

HOME BUYER'S GUIDE



Lawyers Title

lawyerstitlenaz.com

CAUTION!

IMPORTANT WIRE FRAUD ALERT FOR HOME BUYERS



Realtors®, Real Estate Brokers, Buyers and Sellers are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email.

A hacker may break into a licensee's email account to obtain information about upcoming real estate transactions. After monitoring the account to determine the likely timing of a close, the hacker can send an email to the buyer, posing either as the escrow agent or as the licensee. The fraudulent email will contain new wiring instructions or routing information, and will request that the Buyer send funds accordingly.

Lawyers Title is urging your clients to **CALL BEFORE YOU WIRE** and never rely on email communication. Always follow these two simple steps:

ALWAYS CALL BEFORE YOU WIRE.

When in doubt, always call
our office or your escrow officer.

For the best in service, remember to always
insist on **Lawyers Title**



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STEP 1



Obtain the phone number of your Real Estate Broker, Realtor® and your **Lawyers Title** Escrow Officer as soon as an escrow is opened. (Complete the information below and keep this flyer in your escrow folder, if you are reading this at one of our lobbies and you don't have a copy of this flyer, simply ask the receptionist for a copy.)

STEP 2



Call the phone number you wrote down from step #1 above to speak directly with your **Lawyers Title** Escrow Officer to confirm wire instructions **PRIOR** to wiring. If you receive alternative wiring instructions supposedly from **Lawyers Title**, be suspicious as we rarely change our wiring instructions.

ESCROW NUMBER

BROKER'S NAME/PHONE

REALTOR'S NAME/PHONE

ESCROW COMPANY

ESCROW OFFICER'S NAME/PHONE

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

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

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

Lawyers Title Of Northern Arizona Services:

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



For more information please visit:

www.lawyerstitlenaz.com

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Advantages To Home Ownership

Whether you are looking for more space to raise a family or the perfect place to make your own, there are many advantages to owning your own home, ranging from the purely personal to the very practical.

For many people, the motivation for home ownership comes from the financial benefits. Owning your own home can be a first-rate investment for a number of reasons:

Scheduled Savings

When you buy a house, your monthly mortgage payments serve as a type of scheduled savings plan. Over time you gradually accumulate what lenders call "equity," an ownership interest in the property that you can often borrow against or convert into cash by selling the house. In contrast, renters must continue paying rent to a landlord for as long as they rent, without the opportunity to build equity.

Stable Housing Costs

Another advantage to home ownership is that while rent typically increases year after year, mortgage payments can remain unchanged throughout the entire repayment period. In fact, because of the effect of inflation, over the years you pay the same amount but with devalued dollars. So, what may seem like a substantial payment now will become very affordable after cost-of-living increases.

Increased Value

Houses typically increase in value, or "appreciate," over time. It's not unusual to find a house that sold for \$150,000 fifteen years ago to be valued at much more than that amount today. This increased value is as good as money in the bank to the homeowner.

