

# HOME BUYER'S GUIDE



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# Quick REFERENCE

Escrow #	
New Address	
City/State/Zip	

Complete the following information as it becomes available.  
**IMPORTANT:** Do not cancel your home insurance or disconnect utilities prior to the close of escrow.

REAL ESTATE AGENT	
Name	
Team Members	
Company	
Address	
City/State/Zip	
Phone #	
Cell #	
Fax #	
Email	
Website	

LENDER	
Name	
Team Members	
Company	
Address	
City/State/Zip	
Phone #	
Cell #	
Fax #	
Email	
Website	

CLOSING AGENT OR ATTORNEY	
Name	
Phone #	
Fax #	
Email	

Assistant	
Phone #	
Email	
Address	
City/State/Zip	

HOME INSURANCE	
Current Agent	
Phone #	
Policy #	
END Date	

New Agent	
Phone #	
Policy #	
START Date	
Home Warranty	
Plan #	
Policy #	

PHONE SERVICE	
Company	
Phone #	
Account #	
New Phone #	
Activation Date	

SERVICE	COMPANY	PHONE #	ACCOUNT #	ACTIVATION DATE
Internet				
Cable/Satellite				
Gas				
Electric				

# rent or buy...

YOU DECIDE



Have you ever considered how much you pay in rent over an extended period of time? It is probably a lot more than you realize. The amount you spend for rent each month could be applied to a mortgage, not only building equity in your own property, but, in most cases, substantially reducing the Federal and State income taxes you pay each year. And, what happens to your rent money? It's gone! There's no interest, no equity, no return. To determine your home-buying ability, call your real estate agent or lender.

RENT	5 YEARS	10 YEARS	15 YEARS	20 YEARS	25 YEARS	30 YEARS
\$1,000	\$60,000	\$120,000	\$180,000	\$240,000	\$300,000	\$360,000
\$1,200	\$72,000	\$144,000	\$216,000	\$288,000	\$360,000	\$432,000
\$1,400	\$84,000	\$168,000	\$252,000	\$336,000	\$420,000	\$504,000
\$1,600	\$96,000	\$192,000	\$288,000	\$384,000	\$480,000	\$576,000
\$1,800	\$108,000	\$216,000	\$324,000	\$432,000	\$540,000	\$648,000
\$2,000	\$120,000	\$240,000	\$360,000	\$480,000	\$600,000	\$720,000
\$2,200	\$132,000	\$264,000	\$396,000	\$528,000	\$660,000	\$792,000
\$2,400	\$144,000	\$288,000	\$432,000	\$576,000	\$720,000	\$864,000
\$2,600	\$156,000	\$312,000	\$468,000	\$624,000	\$780,000	\$936,000
\$2,800	\$168,000	\$336,000	\$504,000	\$672,000	\$840,000	\$1,008,000
\$3,000	\$180,000	\$360,000	\$540,000	\$720,000	\$900,000	\$1,080,000

## RENT

- No interest-payment deductions
- Rental amount may increase at any time
- Landlord approval needed for any changes
- No capitalization; your money disappears forever
- Rental is temporary and often subject to a 30-day notice

## BUY

- Mortgage interest may be tax deductible
- Decorate and make changes, without prior landlord approval
- The value of your property may increase in time
- Your house will become a home, not a temporary living situation; you are not at the mercy of a landlord

# KEY PROFESSIONALS

## INVOLVED IN A REAL ESTATE TRANSACTION



Knowledgeable, customer-focused professionals are available to answer your title and settlement questions. Throughout the home buying and selling process, you may also encounter the following industry specialists who are able to professionally answer questions in their area of expertise.

### REAL ESTATE AGENT

Licensed by the state to represent parties in the transfer of property.

### HOME INSPECTOR

Objectively and independently provides a comprehensive analysis of a home's major systems and components.

### LOAN OFFICER/LENDER

A representative of a bank or other financial institution. They help customers identify their borrowing options, help them understand the terms of their loan, and are responsible for providing the Closing Disclosure to the borrower.

### APPRAISER

Works on behalf of a lender and provides a market analysis of the subject property. An appraiser's finding is subjective and combined with market findings of sold properties within the surrounding neighborhood.

### INSURANCE AGENT

Helps a homebuyer determine the homeowner's protection coverage needed and then finds the right insurance policy to fit those needs.

### REAL ESTATE ATTORNEY

Can give advice on all legal aspects of the real estate transaction. Additionally, they are able to draft and review contracts, help decide how to take title and assist with the consummation or closing process. In some states, real estate closings can only be conducted by attorneys.

### ESCROW/CLOSING OFFICER

A non-biased third party who works with all participants to facilitate a successful closing of a real estate transaction. At closing, the closing officer will collect the purchase money funds from the buyer and lender as well as the settlement costs from each party. They disburse the funds in accordance with the closing documents and record the necessary documents to transfer ownership of the property.

### CLOSING/SETTLEMENT/TITLE

Performs title searches to ensure a clear title so a title insurance policy can be issued. In some states, they facilitate the transfer of real estate.

# OBTAINING A NEW LOAN

## WHEN AND WHERE TO APPLY FOR A LOAN?

There are many sources for home loans including banks, credit unions, mortgage companies, and mortgage brokers. You may consider asking friends and relatives or your real estate agent for recommendations. Knowing what you can afford before you begin looking may give you more bargaining power when negotiating with a seller.

## WHAT IS HAZARD (OR FIRE) INSURANCE?

Hazard insurance covers the dwelling itself and may be required for your home. Your lender or real estate agent may explain the necessary hazard insurance coverage to you. If you are buying a condominium, ask if a master policy will be included with your unit.

## CONTACT YOUR INSURANCE AGENT EARLY

This coverage may need to be provided so the closing/settlement agent can release loan funds to the escrow company. Order your insurance as soon as your loan is approved; then furnish your closing/settlement agent with the insurance agent's name and phone number.

When you talk with your insurance agent, ask about additional coverage in a homeowner's policy to insure your personal belongings and protect against liabilities.

## WHAT HAPPENS AFTER LOAN APPROVAL?

After loan approval and prior to your planned closing date, you will receive a Closing Disclosure from your lender with details of the final loan terms and closing costs. Your closing/settlement agent may also prepare a separate Settlement Statement which indicates what funds go where and how much money you may need to bring to the closing appointment.

## WHAT YOU MAY NEED FOR THE LOAN APPLICATION

Be prepared to provide some or all of these items to your loan officer.

- Addresses of residences for the last two or more years
- Social Security number
- Driver's License or other valid ID
- Names and addresses of employers for the last two or more years
- Two or more recent pay stubs showing year-to-date earnings
- Federal tax returns for the last two or more years
- W-2s for the last two or more years
- Checking and savings account statements for last two or more months
- Debt: names, addresses, account numbers, and payment amounts on all loans and credit cards
- For a VA loan, Certificate of Eligibility or DD-214s
- Divorce decree if applicable
- Letters of explanation regarding credit inquires or special circumstances
- Funds to pay for credit report and appraisal

# 5 MORTGAGE CLOSING TERMS EVERY BUYER SHOULD KNOW

When the housing crisis and economic recession hit, it put many prospective home buyers' plans on hold, forcing those considering purchasing a home into the rental market. Now, as the economy continues to improve, some of those renters are looking to own.

However, there are many factors to consider when buying a home. When it comes to the closing process, it is a good idea to know the terminology that will be discussed. This can help make the situation much more comfortable and professional for all parties involved. Below are some of the terms that may be discussed during the closing process.

## ANNUAL PERCENTAGE RATE (APR)

This term reflects the cost of all credit and finances as determined by the length of a year, including the interest rate, points, broker fees, and other credit charges obligated to the buyer.

## DOWN PAYMENT

Like many transactions involving large sums of money, the mortgage process involves a down payment - the amount a home buyer pays in order to make up the difference between the purchase price and the mortgage amount. Some experts advise no less than 10% to 15%. However, any amount over 20% of the purchase price is often recommended, and may be required to avoid having to pay for private mortgage insurance.

## LOAN ESTIMATE (LE)

The Consumer Financial Protection Bureau, or CFPB, requires your lender to issue a Loan Estimate within three business days of receiving your mortgage application. The Loan Estimate details the terms of your loans along with estimated closing costs.

## PRIVATE MORTGAGE INSURANCE (PMI)

PMI is typically required if a borrower puts a down payment that's less than 20% of the home's value. The charge is usually included in the monthly mortgage payment in an attempt to protect the lender from possible default.

## CLOSING COSTS

Closing costs may also be referred to as transaction costs or settlement costs and may include various fees and charges associated with finalization. These may include or be related to application fees, title examination, title insurance, property fees, as well as settlement documents and attorney charges.

# SAMPLE MORTGAGE PAYMENT

## 30-YEAR LOAN / PRINCIPAL & INTEREST ONLY

LOAN AMOUNT	INTEREST RATE							
	3.50%	3.75%	4%	4.25%	4.50%	4.75%	5%	5.25%
\$80,000	\$359	\$370	\$382	\$394	\$405	\$417	\$429	\$442
\$100,000	\$449	\$463	\$477	\$492	\$507	\$522	\$537	\$552
\$120,000	\$539	\$556	\$573	\$590	\$608	\$626	\$644	\$663
\$140,000	\$629	\$648	\$668	\$689	\$709	\$730	\$752	\$773
\$160,000	\$718	\$741	\$764	\$787	\$811	\$835	\$859	\$884
\$180,000	\$808	\$834	\$859	\$885	\$912	\$939	\$966	\$994
\$200,000	\$898	\$926	\$955	\$984	\$1,013	\$1,043	\$1,074	\$1,104
\$220,000	\$988	\$1,019	\$1,050	\$1,082	\$1,115	\$1,148	\$1,181	\$1,215
\$240,000	\$1,078	\$1,111	\$1,146	\$1,181	\$1,216	\$1,252	\$1,288	\$1,325
\$260,000	\$1,168	\$1,204	\$1,241	\$1,279	\$1,317	\$1,356	\$1,396	\$1,436
\$280,000	\$1,257	\$1,297	\$1,337	\$1,377	\$1,419	\$1,461	\$1,503	\$1,546
\$300,000	\$1,347	\$1,389	\$1,432	\$1,476	\$1,520	\$1,565	\$1,610	\$1,657

### HOW MUCH HOME CAN YOU AFFORD?

THIS FORMULA IS ONLY A GUIDE AND NOT TO BE CONSTRUED AS ACTUAL LENDING CALCULATIONS.

