairs? Explain: _____

69. _____

70. Is there a roof warranty? (Attach a copy of warranty if available.)

71. If yes, is the roof warranty transferable? Cost to transfer _____

72. Are you aware of any interior wall/ceiling/door/window/floor problems? Explain: _____

73. _____

74. Are you aware of any cracks or settling involving the foundation, exterior walls or slab? Explain: _____

75. _____

76. Are you aware of any chimney or fireplace problems, if applicable? Explain: _____

77. _____

78. Are you aware of any damage to any structure on the Property by any of the following? (Check all that apply):

79. Flood Fire Wind Expansive soil(s) Water Hail Other _____

80. Explain: _____

WOOD INFESTATION:

81. Are you aware of any of the following:

82. _____

83. Past presence of termites or other wood destroying organisms on the Property?

84. Current presence of termites or other wood destroying organisms on the Property?

85. Past or present damage to the Property by termites or other wood destroying organisms?

86. Explain: _____

87. _____

88. Are you aware of past or present treatment(s) of the Property for termites or other wood destroying organisms?

89. If yes, date last treatment was performed: _____

90. Name of treatment provider(s): _____

91. Is there a treatment warranty? (Attach a copy of warranty if available.)

92. If yes, is the treatment warranty transferrable?

93. **NOTICE TO BUYER: Contact Office of Pest Management for past termite reports or**
94. **treatment history. www.sb.state.az.us**

HEATING & COOLING:

95. Heating: Type(s) _____

96. Approximate Age(s) _____

97. Cooling: Type(s) _____

98. Approximate Age(s) _____

99. _____

100. Are you aware of any past or present problems with the heating or cooling system(s)?

101. Explain: _____

102. _____

103. **PLUMBING:** Are you aware of the type of water pipes, such as galvanized, copper, PVC, CPVC or polybutylene?

104. If yes, identify: _____

105. Are you aware of any past or present plumbing problems? Explain: _____

106. _____

107. Are you aware of any water pressure problems? Explain: _____

108. Type of water heater(s): Gas Electric Solar Approx. age(s): _____

109. Are you aware of any past or present water heater problems? Explain: _____

110. _____

111. Is there a landscape watering system? If yes, type: automatic timer manual both

112. If yes, are you aware of any past or present problems with the landscape watering system?

113. Explain: _____

114. Are there any water treatment systems? (Check all that apply):

115. water filtration reverse osmosis water softener Other _____

116. Is water treatment system(s) owned leased (Attach a copy of lease if available.)

117. Are you aware of any past or present problems with the water treatment system(s)?

118. Explain: _____

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Initials >

BUYER	BUYER

Residential Seller's Property Disclosure Statement (SPDS) >>

YES NO

119. **SWIMMING POOL/SPA/HOT TUB/SAUNA/WATER FEATURE:**

120. Does the Property contain any of the following? (Check all that apply):

121. Swimming pool Spa Hot tub Sauna Water feature

122. If yes, are either of the following heated? Swimming pool Spa If yes, type of heat: _____

123. Are you aware of any past or present problems relating to the swimming pool, spa, hot tub, sauna or water feature?

124. Explain: _____

125. **ELECTRICAL AND OTHER RELATED SYSTEMS:**

126. Are you aware of any past or present problems with the electrical system? Explain: _____

127. _____

128. Is there a security system? If yes, is it (Check all that apply):

129. Leased (Attach a copy of lease if available.) Owned Monitored Other _____

130. Are you aware of any past or present problems with the security system? Explain: _____

131. _____

132. Does the Property contain any of the following systems or detectors?(Check all that apply):

133. Smoke/fire detection Fire suppression (sprinklers) Carbon monoxide detector

134. If yes, are you aware of any past or present problems with the above systems? Explain: _____

135. _____

136. **MISCELLANEOUS:**

137. Are you aware of any animals/pets that have resided in the Property? If yes, what kind: _____

138. _____

139. Are you aware of or have you observed any of the following on the Property? (Check all that apply):

140. Scorpions Rabid animals Bee swarms Rodents Reptiles Bed Bugs Other: _____

141. Explain: _____

142. Has the Property been serviced or treated for pests, reptiles, insects, birds or animals? If yes, how often: _____

143. Name of service provider(s): _____ Date of last service: _____

144. Are you aware of any work done on the Property, such as building, plumbing, electrical or other improvements or alterations or room conversions? **(If no, skip to line 156.)**