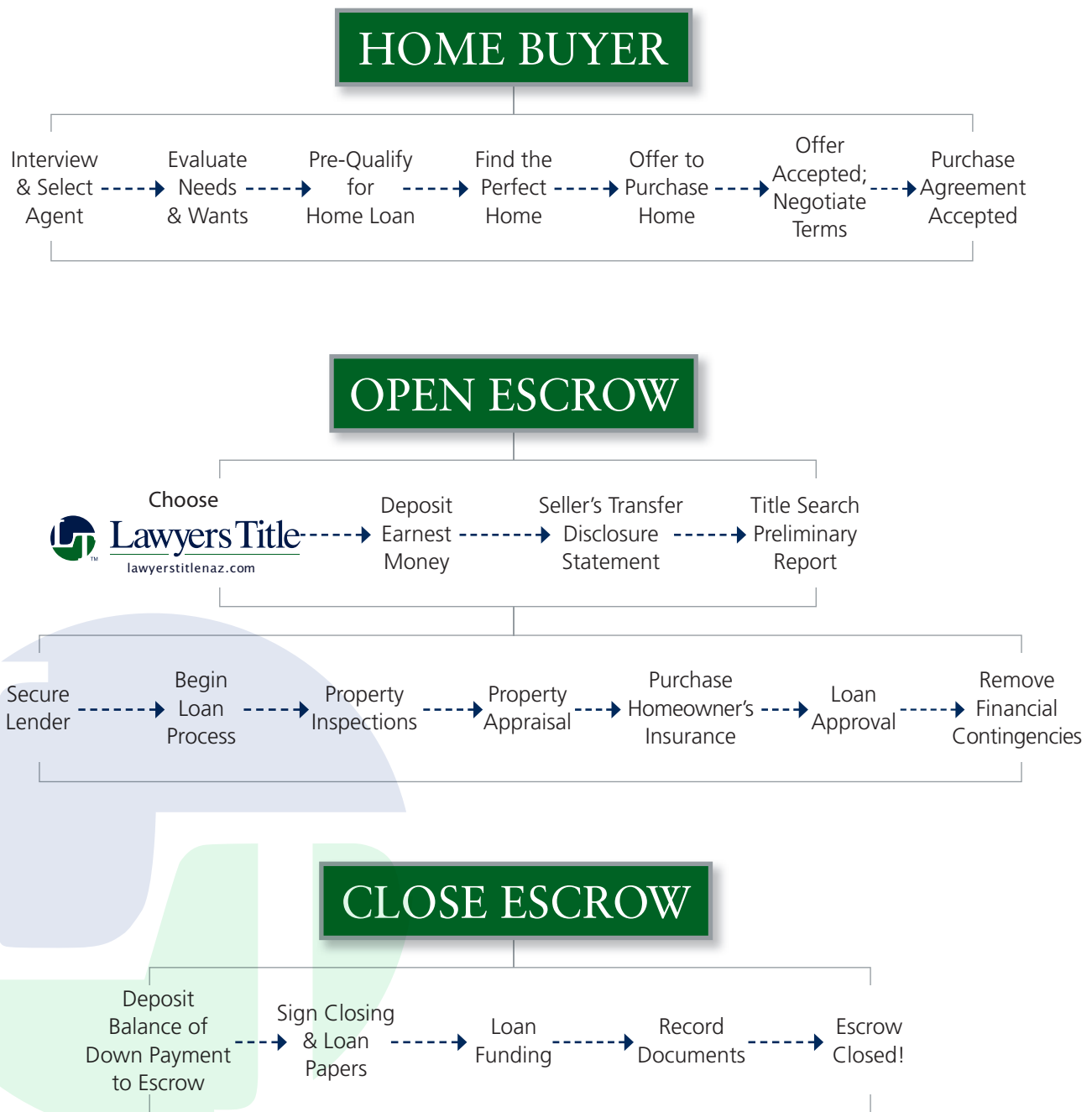
Tax Benefits

Homeowners also get significant tax breaks that are not available to renters. Most importantly, interest paid on a home mortgage is usually deductible. This factor alone can save you a substantial amount each year in federal income taxes.



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HOME BUYING PROCESS CHART



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Buyer's Property Checklist

Here is a checklist for buyers, to help avoid some of the pitfalls of purchasing a new home or previously owned home, or undeveloped land.

New Homes In A Subdivision

You should read the Arizona Department of Real Estate Public Report provided to you. By law, this document must be given to you before you sign a purchase contract and you must sign a receipt for it.

The Public Report will tell you such things as:

- Flooding and drainage disclosure
- A description of adjacent land and uses
- Who provides electricity, telephone, gas, water and sewage disposal
- Common community and recreation facilities
- Assurances for completion of improvements
- Local services and facilities, including schools, shopping facilities, public transportation, medical facilities, fire protection, ambulance service, police protection and garbage services
- Taxes and assessments
- Property owners association details

If you have any questions about the Public Report, you are welcome to call the Arizona Department of Real Estate at 602-771-7799. A Subdivision Representative will assist you with your questions. The cover sheet of the Public Report contains a disclaimer by the Department of Real Estate. Read it carefully: *"Not all of the information in this report has been verified by the Department; certain information has been accepted by the Department as true and accurate based on attestation of the subdivider and/or the subdivider's agents. You should verify all facts before signing any documents."*

Read your purchase contract carefully. Note that if the builder or developer is not placing your earnest money deposit in escrow or a trust account, the funds may be placed in the builder's or developer's general funds account, and may be used for any purpose. You could lose the money if the builder or developer declares bankruptcy or otherwise goes out of business. If the funds are not going to be placed in escrow or into a trust account, that fact must be stated in a separate paragraph. Make sure you understand where your earnest money is going to be deposited.

Before you sign a purchase contract, drive around the property for at least a mile or more in every direction to see how the surrounding area appears to you and what nuisances and hazards might exist in the area. Is there a storm drain or canal nearby that might pose a hazard to your children? Visit the area at different times of the day, on weekends and in the evening. Disturbing noise and odors can travel farther at night.

In areas where there are expanses of vacant land nearby, check city or county zoning maps to see if nearby

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property is zoned for apartments, industrial or commercial use. To obtain this information, call the city or county planning and zoning department listed in the blue pages of your telephone directory.

Check Arizona Department of Transportation maps to find the nearest future freeway routes, and whether roads in the area are slated for widening. For information about reviewing the maps, call 602-712-7355 or visit www.azdot.gov.

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

Read the deed restrictions, also called CC&Rs (covenants, conditions and restrictions). You might find some of the CC&Rs are very strict, especially those addressing landscaping, RV parking, play equipment, satellite antennas, and other common amenities - particularly if the subdivision is governed by a homeowner's association.

Check out the home-builder with the Arizona Registrar of Contractors. You can determine the number of complaints customers have filed against the contractor, whether any are unresolved and whether the builder's license has ever been suspended or revoked. You may reach the Registrar of Contractors at 602-542-1525 or visit www.azroc.gov.

Previously Owned Homes

In some cases the real estate agent may represent both the buyer and seller. Typically the seller's broker represents only the seller. The seller's broker has certain responsibilities to the seller that are not afforded to you. You might wish to retain the services of a buyer's broker to represent you in the transaction. Usually, the buyer's broker receives a portion of the commission paid by the seller, and the services may cost you nothing, but you will receive representation equal to that provided to the seller by the seller's broker.

Read the seller's property disclosure report, and check every item on it. Ask to see receipts for repairs to the home. Look behind large pictures on the wall and behind anything on the floor which conceals large areas of the wall. Look for stains on the ceilings or carpets that might indicate water damage. Read the purchase contract carefully to determine if there are any deadlines for challenging the seller's disclosure report or for having your own inspections conducted.

Order your own termite inspection. Don't rely on a termite inspection obtained by the seller. Some sellers have been known to cover up termite infestation by having several inspections done until they obtain a report that shows no infestation.

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Consider having the home inspected by a professional home inspector. It will cost perhaps \$200 or \$300. It is money well spent. For instance, the owner may not know that the roof is rotten and must be replaced. If any alterations have been made to the home, the addition of an Arizona room, for instance, ask to see the building permit. Make sure the alterations are legal. Your broker may be able to recommend a reliable home inspector.

Check all appliances to confirm that they work, including the stove burners, oven, garbage disposal, dishwasher, washer and dryer and the water heater.

Run water in all sinks and tubs and flush the toilets to make sure they drain properly. If the landscaping includes an irrigation system, check to see that it works.

Drive around the neighborhood and observe the condition of the homes. Are lawns mowed? Are there old cars rusting in driveways? Ask neighbors how they like living in the area. Is this really where you want to live?