Contact your loan officer to determine more accurately what price range you should consider. Lenders abide by certain ratios when calculating the loan amount their customers can qualify for and the ratios vary by lender and loan program. Many use 28% of your gross monthly income as the maximum allowed for your mortgage payment (principal/interest/taxes/insurance or PITI); for your total monthly debt, the ratio is 36%. Total monthly expenses means PITI plus long-term debt (such as auto loans) and revolving/credit-card debt. Do not include other expenses such as groceries, utilities, clothing, tuition, etc., to calculate this ratio.

MONTHLY PAYMENTS  
ON ACCOUNTS, AUTO,  
CREDIT CARD, LOANS + \_\_\_\_\_  
+ \_\_\_\_\_  
+ \_\_\_\_\_  
+ \_\_\_\_\_  
+ \_\_\_\_\_  
= TOTAL MONTHLY \_\_\_\_\_  
DEBT (A)

MONTHLY ALLOWABLE TOTAL DEBT (C) \_\_\_\_\_  
MINUS MONTHLY DEBT - (A) \_\_\_\_\_  
= MONTHLY ALLOWABLE PITI (D) \_\_\_\_\_  
(LESS 20% FOR TAXES & INSURANCE) \_\_\_\_\_ x .20  
= ALLOWABLE PRINCIPAL/INTEREST ONLY (E) \_\_\_\_\_

GROSS MONTHLY INCOME (B) \_\_\_\_\_  
\_\_\_\_\_ x .28  
= MONTHLY ALLOWABLE PITI (F) \_\_\_\_\_  
(LESS 20% FOR TAXES & INSURANCE) \_\_\_\_\_ x .20  
= ALLOWABLE PRINCIPAL/INTEREST ONLY (G) \_\_\_\_\_  
PAYMENT: ENTER LESSER OF (E) OR (G) (H) \_\_\_\_\_

GROSS MONTHLY  
INCOME BEFORE  
TAXES (B) \_\_\_\_\_ x .36  
= ALLOWABLE TOTAL  
MONTHLY DEBT (C) \_\_\_\_\_

Using the chart above, find current interest rate. Locate payment amount in the column close to your principal and interest (H). Find loan amount to the left and enter here.

LOAN AMOUNT \_\_\_\_\_  
FOR 20% DOWN \_\_\_\_\_ ÷ .80  
= HOME PRICE \_\_\_\_\_

LOAN AMOUNT \_\_\_\_\_  
FOR 10% DOWN \_\_\_\_\_ ÷ .90  
= HOME PRICE \_\_\_\_\_

# chart

## HOME COMPARISON



Remembering each home would appear easy, but it can quickly become confusing. Which home was near the school? Which one had the great pool? Did it have a family room? How many bathrooms? In the “Something Memorable” category, note something you think is unusual and memorable about each home, such as a stained glass window, fruit trees, a child’s playhouse. This will make it easier for you to recall the property later and refer to a specific address. And, last but not least, maybe the most important question, does this house feel like home?

The following home comparison chart is designed to help you remember the homes you visit and what you liked best and least about each one. Rate features or make notes that will help you determine what pleased or displeased you.

	HOME 1	HOME 2	HOME 3	HOME 4	HOME 5
ADDRESS					
ASKING PRICE					
NO. BEDROOMS/BATHS	/	/	/	/	/
SQUARE FOOTAGE					
FIRST IMPRESSION					
LOCATION					
NEIGHBORHOOD					
APPEALING STYLE					
LIVING ROOM					
DINING ROOM					
GREAT ROOM					
KITCHEN					
FAMILY ROOM					
BATHROOM					
MASTER BEDROOM					
MASTER BATH					
BEDROOMS					
FLOOR PLAN					
PATIO					
POOL					
LANDSCAPING					
GARAGE OR CARPORT					
SOMETHING MEMORABLE					
DOES THIS FEEL LIKE HOME?					



# What is TITLE INSURANCE

As real estate is the nation's largest market, its purchase and sale is essential to the health of the U.S. economy. However, these transactions are never without risk. That's why title insurance has been protecting American homeowners for more than 130 years.

## Overview

When a piece of real property is financed, purchased or sold, a record of that transaction is generally filed in public archives. Likewise, other events that may affect the ownership of a property are also documented and filed. These may include liens, levies, encumbrances, etc. When a buyer purchases title insurance, the title company searches these records to find (and remedy, if possible) issues that may affect the purchaser's ownership.

## Title Search and Exam

That's where title insurance differs from traditional insurance models. When you purchase a policy insuring you for matters relating to your car or health, the insurance company assesses the risk of insuring you, and bases its premium on the risk being assumed. With title insurance, the insurer first works to identify the status of ownership, liens and other matters affecting title by collecting documents affecting title from the public records that are statutorily identified for the recording of real estate transactions. This process is called the search. Once the search is complete, the title insurance underwriter can then determine the insurability of the title and list exceptions from coverage and requirements to insure.

## Undiscovered Risks

Of course, even the most skilled title professionals may not find all title problems. Other risks include matters that are more difficult to identify, such as title issues resulting from filing errors, forgeries, undisclosed heirs, and other unforeseen problems. That's one reason why your title insurance policy can play a key role in protecting your real estate investment.

## Loan Policy

When you purchase a new home or other piece of real property by securing a mortgage, you may be required by your lender to purchase a Loan Policy of title insurance. This policy insures the lender against covered title defects up to the amount of insurance. This coverage in favor of the lender lasts for the life of the loan under limited circumstances stated within the policy.

## Owner's Policy

You will also have the option of purchasing an Owner's Policy of title insurance, which provides insurance directly to the insured owner listed in the policy, and describes the type of real property interest owned. The insurance in both an owner's and a Loan Policy is subject to the policy provisions, which include the covered risks, exclusions from coverage, the conditions and the exceptions to title listed on a schedule to the policy.

## Premium

You will pay a one-time premium for both the Loan Policy and the Owner's Policy at the close of your transaction, based on the total value of your home and the amount of your loan. This is another way in which title insurance differs from other insurance models, where premiums are paid on an ongoing basis. The purchase of a home or other real estate may be the largest financial investment you ever make. Title insurance can give you added peace of mind in knowing that the title to your investment is insured.



# 10 Common TITLE PROBLEMS

Have you ever wondered why you need title insurance? Your home may be new to you, but every property has a history. A thorough title search can help uncover any title defects tied to your property. And, subject to the terms of the policy, your title insurance provides protection for you from title problems that may become known after you close your transaction. Some of these common title issues are:

## 1. ERRORS IN PUBLIC RECORDS:

To err is human, but when it affects your home ownership rights, those mistakes can be devastating. Clerical or filing errors could affect the deed or survey of your property and cause undue financial strain in order to resolve them.

## 2. UNKNOWN LIENS:

Prior owners of your property may not have been meticulous bookkeepers – or bill payers. And, even though the former debt is not your own, banks or other financing companies can place liens on your property for unpaid debts even after you have closed on the sale. This is an especially worrisome issue with distressed properties.

## 3. ILLEGAL DEEDS:

While the chain of title on your property may appear perfectly sound, it's possible that a prior deed was made by an undocumented immigrant, a minor, a person of unsound mind, or one who is reported single but in actuality married. These instances may affect the enforceability of prior deeds, affecting prior (and possibly present) ownership.

## 4. MISSING HEIRS:

When a person dies, the ownership of their home may fall to their heirs, or those named within their will. However, those heirs are sometimes missing or unknown at the time of death. Other times, family members may contest the will for their own property rights. These scenarios which can happen long after you have purchased the property – may affect your rights to the property.

## 5. FORGERIES:

Unfortunately, we don't live in a completely honest world. Sometimes forged or fabricated documents that affect property ownership are filed within public records, obscuring the rightful ownership of the property. Once these forgeries come to light, your rights to your home may be in jeopardy.

## 6. UNDISCOVERED ENCUMBRANCES:

when it comes to owning a home, three can be a crowd. At the time of purchase, you may not know that a third party holds a claim to all or part of your property – due to a former mortgage or lien, or non-financial claims, like restrictions or covenants limiting the use of your property.

## 7. UNKNOWN EASEMENTS:

You may own your new home and its surrounding land, but an unknown easement may prohibit you from using it as you'd like, or could allow government agencies, businesses, or other parties access to all or portions of your property. While usually non-financial issues, easements can still affect your right to enjoy your property.

## 8. BOUNDARY/SURVEY DISPUTES:

You may have seen several surveys of your property prior to purchasing, however, other surveys may exist that show differing boundaries. Therefore, a neighbor or other party may be able to claim ownership to a portion of your property.

## 9. UNDISCOVERED WILL:

When a property owner dies with no apparent will or heir, the state may sell his or her assets, including the home. When you purchase such a home, you assume your rights as owner. However, even years later, the deceased owner's will may come to light and your rights to the property may be seriously jeopardized.

## 10. FALSE IMPERSONATION OF PREVIOUS OWNER:

Common and similar names can make it possible to falsely "impersonate" a property owner. If you purchase a home that was once sold by a false owner, you can risk losing your legal claim to the property.

## PLAY IT SAFE

These and other issues are often covered by an Owner's Policy of title insurance. When you buy a home, make sure you're protecting that investment with title insurance.