145. Explain: _____

146. _____

147. _____

148. _____

149. _____

150. Were permits for the work required? Explain: _____

151. If yes, were permits for the work obtained? Explain: _____

152. Was the work performed by a person licensed to perform the work? Explain: _____

153. Was approval for the work required by any association governing the property? Explain: _____

154. If yes, was approval granted by the association? Explain: _____

155. Was the work completed? Explain: _____

156. Are there any security bars or other obstructions to door or window openings? Explain: _____

157. Are you aware of any past or present problems with any built-in appliances? Explain: _____

158. _____

159. Are there any leased propane tanks, equipment or other systems on the Property? (Attach a copy of lease if available.)

160. Explain: _____

161. _____

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Initials >

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BUYER BUYER

Residential Seller's Property Disclosure Statement (SPDS) >>

UTILITIES

162. **DOES THE PROPERTY CURRENTLY RECEIVE THE FOLLOWING SERVICES?**
- | | YES | NO | | PROVIDER |
|------|--------------------------|--------------------------|---|----------|
| 163. | <input type="checkbox"/> | <input type="checkbox"/> | Electricity: | _____ |
| 164. | <input type="checkbox"/> | <input type="checkbox"/> | Fuel: <input type="checkbox"/> Natural gas <input type="checkbox"/> Propane <input type="checkbox"/> Oil | _____ |
| 165. | <input type="checkbox"/> | <input type="checkbox"/> | Cable / Satellite: | _____ |
| 166. | <input type="checkbox"/> | <input type="checkbox"/> | Internet:..... | _____ |
| 167. | <input type="checkbox"/> | <input type="checkbox"/> | Telephone: | _____ |
| 168. | <input type="checkbox"/> | <input type="checkbox"/> | Garbage Collection: | _____ |
| 169. | <input type="checkbox"/> | <input type="checkbox"/> | Fire:..... | _____ |
| 170. | <input type="checkbox"/> | <input type="checkbox"/> | Irrigation:..... | _____ |
| 171. | <input type="checkbox"/> | <input type="checkbox"/> | Water Source: | |
| 172. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Public <input type="checkbox"/> Private water co. <input type="checkbox"/> Hauled water | _____ |
| 173. | | | <input type="checkbox"/> Private well <input type="checkbox"/> Shared well If water source is a private or shared well, complete and attach | |
| 174. | | | Domestic Water Well/Water Use Addendum. | |

NOTICE TO BUYER: If the Property is served by a well, private water company or a municipal water provider, the Arizona Department of Water Resources may not have made a water supply determination. For more information about water supply, or any of the above services, contact the provider.

178. Are you aware of any past or present drinking water problems? Explain: _____
179. _____
180. U.S. Postal Service delivery is available at: Property Cluster Mailbox Post Office Other _____
181. Are there any alternate power systems serving the Property? **(If no, skip to line 190.)**
182. If yes, indicate type (Check all that apply):
183. Solar Wind Generator Other _____
184. Are you aware of any past or present problems with the alternate power system(s)? Explain: _____
185. _____
186. Are any alternate power systems serving the Property leased? Explain: _____
187. _____
188. If yes, provide name and phone number of the leasing company (Attach copy of lease if available): _____
189. _____

ENVIRONMENTAL INFORMATION

- | | YES | NO | |
|------|--------------------------|--------------------------|---|
| 190. | <input type="checkbox"/> | <input type="checkbox"/> | Are you aware of any past or present issues or problems with any of the following on the Property? (Check all that apply): |
| 191. | | | <input type="checkbox"/> Soil settlement/expansion <input type="checkbox"/> Drainage/grade <input type="checkbox"/> Erosion <input type="checkbox"/> Fissures <input type="checkbox"/> Dampness/moisture <input type="checkbox"/> Other |
| 192. | | | Explain: _____ |
| 193. | <input type="checkbox"/> | <input type="checkbox"/> | Are you aware of any past or present issues or problems in close proximity to the Property related to any of |
| 194. | | | the following? (Check all that apply): |
| 195. | | | <input type="checkbox"/> Soil settlement/expansion <input type="checkbox"/> Drainage/grade <input type="checkbox"/> Erosion <input type="checkbox"/> Fissures <input type="checkbox"/> Other _____ |
| 196. | | | Explain: _____ |

NOTICE TO BUYER: The Arizona Department of Real Estate provides earth fissure maps to any member of the public in printed or electronic format upon request and on its website at www.azre.gov.