Read the paragraphs pertaining to zoning, transportation, schools and CC&Rs in "New Homes in a Subdivision" above.

Raw Undeveloped Land

Ask to see the Arizona Department of Real Estate Public Report before you sign anything. The contents of the Report are described above in "New Homes in a Subdivision" above. Pay particular attention to the source of utility services. You may find that bringing utilities to the property will be an expensive proposition. If the property you are considering is smaller than 160 acres, if there are more than five parcels in the subdivision, and if the developer cannot produce a Public Report, the subdivision is probably illegal. If you buy the land without reading a Public Report, you may find there is no supply of water, or that it will cost tens of thousands of dollars to bring electric service to the property. You may find that you do not have permanent legal access to your property.

Ask to see the Arizona Department of Water Resources report for the property. Determine that there is an assured or adequate water supply (depending on whether the property is in or outside of a Groundwater Active Management Area), and how much it will cost to have a well dug if necessary.

If purchasing raw land with the intent to develop it into smaller parcels, be aware that splitting the land into more than five parcels requires a Subdivision Public Report issued by the Arizona Department of Real Estate. For more information about applying for the report and the cost, contact the Department at 602-771-7799.

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Understanding Agency Relationships

It is important to understand what legal responsibilities your real estate salesperson has to you and to other parties in the transaction. Ask what type of agency relationship your agent has with you:

Seller's representative (also known as a listing agent or seller's agent): A seller's agent is hired by and represents the seller. All fiduciary duties are owed to the seller. The agency relationship usually is created by a listing contract.

Buyer's representative (also known as a buyer's agent): A buyer's agent is hired by prospective buyers to represent them in a real estate transaction. The buyer's agent works in the buyer's best interest throughout the transaction and owes fiduciary duties to the buyer. The buyer can pay the licensee directly through a negotiated fee, or the buyer's agent may be paid by the seller or through a commission split with the seller's agent (which is the most common practice).

Disclosed dual agent: Dual agency is a relationship in which the brokerage firm represents both the buyer and the seller in the same real estate transaction. Dual agency relationships do not carry with them all of the traditional fiduciary duties to clients. Instead, dual agents owe limited fiduciary duties. Because of the potential for conflicts of interest in a dual-agency relationship, it's vital that all parties give their informed consent. In many states, this consent must be in writing. Disclosed dual agency, in which both the buyer and the seller are told that the agent is representing both of them, is legal in most states.

The Arizona Association of REALTORS® "Real Estate Agency Disclosure and Election Form" is included in the sample forms section in the back of this booklet.



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Terms You Should Know

Amendment: a change either to alter, add to, or correct-part of an agreement usually doesn't change the principal idea or essence.

Appraisal: an estimate of value of property resulting from analysis of facts about the property; an opinion of value.

Comparable Sales: sales that have similar characteristics as the subject property, used for analysis in the appraisal. Commonly called "comps."

Deed of Trust: an instrument used in many states in place of a mortgage.

Covenants, Conditions, Restrictions (CC&R's): limitations in the deed to a property that dictate certain uses that may or may not be made of the property.

Earnest Money Deposit: down-payment made by a purchaser of real estate as evidence of good faith; a deposit or partial payment.

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

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

Homestead Exemption: automatic in Arizona, it allows any resident of Arizona, 18 years of age or older, to exempt from attachment, execution or forced sale \$150,000 of equity in a single dwelling unit. Exceptions include: (1) a consensual lien, i.e. where a deed of trust or equity loan is foreclosed; (2) a forced sale resulting from a mechanic's lien; and (3) any equity beyond the \$150,000 (You should consult an attorney to determine if this exemption offers you protection in the event of an attachment, execution, or forced sale).

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

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

Lien: a form of encumbrance that usually makes a specific property the security for the payment of a debt or discharge of an obligation. For example: judgments, taxes, mortgages, deeds of trust.

PITI: a payment that combines Principal, Interest, Taxes, and Insurance.

Power of Attorney: a written instrument whereby a principal gives authority to an agent. The agent acting under such a grant is sometimes called an "Attorney-in-Fact."

Purchase Agreement: the purchase contract between the Buyer and Seller. It is usually completed by the real estate agent and signed by the Buyer and Seller.

Quit-claim Deed: a deed operating as a release, intending to pass any title, interest, or claim which the grantor may have in the property, but not containing any warranty of a valid interest or title by the grantor.

Recording: filing documents affecting real property with the County Recorder to make them a matter of public record.

Warranty Deed: a document used to convey fee title to real property from the grantor (usually the Seller) to the grantee (usually the Buyer).

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A Guide To Closing Costs - Who Pays What?

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

The Seller can be expected to pay:

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

The Buyer can pay:

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

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

- home warranty
- homeowners association transfer fees

Mandatory Costs:

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

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Ways To Take Title In Arizona