# what is ESCROW

“Escrow” is a term that describes the neutral third-party handling of funds, documents, and tasks specific to the closing (or settlement, as it is also known), as outlined on the real estate purchase agreement or sales contract. The purpose of escrow is to facilitate the transaction by managing the disbursement of funds and documents.

## Key Players

In accordance with local custom, the buyer or seller involved in the transaction will select the escrow provider, though they often defer to their real estate agent to make this decision. This provider could be an escrow company, title officer, or title/escrow attorney, depending upon many considerations, including the geographical location of the transaction.

## Roles

The escrow provider may have a duty to arrange and/or track the requirements and contingencies outlined within the purchase contract. These might include home inspections, the purchase of homeowners insurance, the completion of negotiated repairs, and financing requirements.

## Process

Once all transaction contingencies are met, including the execution of all documents necessary to complete the transaction, the escrow company will disburse funds to the seller and other parties, all in accordance with the purchase agreement.

## Cost

The cost of escrow services is covered by the buyer or seller as determined by local custom, market conditions, or contractual agreements made within the purchase offer.

## “Closing/ Consummation”

Once all the tasks described within the sales purchase agreement have been completed and the appropriate funds are disbursed, the transaction is complete and the escrow closes.

## Recording

Upon satisfaction of all requirements and deposit of funds, recordation will occur in accordance with your contract closing date.

# mail-away CLOSING TIPS

As opportunities for real estate transactions expand across county and state lines, the frequency of mail-away closings is increasing. If you are involved in a closing that requires the mailing of documents, here are some tips that can help you avoid delays:

- Inform your settlement agent and lender of the need to mail documents as soon as possible. This will allow them to better coordinate the document preparation and signing process.
- Provide your settlement agent and lender with a physical address and the best phone number for each party involved in the transaction. Most overnight delivery services will not deliver to a P.O. Box.
- Be aware that many lenders have specific closing practices that may differ from local customs. Not all lenders allow documents to be signed in advance of the closing date, and some require that the documents be signed in the presence of an attorney or at a local settlement agent’s office.
- Allow sufficient turnaround time for the documents to be signed. This may decrease the chances of funding delays due to errors in the signing process. In order to disburse funds on a transaction, your lender will require the original documents to be returned and in their possession. The minimum time required to send and receive documents is three business days.



# WHAT TO AVOID

## DURING THE CLOSING PROCESS

### **AVOID** CHANGING YOUR MARITAL STATUS:

How you hold title is affected by your marital status. Be sure to make both your lender and closing/settlement agent aware of any changes in your marital status so that documents can be prepared correctly.

### **AVOID** CHANGING JOBS:

A job change may result in your loan being denied, particularly if you are taking a lower-paying position or moving into a different field. Don't think you're safe because you've received approval earlier in the process, as the lender may call your employer to re-verify your employment just prior to funding the loan.

### **AVOID** SWITCHING BANKS OR MOVING YOUR MONEY TO ANOTHER INSTITUTION:

After the lender has verified your funds at one or more institutions, the money should remain there until needed for the purchase.

### **AVOID** PAYING OFF EXISTING ACCOUNTS UNLESS YOUR LENDER REQUESTS IT:

If your loan officer advises you to pay off certain bills in order to qualify for the loan, follow that advice. Otherwise, leave your accounts as they are until your escrow closes.

### **AVOID** MAKING ANY LARGE PURCHASES:

A major purchase that requires a withdrawal from your verified funds or increases your debt can result in your not qualifying for the loan. A lender may check your credit or re-verify funds at the last minute, so avoid purchases that could impact your loan approval.



REAL ESTATE BUYERS AND SELLERS ARE TARGETS FOR WIRE FRAUD AND MANY HAVE LOST HUNDREDS OF THOUSANDS OF DOLLARS BECAUSE THEY FAILED TO TAKE **TWO SIMPLE STEPS:**



Obtain the phone number of your real estate agent and your escrow officer at your first meeting;



Call the known phone number to speak directly with your real estate agent or escrow officer to confirm wire instructions **PRIOR** to wiring.

\_\_\_\_\_  
Broker's Name

\_\_\_\_\_  
Broker's Phone

\_\_\_\_\_  
Escrow Officer's Name

\_\_\_\_\_  
Escrow Officer's Phone

*My real estate broker or escrow officer reviewed this form with me.*

\_\_\_\_\_  
Sign

\_\_\_\_\_  
Date

***Never wire funds without first calling the known phone number for your real estate agent or escrow officer and confirming the wire instructions. Do not rely upon e-mail communications.***

## CALL **BEFORE** YOU WIRE!

### BEWARE OF THE FOLLOWING SCAM:

1. An email account is hacked (this could be broker's, escrow's, or consumer's email).
2. Hacker monitors the account, waiting for the time when consumer must wire funds. Broker, escrow, and consumer have no knowledge they are being monitored.
3. Hackers, impersonating broker or escrow, instructs consumer to wire funds immediately. The wire instructions are for an account controlled by hacker. These instructions often create a sense of urgency and often explain that the broker or escrow officer cannot be reached by phone so any follow-up must be by email. When Consumer's email is diverted to hacker.
4. Consumer wires the funds which are stolen by hacker with no recourse for consumer.



Agency of Arizona

CLEARTITLEAZ.COM | 480.278.8484



# WHAT HAPPENS AFTER THE CLOSING

**It is recommended you keep all records pertaining to your home together in a safe place, including all purchase documents, insurance, maintenance and improvements.**

## **KEYS TO HOME**

You have been supplied with a set of keys that unlocks the doors to your new home. To ensure security, change the locks upon moving in.

## **UTILITIES**

If you have not already done so, contact the local service providers to make arrangements for electricity, gas, water, phone and cable or satellite services. While some providers may need as little notice as a day to activate your services, it's best to give them a few weeks' notice.

## **OWNER'S TITLE INSURANCE POLICY**

You may have received ClearTitle Owner's Policy of Title at the closing table. If this service is not available in your area, you will receive your policy by mail in the weeks following the closing.

## **RECORDED DEED**

Once recorded in the official county records, the original deed to your home will be mailed directly to you.

## **LOAN PAYMENTS**

At the closing, written instructions were provided with details for making your first loan payment. If you have questions about your tax and insurance escrows, please contact your closing/settlement agent.

## **PROPERTY TAXES**

At the closing, property taxes were prorated between the buyer and the seller based on occupancy time in the home. You may not receive a tax statement for the current year on the home you buy; however, it is your obligation to make sure the taxes are paid when due. Check with your lender to find out if taxes are included with your payment and if the tax bill will be paid by the lender from escrowed funds.

## **FILING FOR HOMESTEAD**

If the home you purchased is in a homestead state, you may be required to declare homestead or file a homestead exemption. A homestead exemption reduces the value of a home for state-tax purposes. You can check with the local county recorder's office to determine eligibility, filing requirements and deadlines.

## **POSTAL SERVICE**

Your local Post Office can provide the necessary Change of Address forms to expedite the delivery of mail to your new home. You can speed up the process by notifying everyone who sends you mail of your new address and the date of your move. Many bills provide an area for making an address change.

## **DRIVER'S LICENSE, VEHICLE REGISTRATION AND INSPECTION**

You are required by law to notify your state Department of Motor Vehicles (DMV) after any relocation so a new driver's license can be issued. You will also need to have your auto registration transferred to your new address and depending on your state, submit to a driving test and vehicle inspection. Check with your state DMV to determine requirements.



# KNOW BEFORE YOU OWE

The TILA-RESPA Integrated Disclosure (TRID) Rule from the Consumer Financial Protection Bureau (CFPB) went into effect on October 3, 2015. This initiative is designed to help consumers understand their loan options, shop for the mortgage that's best for them, and avoid costly surprises at the closing table. The new Rule not only requires new mortgage disclosure forms, it also changes the way real estate transactions are processed and closed.

## NEW FORMS

### Loan Estimate (LE)

- Replaces the Good Faith Estimate (GFE) and initial Truth-in-Lending Disclosure
- The LE is designed to provide disclosures that will be helpful to consumers in understanding the key features, costs and risks of the mortgage loan for which they are applying.
- The lender or mortgage broker will issue the LE.

### Closing Disclosure (CD)

- Replaces the HUD-1 Settlement Statement and final Truth-in-Lending Disclosure.
- The CD is designed to provide disclosures that will be helpful to consumers in understanding all of the costs of the transaction.
- The lender will most often provide this document to the buyer/borrower, but in some cases, may assign the responsibility to the settlement agent or title company.
- The settlement agent, not the lender, is responsible for completing and delivering the seller's side of the CD. Settlement agents may elect to prepare a separate CD for the seller.

## NEW TIMING REQUIREMENTS

- **The LE** must be delivered or placed in the mail no later than the third business day after receiving the consumer's application.
- **The CD** must be provided to the consumer at least three business days prior to closing.

The real estate closing process varies around the country, but every transaction requires coordination between skilled professionals. Working closely with your real estate agent, lender and settlement agent will help the settlement process go as smoothly as possible.



# Closing DAY

Whether you are purchasing a home or selling a house, knowing what to expect and being prepared at the closing can help eliminate stress and result in a pleasant experience. We understand how important this transaction is to you, and we are committed to consistently providing a level of service that prepares you for this final step in your real estate transaction.

Although the settlement process can vary from state to state, here are some common items that may be required at closing to help the process go as smoothly and quickly as possible.

## VALID PHOTO IDENTIFICATION

Two forms of identification are typically required at closing, including one of the following:

- ▶ Valid U.S. Driver's License or non-driver I.D.
- ▶ Valid Canadian or Mexican Driver's License issued by the Official Agency
- ▶ Current United States or Foreign Passport  
Foreign Passport must have been stamped by U.S. Immigration and Naturalized Service

## CASHIER'S CHECK, TREASURER'S CHECK, OR WIRE TRANSFER

In the event you are required to bring funds to closing, we cannot accept personal checks or cash. If you prefer to wire your funds, contact us for bank routing instructions.