199. Are you aware if the Property is subject to any present or proposed effects of any of the following? (Check all that apply):
200. Airport noise Traffic noise Rail line noise Neighborhood noise Landfill Toxic waste disposal
201. Odors Nuisances Sand/gravel operations Other _____
202. Explain: _____
203. Are you aware if any portion of the Property has ever been used as a "Clandestine drug laboratory" (manufacture of,
204. or storage of, chemicals or equipment used in manufacturing methamphetamine, ecstasy or LSD)?

NOTICE TO BUYER: The Arizona Board of Technical Registration (BTR) maintains a list of unremediated sites at www.azbtr.gov. To determine if the property was once on the list but has been remediated, contact the BTR.

Residential Seller's Property Disclosure Statement (SPDS) >>

YES NO

207. Are you aware if the Property is located in the vicinity of a public or private airport?

208. Explain: _____

NOTICE TO SELLER AND BUYER: Pursuant to Arizona law a Seller shall provide a written disclosure to the Buyer if the Property is located in territory in the vicinity of a military airport or ancillary military facility as delineated on a map prepared by the State Land Department. The Department of Real Estate also is obligated to record a document at the County Recorder's Office disclosing if the Property is under restricted air space and to maintain the State Land Department Military Airport Map on its website at www.azre.gov.

214. Is the Property located in the vicinity of a military airport or ancillary military facility?

215. Explain: _____

216. Are you aware of the presence of any of the following on the Property, past or present? (Check all that apply):

217. Asbestos Radon gas Lead-based paint Pesticides Underground storage tanks Fuel/chemical storage

218. Explain: _____

219. Are you aware if the Property is located within or subject to any of the following ordinances? (Check all that apply):

220. Superfund / WQARF / CERCLA Wetlands area Natural Area Open Spaces

221. Are you aware of any open mine shafts/tunnels or abandoned wells on the Property?

222. If yes, describe location: _____

223. Are you aware if any portion of the Property is in a flood plain/way? Explain: _____

224. _____

NOTICE TO BUYER: Your mortgage lender [may] [will] require you to purchase flood insurance in connection with your purchase of this property. The National Flood Insurance Program provides for the availability of flood insurance and establishes flood insurance policy premiums based on the risk of flooding in the area where properties are located. Recent changes to 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 this property previously as an indication of the premiums that will apply after completion of the purchase. In considering purchase of this 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 purchaser 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 this property.

239. Are you aware of any portion of the Property ever having been flooded? Explain: _____

240. _____

241. Are you aware of any water damage or water leaks of any kind on the Property? Explain: _____

242. _____

243. Are you aware of any past or present mold growth on the Property? If yes, explain: _____

244. _____

SEWER/WASTEWATER TREATMENT

YES NO

245. Is the entire Property connected to a sewer?

246. If no, is a portion of the Property connected to a sewer? Explain: _____

247. _____

248. If the entire Property or a portion of the Property is connected to a sewer, has a professional verified the sewer connection?

249. If yes, how and when: _____

NOTICE TO BUYER: Contact a professional to conduct a sewer verification test.

251. Type of sewer: Public Private Planned and approved sewer system, but not connected

252. Name of Provider: _____

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Residential Seller's Property Disclosure Statement (SPDS) >>

YES NO

- 253. Are you aware of any past or present problems with the sewer? Explain: _____
- 254. Is the Property served by an On-Site Wastewater Treatment Facility? **(If no, skip to line 267.)**
- 255. If yes, the Facility is: Conventional septic system Alternative system; type: _____
- 256. If the Facility is an alternative system, is it currently being serviced under a maintenance contract?
- 257. If yes, name of contractor: _____ Phone #: _____
- 258. Approximate year Facility installed: _____ (Attach copy of permit if available.)
- 259. Are you aware of any repairs or alterations made to this Facility since original installation?
- 260. Explain: _____
- 261. _____
- 262. Approximate date of last Facility inspection and/or pumping of septic tank: _____
- 263. Are you aware of any past or present problems with the Facility? Explain: _____
- 264. _____

NOTICE TO SELLER AND BUYER: The Arizona Department of Environmental Quality requires a Pre-Transfer Inspection of On-Site Wastewater Treatment Facilities on re-sale properties.