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

COMMUNITY PROPERTY	COMMUNITY PROPERTY WITH THE RIGHT OF SURVIVORSHIP	JOINT TENANCY WITH THE RIGHT OF SURVIVORSHIP	TENANCY IN COMMON
Requires a valid marriage between two persons.	Requires a valid marriage between two persons.	Parties need not be married; may be more than two joint tenants.	Parties need not be married; may be more than two tenants in common.
Each spouse holds an undivided one-half interest in the estate.	Each spouse holds an undivided one-half interest in the estate.	Each joint tenant holds an equal and undivided interest in the estate, unity of interest.	Each tenant in common holds an undivided fractional interest in the estate. Can be disproportionate, e.g., 20% and 80%; 60% and 40%; 20%, 20%, 20% and 40%; etc.
One spouse cannot partition the property by selling his or her interest.	One spouse cannot partition the property by selling his or her interest.	One joint tenant can partition the property by selling his or her joint interest.	Each tenant share can be conveyed, mortgaged or devised to a third party.
Requires signatures of both spouses to convey or encumber.	Requires signatures of both spouses to convey or encumber.	Requires signatures of all joint tenants to convey or encumber the whole.	Requires signatures of all tenants to convey or encumber the whole.
Each spouse can devise (will) one-half of the community property.	Estate passes to the surviving spouse outside of probate.	Estate passes to surviving joint tenants outside of probate.	Upon death the tenant's proportionate share passes to his or her heirs by will or intestacy.
Upon death the estate of the decedent must be cleared through probate, affidavit or adjudication.	No court action required to clear title upon the first death.	No court action required to clear title upon the death of joint tenant(s).	Upon death the estate of the decedent must be cleared through probate, affidavit or adjudication.
Both halves of the community property are entitled to a stepped up tax basis as of the date of death.	Both halves of the community property are entitled to a stepped up tax basis as of the date of death.	Deceased tenant(s) share is entitled to a stepped up tax basis as of the date of death.	Each share has its own tax basis.

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The Escrow Process

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

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

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

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

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

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

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

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

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

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Title Insurance Defined And Why You Should Have It

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

Why You're At Risk

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

- Deeds by foreign parties
- Deeds by minors
- Deeds by persons of unsound mind
- Deeds to or from defunct corporations
- Defective acknowledgements (notary)
- Discovery of will of apparent intestate
- Duress in execution of instruments
- Erroneous reports furnished by tax officials
- False impersonation of the true owner of the land
- Forged deeds, releases, etc.
- Misrepresentation of wills
- Mistakes in recording legal documents
- Surviving children omitted from will
- Administration of estate of persons absent but not deceased
- Birth or adoption of children after date of will
- Claims of creditors against property sold by heirs or devisees
- Deed of community property recited to be separate property
- Deeds by persons supposedly single, but secretly married
- Deeds delivered after death of grantor/grantee, without consent of grantor
- Deeds in lieu of foreclosure given under duress
- Marital rights of spouse purportedly, but not legally, divorced
- Ultra vires deed given under false corporate resolution



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State Of Arizona's "Good Funds" Laws

House Bill 2074 requires that an escrow agent not distribute money from an escrow account until funds related to the transaction have been deposited, have cleared and are available. The law specifies when specific forms of payments are available for the escrow agent to disburse.

Lawyers Title Of Arizona Guidelines As To The Availability Of Funds

All availability dates are based on funds deposited in our bank and the days are considered business days. A business day is defined as a calendar day other than Saturday or Sunday and most major holidays.

Same-Day Availability

- Electronic Payment/Wire Transfer: This is the preferred method for loan proceeds and Buyer's closing funds
- Cash: Special requirements and approvals must be obtained prior to accepting cash

Next Day

- Official Checks: Must be In-State checks drawn on a FDIC Insured Institution
- Cashiers, Certified and Tellers Checks
- US. Treasury Checks
- Postal Money Orders (Other money orders see "5th day")
- Federal Reserve, Federal Credit Union and Federal Home Loan Bank Checks
- State and Local Governments Check: Must be In-State
- "On-Us" (Lawyers Title of Arizona) Checks: Must be Local or In-State

2nd Day

- Other Checks: Personal, Corporate (including Loan Funding Checks) Checks, Credit Union, Money Market, and Travelers Checks - Must be Local

5th Day

- Official Checks: Out-of-State and/or NOT Drawn on FDIC - Insured Institution
- Money Orders (Except Postal Money Order - See "Next Day")
- "On-Us" (Lawyers Title of Arizona) Checks, Non-Local, Other
- Other Checks: Personal, Corporate, Credit Union, Money Market and Travelers Checks
- Non-Local, Other

Drafts: No disbursements can be made against a draft until it has been submitted for collection to our depository bank and we have confirmation that final payment has been received and credited to our account.

Third Party Checks: It is Lawyers Title of Arizona's policy not to accept third party checks: such as, any check drawn on a non-financial institution account, payable to a payee other than Lawyers Title of Arizona and subsequently endorsed over to Lawyers Title of Arizona. The one exception: United States Treasury Checks payable to Farmers Home Administration's borrower, endorsed to Lawyers Title of Arizona. Any variance from this policy must be approved by senior management.

Foreign Checks: It is the policy of Lawyers Title of Arizona NOT to accept foreign checks into escrow.

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For A Smooth Closing

For a smooth closing remember these important points:

- Maintain current financial status-no major purchases, no job changes
- Tell your REALTOR® and escrow officer if you will be unable to come to our office at closing; we will try to make special arrangements to accommodate your needs
- Arrange for your money to be wired to Lawyers Title of Arizona before signing or bring a cashiers check drawn on a local FDIC insured bank.
- If your funds are coming from out of state, please let your escrow officer know at least one week before closing
- Your closing appointment usually takes about an hour; be sure to let your employer know
- If you are unsure about closing procedures, ask questions; an explanation is just a phone call away
- Be prepared for last minute lender requirements
- Bring a photo ID with you to the signing

After The Closing

Loan payments and impounds. You should receive your loan coupon book before your first payment is due. If you don't receive your book, or if you have questions about your loan, contact your lender.

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

Recorded deed. The original deed to your home will be mailed directly to you generally three to four weeks after close of escrow.

Title Insurance Policy. Your policy will be mailed to you generally three to four weeks after the close of escrow. Keep it in a safe place.

Property taxes. You may not receive a tax statement for the current year for the home you buy; however, it is your obligation to make sure the taxes are paid when due. If your taxes are not included in your monthly payments, contact: Maricopa County Treasurer-602-506-8511 for tax information.