If you will be bringing a proceeds check from another settlement, contact us to verify the acceptance of those funds - we do not automatically accept all checks.

## HAZARD INSURANCE POLICY AND PAID RECEIPT

A hazard policy, also known as homeowner's insurance, with the lender designated as the insured holder of the mortgage, is required on most loans. Evidence of hazard insurance, including a paid receipt, must be provided prior to closing.

## IF POSSIBLE, ALL PARTIES WHO HOLD TITLE TO THE PROPERTY SHOULD ATTEND THE CLOSING

State-specific laws may require the spouse of the parties in title, even though their name does not appear on the deed, to sign certain documents when obtaining a mortgage. If anyone is unable to attend closing, contact us to arrange a power of attorney or closing by mail.

# Checklist

of Items  
Needed for a

# SUCCESSFUL CLOSING

- Closing Instructions or Real Estate Broker Worksheet
- Purchase Agreement
- Valid Photo Identification
- Amendments or Addenda
- All Closing Party Members

## If Applicable

- Buyer(s) Pre-Approval Letter
- Home Warranty Application
- Association/Condominium Contact Information
- Copy of Earnest Money Deposit Check and Escrow Agreement
- Cashier's Check or Wire Transfer
- Power of Attorney (original needed at closing)
- Corporation Documents:
- Board of Resolution, Certificate of Good Standing and Articles of Organization
- Trust Agreement
- Limited Liability Company Documents: Operating Agreement and Articles of Organization
- Hazard Insurance Policy and Paid Receipt





# MOVING CHECKLIST

## TIPS FOR MOVING WITH PETS

### SEND CHANGE OF ADDRESS TO:

- Post Office
- Bank
- Credit card companies
- Friends and relatives
- Insurance companies — Life, health, fire, auto
- Automobile — Transfer of car title registration, driver's license
- Utility companies — Gas, light, water, telephone, cable
  - Arrange for any refunds of deposits
  - Arrange for service in new location
- Home delivery — Laundry, newspaper, magazine subscriptions
- School records — Ask for copies or transfer children's school records
- Medical records — Medical, dental, prescription histories
  - Ask doctor and dentist for referrals
  - Transfer needed prescriptions, x-rays, etc.
- Church, clubs, civic organizations — Transfer memberships and get letters of introduction

### DON'T FORGET TO:

- Empty freezers — Plan use of foods
- Defrost freezer/refrigerator
- Have appliances serviced for moving
- Contact utility companies for connection — Water, power, cable, trash, etc.
- Stay in contact with your mover — Check with the following: insurance coverage, packing and unpacking labor, arrival day, various shipping papers, method and time of expected payment
- Plan for special care and needs of infants, children, pets and potted plants

### ON MOVING DAY:

- Carry currency, jewelry, and important documents yourself
- Let a close friend or relative know route and schedule you will travel including overnight stops; use him/her as message headquarters
- Double-check (to avoid confusion) old closets, drawers, shelves to be sure they are empty
- Leave old keys needed by new owner

Moving to a home in a new location can be an exciting adventure, but it can also be the cause of stress and confusion for household pets. To minimize the trauma, here are a few tips that may help make your pet's transition a little easier:

- Schedule an appointment with the veterinarian for a check-up prior to moving.
  - Obtain a copy of your pet's medical history along with rabies certifications that state when and where your pet was vaccinated.
  - Make sure the supply of current medications will last until a veterinarian in your new location can be found to provide refills.
- Proper identification is essential. Be certain that any required license tags are secured properly and the contact information is current.
- Pets can become anxious with the increase of activity prior to a move. To eliminate the threat of them misbehaving or running off, consider boarding your pet during the most hectic of moving days.
- If you are moving your pet by car, be sure to take a favorite toy or two, a leash for when stops are made, and plenty of water to keep your pet hydrated.
- Requirements for the movement of pets across state lines are set by each individual state. Contact the State Veterinarian in your new location to obtain the most current information.
- Long-distance moves may require an overnight stay. People and pet-friendly accommodations can be found by searching a number of internet sites.
- Once you and your pet have arrived in your new location, allow sufficient time for the new neighborhood adjustment to be made. It could take a few days or a few weeks for your pet to adapt to their new surroundings.
- Carry a current photograph of your pet. If your pet is lost during the move, a photograph will make it much easier to search effectively.





*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/](http://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.**

## **WARNING: \*WIRE TRANSFER FRAUD\***

Beware of wiring instructions sent via email. Cyber criminals may hack email accounts and send emails with fake wiring instructions. ***Always independently confirm wiring instructions prior to wiring any money.*** Do not email or transmit documents that show bank account numbers or personal identification information.



# RESIDENTIAL RESALE REAL ESTATE PURCHASE CONTRACT

Document updated:  
October 2022



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.  Solar Addendum  Other: \_\_\_\_\_

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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, ceiling fans and remotes
  - 43. • central vacuum, hose, and attachments
  - 44. • draperies and other window coverings
  - 45. • fireplace equipment (affixed)
  - 46. • floor coverings (affixed)
  - 47. • free-standing range/oven
  - 48. • garage door openers and remotes
  - 49. • light fixtures
  - 50. • mailbox
  - media antennas/satellite dishes (affixed)
  - outdoor fountains and lighting
  - outdoor landscaping (i.e., shrubbery, trees and unpotted plants)
  - shutters and awnings
  - smart home devices, access to which shall be transferred (i.e., video doorbell, automated thermostat)
  - 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 the
67. 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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<b>BUYER</b>	<b>BUYER</b>

**Residential Resale Real Estate Purchase Contract >>**

- 2f. 90. **Loan Application:** Unless previously completed, within three (3) days after Contract acceptance Buyer shall (i) provide lender 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 will credit Buyer \_\_\_\_\_% 101. of the Purchase Price **OR** \$\_\_\_\_\_ (Seller Concessions). The Seller Concessions may be used for any Buyer fee, cost, 102. charge, or expenditure to the extent allowed by Buyer's lender.
- 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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BUYER	BUYER

**Residential Resale Real Estate Purchase Contract >>**

- 3d. 133. **Additional Instructions:** (i) Escrow Company shall promptly furnish notice of pending sale that contains the name and address of 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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**Residential Resale Real Estate Purchase Contract >>**

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

**5. WARRANTIES**

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

**6. DUE DILIGENCE**

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

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SELLER	SELLER

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BUYER	BUYER



**Residential Resale Real Estate Purchase Contract >>**

6e. 237. **Insurance: IF HOMEOWNER'S INSURANCE IS A MATERIAL MATTER TO BUYER, BUYER SHALL APPLY FOR AND**  
238. **OBTAIN WRITTEN CONFIRMATION OF THE AVAILABILITY AND COST OF HOMEOWNER'S INSURANCE FOR THE**  
239. **PREMISES FROM BUYER'S INSURANCE COMPANY DURING THE INSPECTION PERIOD.** Buyer understands that any  
240. homeowner's, fire, casualty, flood or other insurance desired by Buyer or required by lender should be in place at COE.

6f. 241. **Sewer or On-site Wastewater Treatment System:** The Premises are connected to a:

242.  sewer system  conventional septic system  alternative system

243. **IF A SEWER CONNECTION IS A MATERIAL MATTER TO BUYER, IT MUST BE INVESTIGATED DURING THE INSPECTION**

244. **PERIOD.** If the Premises are served by a conventional septic or alternative system, the AAR On-site Wastewater Treatment Facility

245. Addendum is incorporated herein by reference.

246. **(BUYER'S INITIALS REQUIRED)** \_\_\_\_\_  
BUYER BUYER

6g. 247. **Swimming Pool Barrier Regulations:** During the Inspection Period, Buyer agrees to investigate all applicable state, county, and  
248. municipal Swimming Pool barrier regulations and agrees to comply with and pay all costs of compliance with said regulations prior to  
249. occupying the Premises, unless otherwise agreed in writing. If the Premises contains a Swimming Pool, Buyer acknowledges receipt  
250. of the Arizona Department of Health Services approved private pool safety notice.

251. **(BUYER'S INITIALS REQUIRED)** \_\_\_\_\_  
BUYER BUYER

6h. 252. **BUYER ACKNOWLEDGMENT: BUYER RECOGNIZES, ACKNOWLEDGES, AND AGREES THAT BROKER(S) ARE NOT**  
253. **QUALIFIED, NOR LICENSED, TO CONDUCT DUE DILIGENCE WITH RESPECT TO THE PREMISES OR THE SURROUNDING**  
254. **AREA. BUYER IS INSTRUCTED TO CONSULT WITH QUALIFIED LICENSED PROFESSIONALS TO ASSIST IN BUYER'S**  
255. **DUE DILIGENCE EFFORTS. BECAUSE CONDUCTING DUE DILIGENCE WITH RESPECT TO THE PREMISES AND THE**  
256. **SURROUNDING AREA IS BEYOND THE SCOPE OF BROKER'S EXPERTISE AND LICENSING, BUYER EXPRESSLY**  
257. **RELEASES AND HOLDS HARMLESS BROKER(S) FROM LIABILITY FOR ANY DEFECTS OR CONDITIONS THAT COULD**  
258. **HAVE BEEN DISCOVERED BY INSPECTION OR INVESTIGATION.**

259. **(BUYER'S INITIALS REQUIRED)** \_\_\_\_\_  
BUYER BUYER

6i. 260. **Inspection Period Notice:** Prior to expiration of the Inspection Period, Buyer shall deliver to Seller a signed notice of any items  
261. disapproved. AAR's Buyer's Inspection Notice and Seller's Response form is available for this purpose. Buyer shall conduct all  
262. desired inspections and investigations prior to delivering such notice to Seller and all Inspection Period items disapproved shall be  
263. provided in a single notice.