OTHER CONDITIONS AND FACTORS

- 267. What other material (important) information are you aware of concerning the Property that might affect the Buyer's decision-making process, the value of the Property, or its use? Explain: _____
- 268. _____
- 269. _____

ADDITIONAL EXPLANATIONS

- 270. _____
- 271. _____
- 272. _____
- 273. _____
- 274. _____
- 275. _____
- 276. _____
- 277. _____
- 278. _____
- 279. _____

280. **SELLER CERTIFICATION:** Seller certifies that the information contained herein is true and complete to the best of Seller's knowledge as of the date signed. Seller agrees that any changes in the information contained herein will be disclosed in writing by Seller to Buyer prior to Close of Escrow, including any information that may be revealed by subsequent inspections. Seller acknowledges receipt of Residential Seller Disclosure Advisory titled *When in Doubt — Disclose*.

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

285. **Reviewed and updated: Initials:** _____ / _____
 SELLER SELLER MO/DA/YR

286. **BUYER'S ACKNOWLEDGMENT:** Buyer acknowledges that the information contained herein is based only on the Seller's actual knowledge and is not a warranty of any kind. Buyer acknowledges Buyer's obligation to investigate any material (important) facts in regard to the Property. Buyer is encouraged to obtain Property inspections by professional independent third parties and to consider obtaining a home warranty protection plan.

290. **NOTICE:** Buyer acknowledges that by law, Sellers, Lessors and Brokers are not obligated to disclose that the Property is or has been: (1) the site of a natural death, suicide, homicide, or any other crime classified as a felony; (2) owned or occupied by a person exposed to HIV, diagnosed as having AIDS or any other disease not known to be transmitted through common occupancy of real estate; or (3) located in the vicinity of a sex offender.

293. **By signing below, Buyer acknowledges receipt only of this SPDS. If Buyer disapproves of any items provided herein, Buyer shall deliver to Seller written notice of the items disapproved as provided in the Contract.**

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

Initials >

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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.*



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. _____ MONTH _____ DAY, 20____ ("COE Date"). If Escrow Company or recorder's office is closed on the COE Date,
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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SELLER	SELLER