Important Property Tax Dates

Taxes for the 1st half of the current year

January 1 through June 30

Due on: October 1 of current year

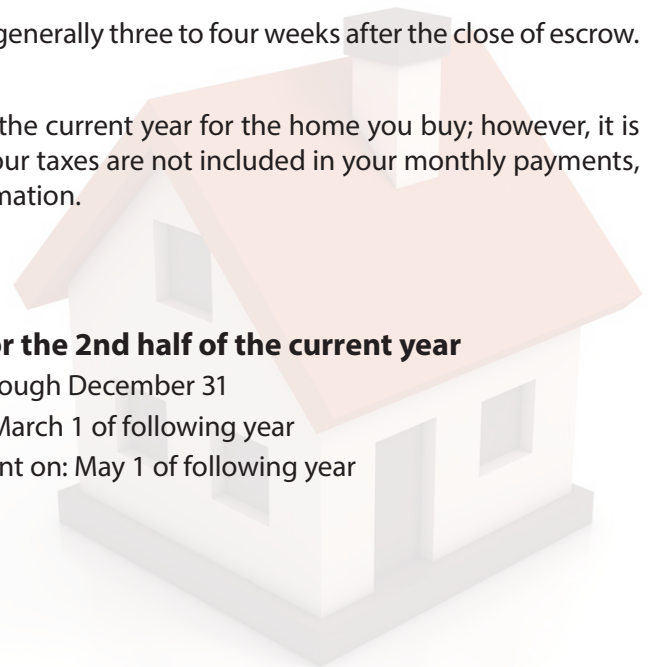
Delinquent on: November 1 of current year

Taxes for the 2nd half of the current year

July 1 through December 31

Due on: March 1 of following year

Delinquent on: May 1 of following year



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HOME RATING CARD

Use this chart to rate the homes according to their benefits and features for you.

FEATURES	HOME #1	HOME #2	HOME #3	HOME #4	HOME #5
Property Address					
Architectural Style					
Living Room					
Dining Room					
Kitchen					
Number of Bedrooms					
Baths					
Additional Rooms					
Floorplan					
Additional Features					
Garage					
Lot/Landscaping					
Utility Information					
Suitable Location?					
Does the home meet needs?					

Additional remarks: _____

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Directory Of Services

Visit: <http://Phoenix.gov> for more information.

Utilities

APS	602-371-7171
Century Link	800-244-1111
Cox Cable	602-277-1000
Garbage & Trash	623-974-4791
Rural Metro Fire Department	480-627-6200
Salt River Project SRP)	602-236-8888
Southwest Gas	877-860-6020

Apache Junction

Fire Administration	480-982-4440
Police Department (Non-emergency)	480-982-8260
Water Utilities	480-982-6030
City Website	ajcity.net

Avondale

Fire Administration	623-333-6000
Police Department (Non-emergency)	623-333-7000
Water Utilities	623-333-2005
City website	avondale.org

Buckeye

Fire Administration	623-349-6700
Police Department (Non-emergency)	623-349-6400
Water Utilities	623-349-6800
City website	buckeyeaz.gov

Chandler

Fire Department Administration	480-782-2120
Police Department (Non-emergency)	480-782-4130
Water Department	480-782-3700
City Website	chandleraz.gov

Gilbert

Department Fire Administration	480-503-6300
Police Department (Non-emergency)	480-503-6500
Water Department	480-503-6800
City Website	gilbertaz.gov

Glendale

Fire Department	623-930-4400
Police Department (Non-emergency)	623-930-3000
Water Utilities	623-930-3190
City website	glendaleaz.com

Goodyear

Fire Administration	623-932-2300
Police Department (Non-emergency)	623-932-1220
Water Utilities	623-932-3010
City website	goodyearaz.gov

Litchfield

Fire Administration (City of Goodyear)	623-932-2300
Police Department (Non-emergency)	602-876-1011
Water Utilities/Liberty Water Company	623-935-9367
City Website	litchfield-park.org

Maricopa

Fire Administration	520-568-3333
Police Department (Non-emergency)	520-316-6800
Global Water	520-568-4452
City website	maricopa-az.gov

Mesa

Fire Department Administration	480-644-2101
Police Department (Non-emergency)	480-644-2030
Department	480-644-4444
City Website	mesaaz.gov

Home Buyer's Guide

Paradise Valley

Fire Administration..... 480-348-3631
Police Department (Non-emergency) 480-948-7418
Water Utilities
• City of Phoenix..... 602-262-6251
• Arizona American Water 800-383-0834
• Berneil Water 480-966-5804
City Website ci.paradise-valley.az.us

Peoria

Fire Administration..... 623-773-7279
Police Department (Non-emergency) 623-773-8311
Water Utilities..... 623-773-7286
City website peoriaaz.gov

Phoenix

Fire Department 602-495-5555
Police Department (Non-emergency) 602-262-6151
Water Utilities..... 602-262-6251
City Website phoenix.gov

Queen Creek

Fire Administration..... 480-644-2400
Public Safety Division (Non-emergency) 602-876-1011
Water 480-358-3450
City website queencreek.org

San Tan Valley

Fire/Rural Metro Fire Department 480-627-6200
Pinal County Sheriff (Non-emergency)..... 800-420-8689
Water/Johnson Utilities..... 480-987-9870
City website santanvalley.com

Scottsdale

Fire Department 480-312-8000
Police Department (Non-emergency) 480-312-5000
Water Utilities..... 480-312-2461
City website scottsdaleaz.gov

Sun City

Fire Department 623-974-5321
Police Department (Non-emergency) 623-584-5808
Water Utilities – Arizona Sanitation Services 480-895-2965
City Website suncityaz.org

Surprise

Fire Department 623-222-5000
Police Department (Non-emergency) 623-222-4000
Water Department..... 623-222-6000
City website surpriseaz.gov