6j. 264. **Buyer Disapproval:** If Buyer, in Buyer's sole discretion, disapproves of items as allowed herein, Buyer shall deliver to Seller a  
265. signed notice of the items disapproved and state in the notice that Buyer elects to either:

266. (1) Immediately cancel this Contract, in which case:

267. (a) If Buyer's notice specifies disapproval of items as allowed herein, the Earnest Money shall be released to Buyer.

268. (b) If Buyer's notice fails to specify items disapproved as allowed herein, the cancellation will remain in effect but Buyer has  
269. failed to comply with a provision of this Contract and Seller may deliver to Buyer a cure notice as required by Section 7a.  
270. If Buyer fails to cure their non-compliance within three (3) days after delivery of such notice, Buyer shall be in breach and  
271. Seller shall be entitled to the Earnest Money. If, prior to expiration of the Cure Period, Buyer delivers notice specifying  
272. items disapproved as allowed herein, Buyer shall be entitled to a return of the Earnest Money.

273. **OR**

274. (2) Provide Seller an opportunity to correct or address 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 or address 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 or address any of the items disapproved, Buyer may cancel this Contract within  
282. five (5) days after delivery of Seller's response or after expiration of the time for Seller's response, whichever occurs  
283. first, and the Earnest Money shall be released to Buyer. If Buyer does not cancel this Contract within the five (5) days as  
284. provided, Buyer shall close escrow without those items that Seller has not agreed in writing to correct or address.

285. **VERBAL DISCUSSIONS WILL NOT EXTEND THESE TIME PERIODS.** Only a written agreement signed by both parties will extend  
286. response times or cancellation rights.

287. **BUYER'S FAILURE TO GIVE NOTICE OF DISAPPROVAL OF ITEMS OR CANCELLATION OF THIS CONTRACT WITHIN**  
288. **THE SPECIFIED TIME PERIOD SHALL CONCLUSIVELY BE DEEMED BUYER'S ELECTION TO PROCEED WITH THE**  
289. **TRANSACTION WITHOUT CORRECTION OF ANY DISAPPROVED ITEMS.**

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SELLER SELLER

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BUYER BUYER

**Residential Resale Real Estate Purchase Contract >>**

**6k. 290. Home Warranty Plan:** Buyer and Seller are advised to investigate the various home warranty plans available for purchase. The 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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SELLER SELLER

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BUYER BUYER

**8. ADDITIONAL TERMS AND CONDITIONS**

- 8a. 344. \_\_\_\_\_
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<b>SELLER</b>	<b>SELLER</b>

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<b>BUYER</b>	<b>BUYER</b>

**Residential Resale Real Estate Purchase Contract >>**

- 8b. 390. **Risk of Loss:** If there is any loss or damage to the Premises between the date of Contract acceptance and COE or possession, 391. whichever is earlier, by reason of fire, vandalism, flood, earthquake, or act of God, the risk of loss shall be on Seller, provided, 392. however, that if the cost of repairing such loss or damage would exceed ten percent (10%) of the purchase price, either Seller or 393. Buyer may elect to cancel the Contract.
- 8c. 394. **Permission:** Buyer and Seller grant Broker(s) permission to advise the public of this Contract.
- 8d. 395. **Arizona Law:** This Contract shall be governed by Arizona law and jurisdiction is exclusively conferred on the State of Arizona.
- 8e. 396. **Time is of the Essence:** The parties acknowledge that time is of the essence in the performance of the obligations described 397. herein.
- 8f. 398. **Compensation:** Seller and Buyer acknowledge that Broker(s) shall be compensated for services rendered as previously agreed by 399. separate written agreement(s), which shall be delivered by Broker(s) to Escrow Company for payment at COE, if not previously paid. 400. If Seller is obligated to pay Broker(s), this Contract shall constitute an irrevocable assignment of Seller's proceeds at COE. If Buyer 401. is obligated to pay Broker(s), payment shall be collected from Buyer as a condition of COE. COMMISSIONS PAYABLE FOR THE 402. SALE, LEASING, OR MANAGEMENT OF PROPERTY ARE NOT SET BY ANY BOARD OR ASSOCIATION OF REALTORS®, OR 403. MULTIPLE LISTING SERVICE, OR IN ANY MANNER OTHER THAN BETWEEN BROKER AND CLIENT.
- 8g. 404. **Copies and Counterparts:** A fully executed facsimile or electronic copy of the Contract shall be treated as an original Contract. 405. This Contract and any other documents required by this Contract may be executed by facsimile or other electronic means and in any 406. number of counterparts, which shall become effective upon delivery as provided for herein, except that the Disclosure of Information 407. on Lead-Based Paint and Lead-Based Paint Hazards may not be signed in counterpart. All counterparts shall be deemed to 408. constitute one instrument, and each counterpart shall be deemed an original.
- 8h. 409. **Days:** All references to days in this Contract shall be construed as calendar days and a day shall begin at 12:00 a.m. and 410. end at 11:59 p.m.
- 8i. 411. **Calculating Time Periods:** In computing any time period prescribed or allowed by this Contract, the day of the act or event from 412. which the time period begins to run is not included and the last day of the time period is included. Contract acceptance occurs on the 413. date that the signed Contract (and any incorporated counter offer) is delivered to and received by the appropriate Broker. Acts that 414. must be performed three (3) days prior to the COE Date must be performed three (3) full days prior (i.e. – if the COE Date is Friday 415. the act must be performed by 11:59 p.m. on Monday).
- 8j. 416. **Entire Agreement:** This Contract, and any addenda and attachments, shall constitute the entire agreement between Seller and 417. Buyer, shall supersede any other written or oral agreements between Seller and Buyer and can be modified only by a writing signed 418. by Seller and Buyer. The failure to initial any page of this Contract shall not affect the validity or terms of this Contract.
- 8k. 419. **Subsequent Offers:** Buyer acknowledges that Seller has the right to accept subsequent offers until COE. Seller understands that 420. any subsequent offer accepted by Seller must be a backup offer contingent on the cancellation of this Contract.
- 8l. 421. **Cancellation:** A party who wishes to exercise the right of cancellation as allowed herein may cancel this Contract by delivering 422. notice stating the reason for cancellation to the other party or to Escrow Company. Cancellation shall become effective immediately 423. upon delivery of the cancellation notice.
- 8m. 424. **Notice:** Unless otherwise provided, delivery of all notices and documentation required or permitted hereunder shall be in writing 425. and deemed delivered and received when: (i) hand-delivered; (ii) sent via facsimile transmission; (iii) sent via electronic mail, if email 426. addresses are provided herein; or (iv) sent by recognized overnight courier service, and addressed to Buyer as indicated in Section 427. 8q, to Seller as indicated in Section 9a and to Escrow Company indicated in Section 3a.
- 8n. 428. **Release of Broker(s):** Seller and Buyer hereby expressly release, hold harmless and indemnify Broker(s) in this 429. transaction from any and all liability and responsibility regarding financing, the condition, square footage, lot lines, 430. boundaries, value, rent rolls, environmental problems, sanitation systems, roof, wood infestation, building codes, 431. governmental regulations, insurance, price and terms of sale, return on investment or any other matter relating to the value 432. or condition of the Premises. The parties understand and agree that Broker(s) do not provide advice on property as an 433. investment and are not qualified to provide financial, legal, or tax advice regarding this real estate transaction.
- 434. **(SELLER'S INITIALS REQUIRED)** \_\_\_\_\_ **(BUYER'S INITIALS REQUIRED)** \_\_\_\_\_  
SELLER SELLER BUYER BUYER
- 8o. 435. **Terms of Acceptance:** This offer will become a binding Contract when acceptance is signed by Seller and a signed copy delivered 436. in person, by mail, facsimile or electronically, and received by Broker named in Section 8q 437. by \_\_\_\_\_, \_\_\_\_\_ at \_\_\_\_\_ a.m./p.m., Mountain Standard Time. 438. Buyer may withdraw this offer at any time prior to receipt of Seller's signed acceptance. If no signed acceptance is received by this 439. date and time, this offer shall be deemed withdrawn and Buyer's Earnest Money shall be returned.
- 8p. 440. THIS CONTRACT CONTAINS TEN (10) PAGES EXCLUSIVE OF ANY ADDENDA AND ATTACHMENTS. PLEASE ENSURE 441. THAT YOU HAVE RECEIVED AND READ ALL TEN (10) PAGES OF THIS OFFER AS WELL AS ANY ADDENDA AND 442. ATTACHMENTS.

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SELLER	SELLER

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BUYER	BUYER

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

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

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

446. \_\_\_\_\_  
 PRINT FIRM NAME FIRM MLS CODE

447. \_\_\_\_\_  
 FIRM ADDRESS STATE ZIP CODE FIRM STATE LICENSE NO.

448. \_\_\_\_\_  
 PREFERRED TELEPHONE FAX EMAIL

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

450.  Buyer;  Seller; or  both Buyer and Seller

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

453. \_\_\_\_\_ MO/DA/YR ^ BUYER'S SIGNATURE MO/DA/YR  
 ^ BUYER'S SIGNATURE

454. \_\_\_\_\_  
 ^ BUYER'S NAME PRINTED ^ BUYER'S NAME PRINTED

455. \_\_\_\_\_  
 ADDRESS ADDRESS

456. \_\_\_\_\_  
 CITY, STATE, ZIP CODE CITY, STATE, ZIP CODE

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

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

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

460. \_\_\_\_\_  
 PRINT FIRM NAME FIRM MLS CODE

461. \_\_\_\_\_  
 FIRM ADDRESS STATE ZIP CODE FIRM STATE LICENSE NO.