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BUYER	BUYER

Residential Resale Real Estate Purchase Contract >>

- 1g. 39. Fixtures and Personal Property:** For purposes of this Contract, fixtures shall mean property attached/affixed to the Premises.
40. Seller agrees that all existing: fixtures on the Premises, personal property specified herein, and means to operate fixtures and
41. property (i.e.- remote controls) shall convey in this sale. Including the following:
- 42. • built-in appliances
 - 43. • ceiling fans and remote controls
 - 44. • central vacuum, hose, and attachments
 - 45. • draperies and other window coverings
 - 46. • fireplace equipment (affixed)
 - 47. • floor coverings (affixed)
 - 48. • free-standing range/oven
 - 49. • garage door openers and remote controls
 - light fixtures
 - mailbox
 - media antennas/satellite dishes (affixed)
 - outdoor fountains and lighting
 - outdoor landscaping (i.e. – shrubbery, trees and unpotted plants)
 - shutters and awnings
 - speakers (flush-mounted)
 - storage sheds
 - storm windows and doors
 - stoves: gas-log, pellet, wood-burning
 - timers (affixed)
 - towel, curtain and drapery rods
 - wall mounted TV brackets and hardware (excluding TVs)
 - water-misting systems
 - window and door screens, sun shades
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
 - water purification systems
 - water softeners
53. _____
54. _____
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 Trimerged Residential Credit Report.
- 2g. 93. **Loan Processing During Escrow:** Within ten (10) days after receipt of the **Loan Estimate** Buyer shall (i) provide lender with 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 Buyer to any homeowner's association(s) in which the Premises are located. (ii) If Escrow Company is also acting as the title agency but is not the title insurer issuing the title insurance policy, Escrow Company shall deliver to Buyer and Seller, upon deposit of funds, a closing protection letter from the title insurer indemnifying Buyer and Seller for any losses due to fraudulent acts or breach of escrow instructions by Escrow Company. (iii) All documents necessary to close this transaction shall be executed promptly by Seller and Buyer in the standard form used by Escrow Company. Escrow Company shall modify such documents to the extent necessary to be consistent with this Contract. (iv) Escrow Company fees, unless otherwise stated herein, shall be allocated equally between Seller and Buyer. (v) Escrow Company shall send to all parties and Broker(s) copies of all notices and communications directed to Seller, Buyer and Broker(s). (vi) Escrow Company shall provide Broker(s) access to escrowed materials and information regarding the escrow. (vii) 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 Escrow Company, Buyer and Seller authorize Escrow Company to release the Earnest Money pursuant to the terms and conditions of this Contract in its sole and absolute discretion. Buyer and Seller agree to hold harmless and indemnify Escrow Company against any claim, action or lawsuit of any kind, and from any loss, judgment, or expense, including costs and attorney fees, arising from or 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 association fees, rents, irrigation fees, and, if assumed, insurance premiums, interest on assessments, interest on encumbrances, 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 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 within three (3) days after Contract acceptance. Buyer shall provide notice of any SPDS items disapproved within the Inspection 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 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 insurance support organization or consumer reporting agency, or if unavailable from these sources, from Seller, within five (5) days after Contract acceptance. Buyer shall provide notice of any items disapproved within the Inspection Period or five (5) days after 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 individual, foreign corporation, foreign partnership, foreign trust, or foreign estate ("Foreign Person"). Seller agrees to complete, sign, and deliver to Escrow Company a certificate indicating whether Seller is a Foreign Person. FIRPTA requires that a foreign seller may have federal income taxes up to 15% of the purchase price withheld, unless an exception applies. Seller is responsible 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 ("LBP") or LBP hazards in the Premises; (ii) provide Buyer with any LBP risk assessments or inspections of the Premises in Seller's possession; (iii) provide Buyer with the Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards, and any report, records, pamphlets, and/or other materials referenced therein, including the pamphlet "Protect Your Family from Lead in Your Home" (collectively "LBP Information"). Buyer shall return a signed copy of the Disclosure of Information on Lead-Based Paint and 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 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 or _____ days after receipt of the LBP Information conduct or obtain a risk assessment or inspection of the Premises for the presence of LBP or LBP hazards ("Assessment Period"). Buyer may within five (5) days after receipt of the LBP Information or five (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 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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- 4e. 183. **Affidavit of Disclosure:** If the Premises are located in an unincorporated area of the county, and five (5) or fewer parcels of
 184. property other than subdivided property are being transferred, Seller shall deliver a completed Affidavit of Disclosure in the form
 185. required by law to Buyer within five (5) days after Contract acceptance. Buyer shall provide notice of any Affidavit of Disclosure items
 186. disapproved within the Inspection Period or five (5) days after receipt of the Affidavit of Disclosure, whichever is later.
- 4f. 187. **Changes During Escrow:** Seller shall immediately notify Buyer of any changes in the Premises or disclosures made herein,
 188. in the SPDS, or otherwise. Such notice shall be considered an update of the SPDS. Unless Seller is already obligated by this
 189. Contract or any amendments hereto, to correct or repair the changed item disclosed, Buyer shall be allowed five (5) days after
 190. delivery of such notice to provide notice of disapproval to Seller.

5. WARRANTIES

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

6. DUE DILIGENCE

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

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- 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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- 6k. 290. **Home Warranty Plan:** Buyer and Seller are advised to investigate the various home warranty plans available for purchase. The
 291. parties acknowledge that different home warranty plans have different coverage options, exclusions, limitations, service fees and
 292. most plans exclude pre-existing conditions.
293. A Home Warranty Plan will be ordered by Buyer or Seller with the following optional coverage
 294. _____, to be issued by _____ at a cost
 295. not to exceed \$ _____, to be paid for by Buyer Seller Split evenly between Buyer and Seller
 296. Buyer declines the purchase of a Home Warranty Plan.
 297. _____
- (BUYER'S INITIALS REQUIRED)** _____
 BUYER BUYER
- 6l. 298. **Walkthrough(s):** Seller grants Buyer and Buyer's inspector(s) reasonable access to conduct walkthrough(s) of the Premises for
 299. the purpose of satisfying Buyer that any corrections or repairs agreed to by Seller have been completed, and the Premises are
 300. in substantially the same condition as of the date of Contract acceptance. If Buyer does not conduct such walkthrough(s), Buyer
 301. releases Seller and Broker(s) from liability for any defects that could have been discovered.
- 6m. 302. **Seller's Responsibility Regarding Inspections and Walkthrough(s):** Seller shall make the Premises available for all inspections
 303. and walkthrough(s) upon reasonable notice by Buyer. Seller shall, at Seller's expense, have all utilities on, including any propane,
 304. until COE to enable Buyer to conduct these inspections and walkthrough(s).
- 6n. 305. **IRS and FIRPTA Reporting:** The Foreign Investment in Real Property Tax Act ("FIRPTA") provides that, if a seller is a Foreign
 306. Person, a buyer of residential real property must withhold federal income taxes up to 15% of the purchase price, unless an exception
 307. applies. If FIRPTA is applicable and Buyer fails to withhold, Buyer may be held liable for the tax. Buyer agrees to perform any acts
 308. reasonable or necessary to comply with FIRPTA and IRS reporting requirements and Buyer is responsible for obtaining independent
 309. legal and tax advice.