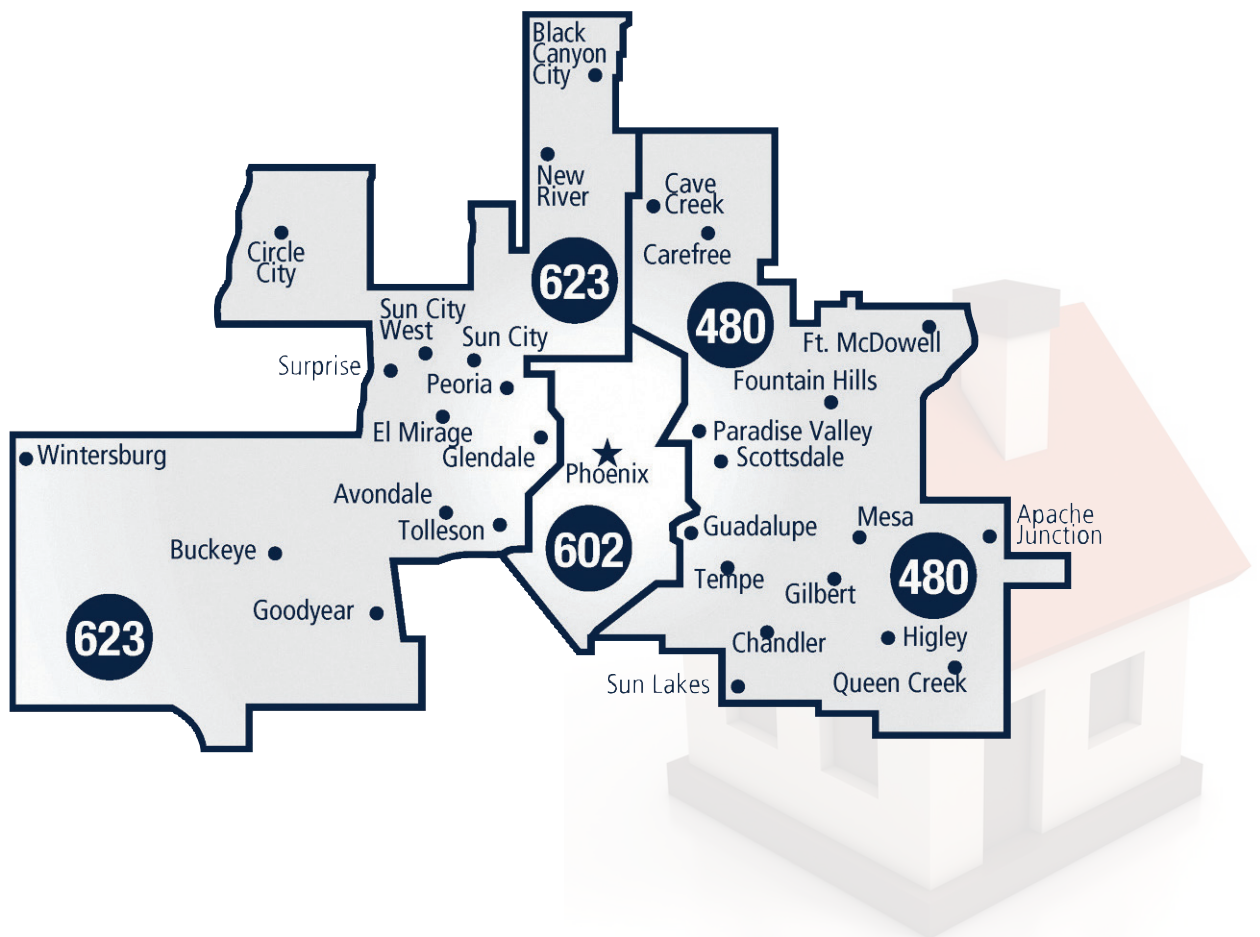
Tempe

Fire Department Administration 480-858-7200
Police Department (Non-emergency) 480-350-8311
Water Department..... 480-350-8361
City Website tempe.gov