462. \_\_\_\_\_  
 PREFERRED TELEPHONE FAX EMAIL

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

464.  Seller; or  both Buyer and Seller

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

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

469. \_\_\_\_\_ MO/DA/YR ^ SELLER'S SIGNATURE MO/DA/YR  
 ^ SELLER'S SIGNATURE

470. \_\_\_\_\_  
 ^ SELLER'S NAME PRINTED ^ SELLER'S NAME PRINTED

471. \_\_\_\_\_  
 ADDRESS ADDRESS

472. \_\_\_\_\_  
 CITY, STATE, ZIP CODE CITY, STATE, ZIP CODE

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

**For Broker Use Only:**

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

# H.O.A. CONDOMINIUM / PLANNED COMMUNITY ADDENDUM



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



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

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

### ASSOCIATION(S) GOVERNING THE PREMISES

- |     |  |   |
|-----|--|---|
| 7.  | <b>H.O.A.:</b> _____                             | Contact Info: _____   |
| 8.  | Management Company (if any): _____               | Contact Info: _____   |
| 9.  | Amount of Dues: \$ _____                         | How often? _____  |
| 10. | Amount of special assessments (if any): \$ _____ | How often? _____ Start Date: _____ End Date: _____<br>MO/DA/YR MO/DA/YR |
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- |     |  |   |
|-----|--|---|
| 11. | <b>Master Association</b> (if any): _____        | Contact Info: _____   |
| 12. | Management Company (if any): _____               | Contact Info: _____   |
| 13. | Amount of Dues: \$ _____                         | How often? _____  |
| 14. | Amount of special assessments (if any): \$ _____ | How often? _____ Start Date: _____ End Date: _____<br>MO/DA/YR MO/DA/YR |
- 
- |     |                          |                     |
|-----|--------------------------|---------------------|
| 15. | <b>Other:</b> _____      | Contact Info: _____ |
| 16. | Amount of Dues: \$ _____ | How often? _____    |

### FEES PAYABLE UPON CLOSE OF ESCROW

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

## ADDITIONAL OBLIGATIONS

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

### INFORMATION REQUIRED BY LAW TO BE PROVIDED TO BUYER:

- 42.
43. 1. A copy of the bylaws and the rules of the association.
44. 2. A copy of the declaration of Covenants, Conditions and Restrictions ("CC&Rs").
45. 3. A dated statement containing:
46. (a) The telephone number and address of a principal contact for the association, which may be an association manager, an
47. association management company, an officer of the association or any other person designated by the board of directors.
48. (b) The amount of the common expense assessment and the unpaid common expense assessment, special assessment or
49. other assessment, fee or charge currently due and payable from the Seller.
50. (c) A statement as to whether a portion of the unit is covered by insurance maintained by the association.
51. (d) The total amount of money held by the association as reserves.
52. (e) If the statement is being furnished by the association, a statement as to whether the records of the association reflect any
53. alterations or improvements to the unit that violate the declaration. The association is not obligated to provide information
54. regarding alterations or improvements that occurred more than six years before the proposed sale. Seller remains obligated
55. to disclose alterations or improvements to the Premises that violate the declaration. The association may take action
56. against the Buyer for violations apparent at the time of purchase that are not reflected in the association's records.
57. (f) If the statement is being furnished by the Seller, a statement as to whether the Seller has any knowledge of any alterations
58. or improvements to the unit that violate the declaration.
59. (g) A statement of case names and case numbers for pending litigation with respect to the Premises or the association,
60. including the amount of any money claimed.
61. 4. A copy of the current operating budget of the association.
62. 5. A copy of the most recent annual financial report of the association. If the report is more than ten pages, the association may
63. provide a summary of the report in lieu of the entire report.
64. 6. A copy of the most recent reserve study of the association, if any.
65. 7. Any other information required by law.
66. 8. A statement for Buyer acknowledgment and signature are required by Arizona law.

&gt;&gt;

### BUYER'S ACKNOWLEDGMENT AND TERMS

67. Buyer: \_\_\_\_\_

68. Seller: \_\_\_\_\_

69. Premises Address: \_\_\_\_\_

70. **NOTE: LINES 71-76 TO ONLY BE COMPLETED BY BUYER, AND NOT SELLER!**

71. **The following additional terms and conditions are hereby included as a part of the Contract between Seller and Buyer for the above referenced Premises.**

73. **Transfer Fees** shall be paid by:  Buyer  Seller  Other \_\_\_\_\_

74. **Capital Improvement Fees** shall be paid by:  Buyer  Seller  Other \_\_\_\_\_

75. Any additional fees not disclosed on page 1 and payable upon close of escrow shall be paid by:  Buyer  Seller  Other \_\_\_\_\_

76. \_\_\_\_\_

77. Buyer shall pay all **Prepaid Association Fees**.

78. Seller shall pay all **Disclosure Fees** as required by Arizona law.

79. In a financed purchase, Buyer shall be responsible for all lender fees charged to obtain Association(s)/Management Company(ies) documents.

80. **BUYER VERIFICATION:** Buyer may contact the Association(s)/Management Company(ies) for verbal verification of association

81. **FEES PAYABLE UPON CLOSE OF ESCROW.**

82. **ASSESSMENTS:** Any current homeowner's association assessment which is a lien as of Close of Escrow shall be paid in full by Seller.

83. Any assessment that becomes a lien after Close of Escrow is Buyer's responsibility.

### ADDITIONAL TERMS AND CONDITIONS

84. \_\_\_\_\_

85. \_\_\_\_\_

86. \_\_\_\_\_

87. \_\_\_\_\_

88. **BUYER ACKNOWLEDGEMENT:** By signing below, Buyer acknowledges receipt of all three (3) pages of this addendum and acknowledges that, although Seller has used best efforts to identify the amount of the fees stated herein, the precise amount of the fees may not be known until written disclosure documents are furnished by the Association(s)/Management Company(ies) per Arizona law (A.R.S. § 33-1260 and §33-1806). Buyer further acknowledges that Broker(s) did not verify any of the information contained herein. Buyer therefore agrees to hold Seller and Broker(s) harmless should the **FEES PAYABLE UPON CLOSE OF ESCROW** prove incorrect or incomplete.

93. The undersigned agrees to the additional terms and conditions set forth above and acknowledges receipt of a copy hereof.

94. \_\_\_\_\_

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

96. **SELLER'S ACCEPTANCE:**

97. \_\_\_\_\_

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

**For Broker Use Only:**

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





# Buyer Advisory



## A Resource for Real Estate Consumers

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

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

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

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

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

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

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

### Reminder:

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

### Please Note:

The property may be subject to video and/or audio surveillance. Buyer should therefore exercise caution and not discuss features or pricing while in the home.

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## Section 1

# COMMON DOCUMENTS A BUYER SHOULD REVIEW

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

## 1 Purchase Contract

Buyers should protect themselves by taking the time to read the Arizona REALTORS® Residential Resale Real Estate Purchase Contract and understand their legal rights and obligations before they submit an offer to buy a property.

[Residential Resale Real Estate Purchase Contract](#)  
(Arizona REALTORS® Residential Resale Purchase Contract)

### Contingency Waivers

The Purchase Contract contains numerous contingencies, including, but not limited to, the loan contingency, the inspection contingency, and the appraisal contingency. Should a buyer elect to waive any such contingencies in conjunction with their purchase offer, adverse consequences may result that place buyer at risk of losing their Earnest Money or incurring monetary damages if buyer decides not to purchase the property after their offer is accepted. Before offering to waive any contractual contingencies, buyers should weigh the risks and consult with independent legal counsel.

## 2 MLS Printout

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

## 3 The Subdivision Disclosure Report (Public Report)

A Subdivision Disclosure Report (Public Report) is intended to point out material information about a subdivision. Subdividers (any person who offers for sale or lease six or more lots in a subdivision or who causes land to be divided into a subdivision) are required to give buyers a Public Report. Read the Public Report before signing any contract to purchase a property in a

subdivision. Although some of the information may become outdated, subsequent buyers can also benefit from reviewing the Public Report. Public Reports dating from January 1, 1997, are available on the Arizona Department of Real Estate (ADRE) website.

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

<https://azre.gov/consumers/property-buyers-checklist-home-or-land>  
(ADRE Property Buyer's Checklist)

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

## 4 Seller's Property Disclosure Statement (SPDS)

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

A seller's disclosure obligation remains even if the buyer and seller agree that no Seller's Property Disclosure Statement will be provided.

<https://bit.ly/3HDnA0u> (AAR Sample SPDS)  
<http://www.azre.gov/PublicInfo/PropertyBuyerChecklist.aspx>  
(ADRE Property Buyer's Checklist)

## 5 Covenants, Conditions and Restrictions (CC&Rs)

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

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

It is the law of this state that any covenants or restrictions that are based on race, religion, color, handicap status or national origin are invalid and unenforceable. A.R.S. 32-2107.01

<https://www.aaronline.com/arizona-deed-restrictions/>  
(Arizona Deed Restrictions webpage)

**ADRE ADVISES:** "Read the deed restrictions, also called CC&Rs (covenants, conditions and restrictions). You might find some of the CC&Rs are very strict." Buyers should consult legal counsel if uncertain of the application of particular provisions in the CC&Rs.

## 6 Homeowners Association (HOA) Governing Documents

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

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

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

<http://bit.ly/1rCq9kd> (ADRE HOA Information)

## 7 HOA Disclosures

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

<http://bit.ly/2ebBSLH> (A.R.S.33-1260); and

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

## 8 Community Facilities District

Community Facilities Districts (CFDs) are special taxing districts that use bonds for the purpose of financing construction, acquisition, operation and maintenance of public infrastructure that benefits the real property owners comprising the CFD members. Roadways, public sewer, utility infrastructure and public parks are examples of the types of public infrastructure paid for by CFDs. CFDs have a Governing Board that may be the City Council acting as the board or a stand-alone board. Any member of a CFD may request disclosures from this board. Questions to ask include: the amount still owed and how many more payments are left in order to pay off the CFD for the property. It is important that you review the Detailed Property Tax Statement which will show the current amount due to the CFD.