7. REMEDIES

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

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8. ADDITIONAL TERMS AND CONDITIONS

- 8a. 344. _____
- 345. _____
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- 377. _____
- 378. _____
- 379. _____
- 380. _____
- 381. _____
- 382. _____
- 383. _____
- 384. _____
- 385. _____
- 386. _____
- 387. _____
- 388. _____
- 389. _____



>>

SELLER	SELLER

<Initials

Initials>

BUYER	BUYER

LOAN STATUS UPDATE (LSU)

Document updated:
September 2015



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



- Pursuant to Section 2e of the Contract, Buyer shall deliver to Seller the AAR Loan Status Update ("LSU") describing the current
- status of Buyer's proposed loan within ten (10) days after Contract acceptance and hereby instructs lender to provide an updated
- LSU to Broker(s) and Seller upon request. "Lender" is indicated on lines 4 and 5.

- Lender:** _____
COMPANY _____ ARIZONA LICENSE # _____ NMLS # _____
- LOAN OFFICER _____ ARIZONA LICENSE # _____ NMLS # _____
- ADDRESS _____ CITY _____ STATE _____ ZIP _____
- EMAIL _____ PHONE _____ FAX _____
- Close of Escrow Date:** _____
- Buyer(s):** _____
- Seller(s):** _____
- Premises/Property Address or Assessor's #(s):** _____
- City:** _____, AZ ZIP Code: _____

PRE-QUALIFICATION INFORMATION

- Buyer is:** Married Unmarried Legally Separated
- Buyer:** is is not relying on the sale or lease of a property to qualify for this loan.
- Buyer:** is is not relying on Seller Concessions for Buyer's loan costs including pre-pays, impounds,
- appraisal fees and Buyer's title and escrow fees. (Note: The amount that Seller agrees to contribute, if any,
- shall be established in the Contract.)
- Type of Loan:** Conventional FHA VA USDA Other: _____
- Occupancy Type:** Primary Secondary Non-Owner Occupied
- Property Type:** Single Family Residence Condominium Planned Unit Development Manufactured Home
- Mobile Home Vacant Land/Lot Other: _____
- | | | | |
|--------------------------|--------------------------|--------------------------|--|
| YES | NO | N/A | |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Lender has provided Buyer with the HUD form "For Your Protection: Get a Home Inspection" (FHA loans only). |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Lender has completed a verbal discussion with Buyer including a discussion of income, assets and debts. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Lender has obtained a Tri-Merged Residential Credit Report. |
- Based on the information provided, Buyer can pre-qualify for a loan amount of: \$** _____ ,
- assuming a monthly principal and interest loan payment of \$ _____ , **provided that the total monthly**
- payment** (which includes principal, interest, mortgage insurance, property taxes, insurance, HOA fees, and flood insurance,
- if applicable) **does not exceed: \$** _____
- Interest rate not to exceed:** _____%, Fixed Interest Rate Adjustable Interest Rate Pre-Payment Penalty
- Initial Documentation Received:** Lender received the following information from Buyer:
- (Additional documentation may be requested.)

YES	NO	N/A		YES	NO	N/A	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Paystubs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Down Payment/Reserves Documentation
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	W-2s	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Gift Documentation
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Personal Tax Returns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Credit/Liability Documentation
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Corporate Tax Returns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Other: _____
- Additional comments: _____
- Buyer has instructed, and Lender agrees to provide loan status updates on this AAR Loan Status Update form to Seller and Broker(s)
- within ten (10) days of Contract acceptance pursuant to Section 2e of the Contract and upon request thereafter.
- Buyer commits to work with the above referenced Lender on the terms described herein. Buyer acknowledges receipt of a copy hereof.