Home Buyer's Guide

Phoenix Metro Area Codes

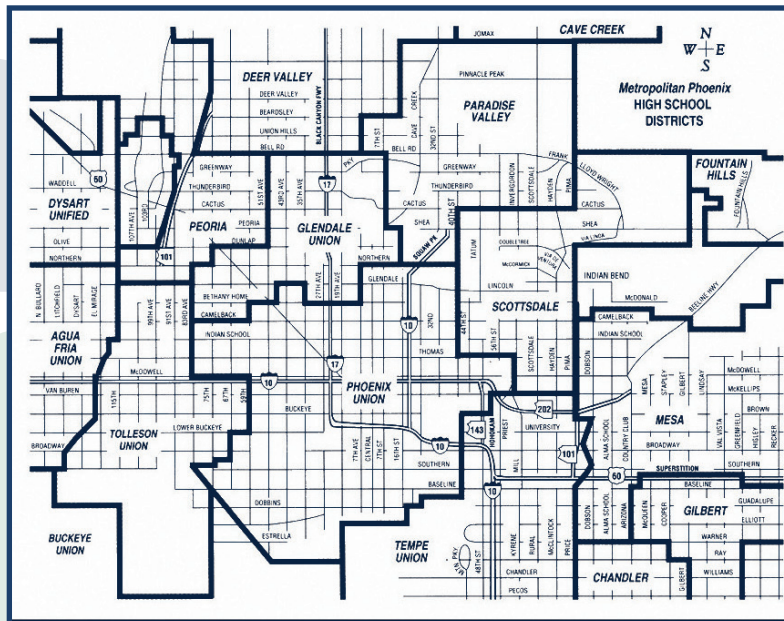
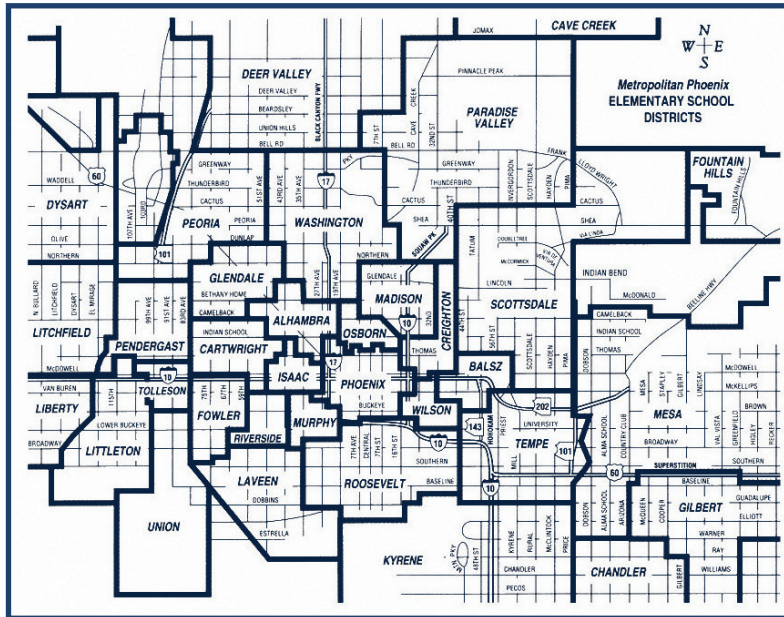
How do I know what area code to use? Area codes apply to large geographic area, not to specific cities. In general, Central Phoenix remains 602. The East Valley is 480, and the West is 623. If you aren't sure, try by geographic area first or refer to the prefix chart below. If you dial incorrectly, you'll hear an "error" message. Do I dial "1" first? No, local area codes do not represent long distance connections. If you dial a "1" for a local call, you'll hear an "error" message. Dial "1" only for long distance. Will I have to pay for calls that require a different local area code? No, they're local, not long distance. Long Distance Calls: Dial the 11-digit number, such as 1-213-555-5555. If you are in the 480 or 623 areas, you must dial the 602 area code plus the 7-digit number. Emergency Calls: Dial only the three digits: 911.



Home Buyer's Guide

Maricopa County School Districts

These maps are provided for general location only. Please contact the school district or visit www.ade.az.gov for the actual street boundaries.



**ALL FORMS in this book are for
SAMPLE PURPOSES ONLY.**

The following forms are included:

- Real Estate Agency Disclosure and Election
- Residential Real Estate Purchase Contract
 - "As Is" Addendum
 - Short Sale Addendum
 - Buyer Advisory

Please check with aaronline.com/ or the appropriate government agency website for the most up to date forms.

REAL ESTATE AGENCY DISCLOSURE AND ELECTION

Document updated:
January 2009



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. Firm Name ("Broker") _____
2. acting through _____ hereby makes the following disclosure.
LICENSEE'S NAME

DISCLOSURE

3. Before a **Seller or Landlord (hereinafter referred to as "Seller")** or a **Buyer or Tenant (hereinafter referred to as "Buyer")** enters into
4. a discussion with a real estate broker or licensee affiliated with a broker, the Seller and the Buyer should understand what type of agency
5. relationship or representation they will have with the broker in the transaction.
6. **I. Buyer's Broker:** A broker other than the Seller's broker can agree with the Buyer to act as the broker for the Buyer. In these
7. situations, the Buyer's broker is not representing the Seller, even if the Buyer's broker is receiving compensation for services
8. rendered, either in full or in part, from the Seller or through the Seller's broker:
9. a) A Buyer's broker has the fiduciary duties of loyalty, obedience, disclosure, confidentiality, and accounting in dealings with the Buyer.
10. b) Other potential Buyers represented by broker may consider, make offers on, or acquire an interest in the same or similar
11. properties as Buyer is seeking.
12. **II. Seller's Broker:** A broker under a listing agreement with the Seller acts as the broker for the Seller only:
13. a) A Seller's broker has the fiduciary duties of loyalty, obedience, disclosure, confidentiality, and accounting in dealings with the Seller.
14. b) Other potential Sellers represented by broker may list properties that are similar to the property that Seller is selling.
15. **III. Broker Representing both Seller and Buyer (Limited Representation):** A broker, either acting directly or through one or more
16. licensees within the same brokerage firm, can legally represent both the Seller and the Buyer in a transaction, but only with the
17. knowledge and informed consent of both the Seller and the Buyer. In these situations, the Broker, acting through its licensee(s),
18. represents both the Buyer and the Seller, with limitations of the duties owed to the Buyer and the Seller:
19. a) The broker will not, without written authorization, disclose to the other party that the Seller will accept a price or terms other than
20. stated in the listing or that the Buyer will accept a price or terms other than offered.
21. b) There will be conflicts in the duties of loyalty, obedience, disclosure and confidentiality. Disclosure of confidential information may
22. be made only with written authorization.
23. Regardless of who the Broker represents in the transaction, the Broker shall exercise reasonable skill and care in the performance of the
24. Broker's duties and shall be truthful and honest to both the Buyer and Seller and shall disclose all known facts which materially and adversely
25. affect the consideration to be paid by any party. Pursuant to A.R.S. §32-2156, Sellers, Lessors and Brokers are not obligated to disclose that
26. a property is or has been: (1) the site of a natural death, suicide, homicide, or any crime classified as a felony; (2) owned or occupied by a
27. person exposed to HIV, or diagnosed as having AIDS or any other disease not known to be transmitted through common occupancy of real
28. estate; or (3) located in the vicinity of a sex offender. Sellers or Sellers' representatives may not treat the existence, terms, or conditions of
29. offers as confidential unless there is a confidentiality agreement between the parties.
30. **THE DUTIES OF THE BROKER IN A REAL ESTATE TRANSACTION DO NOT RELIEVE THE SELLER OR THE BUYER FROM THE
31. RESPONSIBILITY TO PROTECT THEIR OWN INTERESTS. THE SELLER AND THE BUYER SHOULD CAREFULLY READ ALL
32. AGREEMENTS TO INSURE THAT THE DOCUMENTS ADEQUATELY EXPRESS THEIR UNDERSTANDING OF THE TRANSACTION.**