CFDs are most commonly found on the property's detailed property tax statement from the County Tax Assessor. The local municipality or county can also be a source of CFD information.

## 9 Title Report or Title Commitment

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

<https://www.homeclosing101.org/> (American Land Title Association)

<https://bit.ly/34KkCaQ> (CFPB - What is title insurance?)

## 10 Loan Information and Documents

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

<https://www.consumerfinance.gov/owning-a-home/>

(Buying a house: Tools & Resources for Homebuyers)

[https://www.hud.gov/topics/buying\\_a\\_home](https://www.hud.gov/topics/buying_a_home) (HUD.gov)

## 11 Home Warranty Policy

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

## 12 Affidavit of Disclosure

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

<https://bit.ly/2ZLwvdX>

(AAR Sample Affidavit of Disclosure)

## 13 Lead-Based Paint Disclosure Form

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

<http://bit.ly/2O4pL4A> (AAR Sample Form)

<https://bit.ly/3uzq5Kb> (ADRE Lead Based Paint Information)

## 14 Professional Inspection Report

The importance of having a property inspected by a professional inspector cannot be over-emphasized. An inspection is visual physical examination, performed for a fee, designed to identify material defects in the property.

The inspector will generally provide the buyer with a report detailing information about the property's condition. The buyer should carefully review this report with the inspector and ask the inspector about any item of concern. Pay attention to the scope of the inspection and any portions of the property excluded from the inspection.

<https://www.homeinspector.org>

(ASHI Home Buyer's Guide)

## 15 County Assessors/Tax Records

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

Apache:

<https://bit.ly/3CVkXTu>

Coconino:

<http://bit.ly/2F9PstM>

Graham:

<http://bit.ly/2JGz2ZO>

La Paz:

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

Mohave:

<https://bit.ly/2Y8QH9g>

Pima:

<https://www.asr.pima.gov/>

SantaCruz:

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

Yuma:

<https://bit.ly/3uO8BbW>

Cochise:

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

Gila:

<http://bit.ly/Yq3bV9>

Greenlee:

<http://bit.ly/2SCTzu6>

Maricopa:

<https://mcaessor.maricopa.gov/>

Navajo:

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

Pinal:

<http://www.pinalcountyaz.gov/Assessor/Pages/home.aspx>

Yavapai:

[Assessor's Office Home  
\(yavapaiaz.gov\)](http://Assessor'sOfficeHome.yavapaiaz.gov)

## 16 Termites and Other Wood Destroying Insects and Organisms

Termites and other wood destroying insects are commonly found in some parts of Arizona. General guidance, inspection report information and the ability to search a property for past termite treatments may be found on the Arizona Department of Agriculture website.

<https://agriculture.az.gov/pestspest-control/termites>

(AZDA-Termite Information)

<http://bit.ly/2GiGIR%20> (AZDA-Wood Destroying  
Insect Inspection Reports)

<https://tarf.azda.gov/> (AZDA-Search for Termite  
Reports)

## 17 Foreign Investment in Real Property Tax Act (FIRPTA)

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

<https://bit.ly/3w10GsF> (I.R.S. FIRPTA Definitions)

<https://www.irs.gov/Individuals/International-taxpayers/firpta-withholding> (I.R.S. FIRPTA Information)

<https://www.irsvideos.gov/Individual/education/FIRPTA>

(I.R.S. FIRPTA Video)

## Section 2

# COMMON PHYSICAL CONDITIONS IN THE PROPERTY A BUYER SHOULD INVESTIGATE

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

## 1 Repairs, Remodeling and New Construction

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

### USE OF LICENSED CONTRACTORS

A contractor's license is required for work performed on a property unless the aggregate contract price, including labor and material, is less than \$1,000, the work performed is of a "casual or minor nature," and no building permit is required. An unlicensed property owner may also perform work themselves if the property is intended for occupancy solely by the owner. If, however, the property is listed or offered for sale or rent within one year of the completed work, it is considered prima facie evidence that the owner performed the work for purposes of sale or rent.

Owners of property who are acting as developers, who improve structures or appurtenances to structures on their property for the purpose of sale or rent, and who contract with a licensed general contractor must identify the licensed contractors' names and license numbers in all sales documents.

<https://roc.az.gov/before-hire> (Before you Hire a Contractor-Tips)

<https://remodelingdoneright.nari.org/> (National Association of the Remodeling Industry)

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

<https://www.tucsonaz.gov/pdsd/records> (Tucson Building permit records)

Other cities- search Planning & Development

## 2 Square Footage

Square footage on the MLS printout or as listed by the county assessor's records is often only an estimate and generally should not be relied upon for the exact square footage. An appraiser or architect can measure the property's size to verify the square footage.

If the square footage is important, you should have it confirmed by one of these experts during the inspection period in a resale transaction and prior to executing a contract on a new home transaction.

<https://difi.az.gov/industry/RealEstateAppraisers> (Licensed Real Estate Appraisers)

## 3 Roof

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

[www.azroofing.org](http://www.azroofing.org) (Arizona Roofing Contractors Association)

<https://roc.az.gov/before-hire> (Before you Hire a Contractor)

## 4 Swimming Pools and Spas

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

<https://www.aaronline.com/2010/10/27/pool-barrier-law-contact-information/> (AAR-Pool Barrier Laws & Information)

[36-1681 - Pool enclosures; requirements; exceptions; enforcement \(azleg.gov\)](https://azleg.gov) (A.R.S. 36-1681 Swimming Pool Enclosures)

## 5 Septic and Other On-Site Wastewater Treatment Facilities

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

<https://azdeq.gov/OSWW-NOT> (ADEQ-AZ Statewide Inspection Program File a Notice of Transfer Online)

## 6 SEWER

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

## 7 Water/Well Issues

The property may receive water from a municipal system, a private water company, or a well. You should investigate the availability and quality of the water to the property, as well as the water provider. A list of Arizona's water companies is available at the Arizona Corporation Commission.

<https://www.azcc.gov/utilities/water>  
(Arizona Corporation Commission-Utilities Water)  
<https://new.azwater.gov/aaws/statutes-rules>  
(Assured and Adequate Water Supply)

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

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

<https://new.azwater.gov/adjudications>  
Department of Water Resources – Adjudications)

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

[www.cagrdd.com](http://www.cagrdd.com)  
(Central Arizona Ground Water Replenishment District)

## 8 Soil Problems

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

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

If it has been disclosed that the property is subject to any such soil conditions or if the buyer has any concerns about the soil condition or observes evidence of cracking, the buyer should secure an independent assessment of the property and its structural integrity by a licensed, bonded, and insured professional engineer.

<https://azgs.arizona.edu/center-natural-hazards/problem-soils>  
(Problem Soils -UA Science AZ Geological Survey)  
<http://bit.ly/2yfvVHR>  
(Information on Land Subsidence & Earth Fissures)  
[www.btr.state.az.us](http://www.btr.state.az.us)  
(State Certified Engineers & Firms)

## 9 Previous Fire/Flood

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

## 10 Pests

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

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

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

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

**Termites:** Consumer Information is available from the Arizona Department of Agriculture.

**Bark Beetles:** Bark beetles have been reported in some forested areas.

<https://agriculture.az.gov/pests-pest-control/household-pests/scorpions>  
(Scorpions – Information)  
<https://agriculture.az.gov/pests-pest-control/household-pests/bed-bugs>  
(Bed Bugs – Information)  
<https://agriculture.az.gov/pestspest-control/household-pests/roof-rats>  
(Roof Rats)  
<https://agriculture.az.gov/pestspest-control/termites>  
(Termite Information)  
<https://agriculture.az.gov/pestspest-control/agriculture-pests/bark-beetles>  
(Bark Beetles – Information)

## 11 Endangered & Threatened Species

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

[Arizona Ecological Services Field Office | U.S. Fish & Wildlife Service \(fws.gov\)](#)

(Arizona Ecological Services) (Arizona Endangered Species) \_

## 12 Death and Felonies on the Properties

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

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

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

## 13 Indoor Environmental Concerns

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

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

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

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

[Epa.gov/indoor-air-quality-iaq](http://Epa.gov/indoor-air-quality-iaq)

(EPA-Indoor Air Quality)

<https://www.epa.gov/mold>

(EPA-Mold)

<https://www.cdc.gov/mold/default.htm>

(CDC-Mold Information)

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

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

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

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

[bit.ly/2kRk7jm](http://bit.ly/2kRk7jm) (Drywall Information Center)

<http://bit.ly/2GclWpM> (About Radon)

<http://bit.ly/2t1CAPq> (Carbon Monoxide Infographic)

<https://www.epa.gov/asbestos> (Asbestos Information)

<http://bit.ly/2qUZcSt> (Voluntary Guidelines-

Methamphetamine & Fentanyl Laboratory Cleanup)

[Formaldehyde | US EPA](#) (EPA Formaldehyde)

## 14 Property Boundaries

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

[https://www.azpls.org/secure/find\\_surveyor.asp](https://www.azpls.org/secure/find_surveyor.asp)

(AZ BTR Land Surveyors)



## 15 Flood Insurance/Flood Plain Status

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

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

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

<https://www.realtor.com/flood-risk/> (Flood Risk Information)

<https://www.floodsmart.gov/flood-map-zone/elevation-certificate> (Elevation Certificates: Who Needs Them and Why - fact sheet)

<http://azgs.arizona.edu/center-natural-hazards/floods> (Flooding in Arizona)

<https://www.fcd.maricopa.gov/5308/Flood-Control-District> (Maricopa County Flood Control District-Services)

**Other Arizona Counties:** Consult County Websites.

## 16 Insurance (Claims History)

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

[Consumer Resources \(naic.org\)](#) (Helping You Navigate Insurance and Make Better Informed Decisions)

## 17 Other Property Conditions

**Plumbing:** Check functionality.

**Cooling/Heating:** Make sure the cooling and heating systems are adequate. If it is important to you, hire a qualified heating/cooling inspector.