- ^ BUYER'S SIGNATURE _____ MO/DA/YR ^ BUYER'S SIGNATURE _____ MO/DA/YR >>

Loan Status Update (LSU) >>

Premises/Property Address or Assessor's #(s): _____

DOCUMENTATION

	YES	NO		DATE COMPLETED	LENDER INITIALS
41.	<input type="checkbox"/>	<input type="checkbox"/>	Lender received the Contract and all Addenda	__/__/__	_____
42.	<input type="checkbox"/>	<input type="checkbox"/>	Lender received Buyer's name, income, social security number, Premises address,		
43.			estimate of value of the Premises, and mortgage loan amount sought	__/__/__	_____
44.	<input type="checkbox"/>	<input type="checkbox"/>	Lender sent Loan Estimate	__/__/__	_____
45.	<input type="checkbox"/>	<input type="checkbox"/>	Buyer indicated to Lender an intent to proceed with the transaction after having		
46.			received the Loan Estimate	__/__/__	_____
47.	<input type="checkbox"/>	<input type="checkbox"/>	Lender received a signed Form 1003 and Lender disclosures	__/__/__	_____
48.	<input type="checkbox"/>	<input type="checkbox"/>	Payment for the appraisal has been received	__/__/__	_____
49.	<input type="checkbox"/>	<input type="checkbox"/>	Lender ordered the appraisal	__/__/__	_____
50.	<input type="checkbox"/>	<input type="checkbox"/>	Lender identified down payment source	__/__/__	_____
51.	<input type="checkbox"/>	<input type="checkbox"/>	Lender received and reviewed the Title Commitment	__/__/__	_____
52.	<input type="checkbox"/>	<input type="checkbox"/>	Buyer locked the loan program and financing terms, including interest rate and points	__/__/__	_____
53.	<input type="checkbox"/>	<input type="checkbox"/>	Lock expiration date _____		
54.	<input type="checkbox"/>	<input type="checkbox"/>	Lender received the Initial Documentation listed on lines 32-35	__/__/__	_____
55.	<input type="checkbox"/>	<input type="checkbox"/>	Appraisal received	__/__/__	_____
56.	<input type="checkbox"/>	<input type="checkbox"/>	Premises/Property appraised for at least the purchase price	__/__/__	_____
57.	<input type="checkbox"/>	<input type="checkbox"/>	Closing Disclosure provided to Buyer	__/__/__	_____
58.	<input type="checkbox"/>	<input type="checkbox"/>	Closing Disclosure received by Buyer	__/__/__	_____

UNDERWRITING AND APPROVAL

59.	<input type="checkbox"/>	<input type="checkbox"/>	Lender submitted the loan package to the Underwriter	__/__/__	_____
60.	<input type="checkbox"/>	<input type="checkbox"/>	Lender obtained loan approval with Prior to Document ("PTD") Conditions	__/__/__	_____
61.	<input type="checkbox"/>	<input type="checkbox"/>	Appraisal conditions have been met	__/__/__	_____
62.	<input type="checkbox"/>	<input type="checkbox"/>	Buyer has loan approval without PTD Conditions	__/__/__	_____

CLOSING

63.	<input type="checkbox"/>	<input type="checkbox"/>	Lender ordered the Closing Loan Documents and Instructions	__/__/__	_____
64.	<input type="checkbox"/>	<input type="checkbox"/>	Lender received signed Closing Loan Documents from all parties	__/__/__	_____
65.	<input type="checkbox"/>	<input type="checkbox"/>	All Lender Quality Control Reviews have been completed	__/__/__	_____
66.	<input type="checkbox"/>	<input type="checkbox"/>	All Prior to Funding ("PTF") Conditions have been met and Buyer has obtained		
67.			loan approval without conditions	__/__/__	_____
68.	<input type="checkbox"/>	<input type="checkbox"/>	Funds have been ordered	__/__/__	_____
69.	<input type="checkbox"/>	<input type="checkbox"/>	All funds have been received by Escrow Company	__/__/__	_____

70. **Close of escrow occurs when the deed has been recorded at the appropriate county recorder's office.**

71. _____ MO/DA/YR
 ^ LOAN OFFICER'S SIGNATURE



Lawyers Title

lawyerstitlearizona.com