<https://www.epa.gov/ods-phaseout> (Phaseout of Ozone-Depleting Substances -ODS)

**Electrical Systems:** Check for functionality and safety.

## Section 3

# CONDITIONS AFFECTING THE AREA SURROUNDING THE PROPERTY THE BUYER SHOULD INVESTIGATE

*Every property is unique; therefore, important conditions vary.*

## Environmental Concerns

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

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

<https://azdeq.gov/landfills> (ADEQ-Landfills)

<https://www.azdeq.gov/solidwaste> (ADEQ-Solid Waste Facilities)

<https://azdeq.gov/WildfireSupport> (Wildfire Support)

## 1 Environmentally Sensitive Land Ordinance

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

<https://www.scottsdaleaz.gov/codes/eslo>  
(ELS and NAOS)

## 2 Electric and Magnetic Fields (EMFs)

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

<https://www.niehs.nih.gov/health/topics/agents/emf/index.cfm>  
(National Institute of Environmental Health Sciences)

## 3 Superfund Sites

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

[https://azdeg.gov/NPL\\_Sites](https://azdeg.gov/NPL_Sites) (AZ ADEQ – Superfund Sites)  
<https://www.epa.gov/superfund> (EPA Superfund)

## 4 Freeway Construction and Traffic Conditions

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

<https://azdot.gov/projects> (ADOT Statewide Projects)  
<https://az511.com> (ADOT Road Conditions)

## 5 Crime Statistics

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

<https://communitycrimemap.com/> (Crime Statistics - All Arizona Cities)

## 6 Sex Offenders

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

<https://www.azdps.gov/services/public/offender>

(Registered Sex Offender and Community Notification)

<https://www.nsopw.gov/>

(National Sex Offender Public Site)

## 7 Forested Areas

Life in a forested area has unique benefits and concerns. As with other natural disasters that affect the United States in any given year including flooding, tornados, hurricanes and earthquakes, having information regarding wildfire risk will be crucial for Buyers here in the Southwest. To get the most up to date information on the community you are seeking to purchase in, search by city name, zip code and/or contact county/city fire authority for more information on issues particular to a community.

[www.wildfirerisk.org](http://www.wildfirerisk.org)

(Search - Community Wildfire Risk)

<https://dfm.az.gov/fire/prevention/firewise>

(Arizona Fire Wise Communities)

<https://www.nfpa.org/Public-Education/By-topic/Wildfire/Firewise-USA>

(Public Education/Fire Wise USA)

## 8 Military and Public Airports

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

Vacant land or lots may be for sale within areas of high noise or accident potential zones. Because the zoning of these lots may conflict with the buyer's ability to develop the property, the buyer should verify whether development is prohibited Zoning regulations for these areas, may be found at A.R.S. §28-8481.

<https://azre.gov/military-airports>

(ADRE - Maps of Military Airports Boundaries)

<http://azre.gov/public-airports>

(ADRE - Maps of Public Airports & Boundaries)

<https://www.skyharbor.com/FlightPaths>

(Phoenix Skyharbor Airport - General Information)

## 9 Zoning/Planning/Neighborhood Services

Information may be found on community websites.

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

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

## 10 Schools

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

Visit the Arizona Department of Education website for more information.

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

## ADRE ADVISES:

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

<https://azre.gov/consumers/property-buyers-checklist-home-or-land>

(ADRE)

## 11 City Profile Report

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

<https://www.moving.com/real-estate/city-profile/>

(Find City Stats & Information)

## Section 4

# OTHER METHODS OF GETTING INFORMATION ABOUT A PROPERTY

### Drive Around the Neighborhood

Buyers should always drive around the neighborhood, preferably on different days at several different times of the day and evening, to investigate the surrounding area.

### Talk to the Neighbors

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

### Investigate Your Surroundings

Google Earth is an additional method to investigate the surrounding area: [Google Earth](https://www.google.com/earth/)

## Section 5

# RESOURCES

### Market Conditions Advisory

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

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

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

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

[Market Conditions Advisory](#) (Arizona REALTORS® – Sample Forms)

### Fair Housing and Disability Laws

It is illegal under the Fair Housing Act and Arizona Fair Housing laws for a property owner/seller, landlord, property manager or real estate professional to discriminate in the sale, rental, and financing of housing and in other housing-related activities against another person based on certain protected characteristics.

The National Association of REALTORS® Code of Ethics also prohibits discrimination or aiding in discrimination. It is unlawful to discriminate on the basis of race, color, national origin, religion, sex (including gender identity and sexual orientation), familial status, and disability.

<https://www.aaronline.com/manage-risk/other-advisories/>

(Arizona REALTORS® Fair Housing Advisory)

[Fair Housing Rights and Obligation](#) (HUD.gov)

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

### Wire Fraud

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

<https://www.aaronline.com/manage-risk/other-advisories/>

(Arizona REALTORS® Wire Fraud Advisory)

[Mortgage Closing Scams](#) (CFPB-How to Protect Yourself)

### Additional Information

NATIONAL ASSOCIATION OF REALTORS® (NAR)

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

Ten Step Guide to Buying a Home (Realtor.com)

<http://bit.ly/3pOqXX7>

Home Closing 101

[www.homeclosing101.org](http://www.homeclosing101.org)

### Information about Arizona Government, State Agencies and Arizona REALTORS®

Arizona Department of Real Estate Consumer Information

[www.azre.gov/InfoFor/Consumers.aspx](http://www.azre.gov/InfoFor/Consumers.aspx)

Arizona Association of REALTORS®

[www.aaronline.com](http://www.aaronline.com)

## BUYER ACKNOWLEDGMENT

### Buyer acknowledges receipt of all 13 pages of this Advisory.

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

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

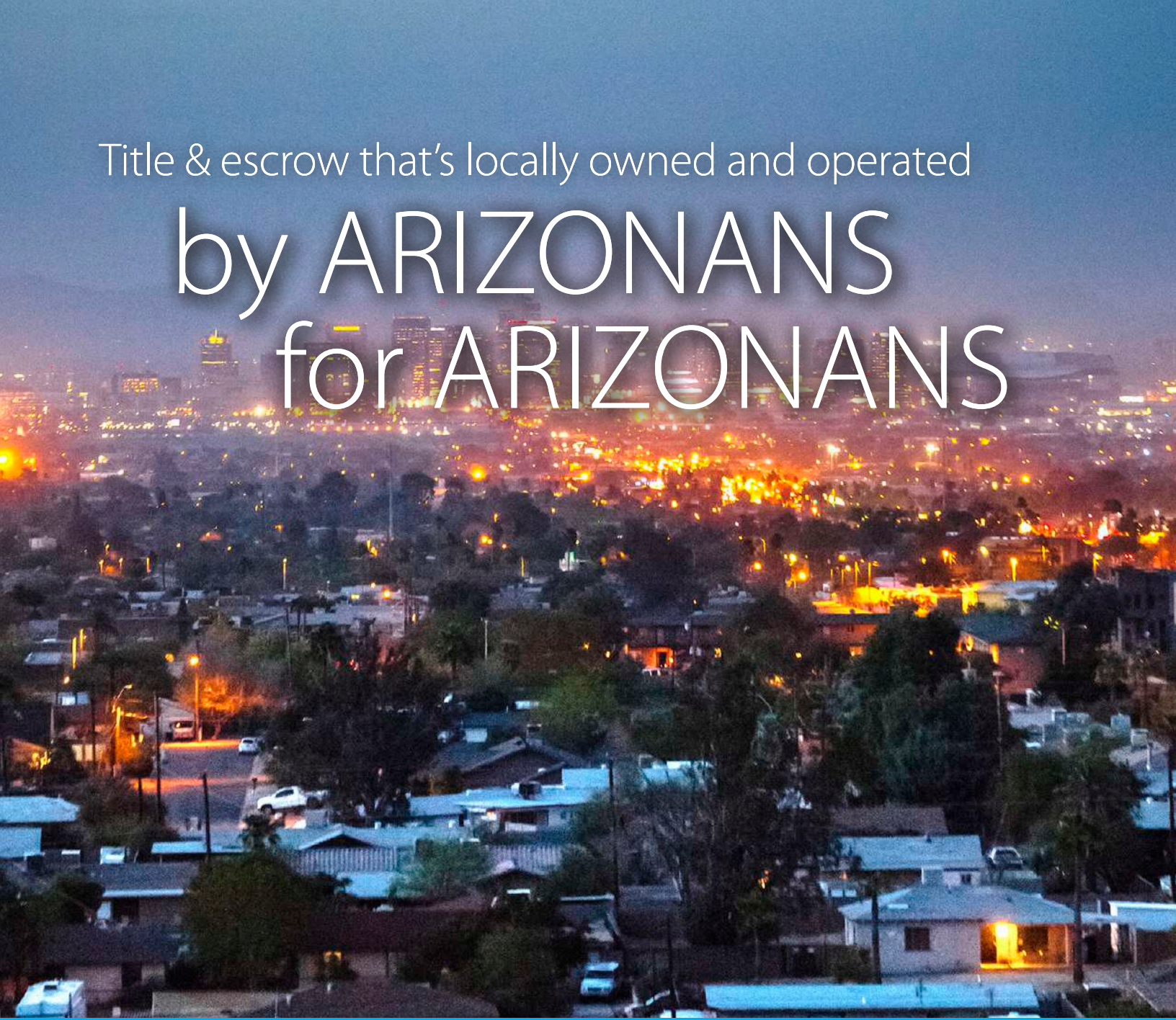
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