ELECTION

33. **Buyer or Tenant Election** (Complete this section only if you are the Buyer.) The undersigned elects to have the Broker (check any that apply):
34. represent the Buyer as Buyer's Broker.
35. represent the Seller as Seller's Broker.
36. show Buyer properties listed with Broker's firm and Buyer agrees that Broker shall act as agent for both Buyer and Seller provided that
37. the Seller consents to limited representation. In the event of a purchase, Buyer's and Seller's informed consent should be
38. acknowledged in a separate writing other than the purchase contract.
39. **Seller or Landlord Election** (Complete this section only if you are the Seller.) The undersigned elects to have the Broker (check any that apply):
40. represent the Buyer as Buyer's Broker.
41. represent the Seller as Seller's Broker.
42. show Seller's property to Buyers represented by Broker's firm and Seller agrees that Broker shall act as agent for both Seller and
43. Buyer provided that Buyer consents to the limited representation. In the event of a purchase, Buyer's and Seller's informed consent
44. should be acknowledged in a separate writing other than the purchase contract.
45. The undersigned Buyer(s) or Seller(s) acknowledge that this document is a disclosure of duties. This document is not an employment agreement.
46. **I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE.**

47. ^ PRINT NAME ^ PRINT NAME
48. ^ SIGNED MO/DA/YR ^ SIGNED MO/DA/YR

BUYER ATTACHMENT

Document updated:
February 2017



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



ATTENTION BUYER!

You are entering into a legally binding agreement.

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

If important to you, hire a qualified:

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

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

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

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

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

Buyer's Check List

RESIDENTIAL RESALE REAL ESTATE PURCHASE CONTRACT

Document updated:
February 2017



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



1. PROPERTY

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

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BUYER	BUYER

Residential Resale Real Estate Purchase Contract >>

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

2. FINANCING

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

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SELLER	SELLER

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BUYER	BUYER

Residential Resale Real Estate Purchase Contract >>

- 2f. 90. **Loan Application:** Unless previously completed, within three (3) days after Contract acceptance Buyer shall (i) provide lender 91. with Buyer's name, income, social security number, Premises address, estimate of value of the Premises, and mortgage loan 92. amount sought; and (ii) grant lender permission to access Buyer's Trimerged Residential Credit Report.
- 2g. 93. **Loan Processing During Escrow:** Within ten (10) days after receipt of the **Loan Estimate** Buyer shall (i) provide lender with 94. notice of intent to proceed with the loan transaction in a manner satisfactory to lender; and (ii) provide to lender all requested 95. signed disclosures and the documentation listed in the LSU at lines 32-35. Buyer agrees to diligently work to obtain the loan and 96. will promptly provide the lender with all additional documentation requested.
- 2h. 97. **Type of Financing:** Conventional FHA VA USDA Assumption Seller Carryback _____ 98. (If financing is to be other than new financing, see attached addendum.)
- 2i. 99. **Loan Costs:** All costs of obtaining the loan shall be paid by Buyer, unless otherwise provided for herein.
- 2j. 100. **Seller Concessions (if any):** In addition to the other costs Seller has agreed to pay herein, Seller agrees to pay up to _____% 101. of the Purchase Price **OR** up to \$_____ to be used only for Buyer's loan costs, impounds, Title/Escrow Company costs, 102. recording fees, and, if applicable, VA loan costs not permitted to be paid by Buyer.
- 2k. 103. **Changes:** Buyer shall immediately notify Seller of any changes in the loan program, financing terms, or lender described in the 104. Pre-Qualification Form attached hereto or LSU provided within ten (10) days after Contract acceptance and shall only make any 105. such changes without the prior written consent of Seller if such changes do not adversely affect Buyer's ability to obtain loan 106. approval without PTD conditions, increase Seller's closing costs, or delay COE.
- 2l. 107. **Appraisal Contingency:** Buyer's obligation to complete this sale is contingent upon an appraisal of the Premises acceptable to 108. lender for at least the purchase price. If the Premises fail to appraise for the purchase price in any appraisal required by lender, 109. Buyer has five (5) days after notice of the appraised value to cancel this Contract and receive a return of the Earnest Money or 110. the appraisal contingency shall be waived, unless otherwise prohibited by federal law.
- 2m. 111. **Appraisal Cost(s):** Initial appraisal fee shall be paid by Buyer Seller Other _____ 112. at the time payment is required by lender and is non-refundable. If Seller is paying the initial appraisal fee, the fee will will not 113. be applied against Seller's Concessions at COE, if applicable. If Buyer's lender requires an updated appraisal prior to COE, it will be 114. performed at Buyer's expense. Any appraiser/lender required inspection cost(s) shall be paid for by Buyer.

3. TITLE AND ESCROW

- 3a. 115. **Escrow:** This Contract shall be used as escrow instructions. The Escrow Company employed by the parties to carry out the 116. terms of this Contract shall be:
 - 117. _____
ESCROW/TITLE COMPANY
 - 118. _____
ADDRESS CITY STATE ZIP
 - 119. _____
EMAIL PHONE FAX
- 3b. 120. **Title and Vesting:** Buyer will take title as determined before COE. If Buyer is married and intends to take title as his/her sole 121. and separate property, a disclaimer deed may be required. Taking title may have significant legal, estate planning and tax 122. consequences. Buyer should obtain independent legal and tax advice.
- 3c. 123. **Title Commitment and Title Insurance:** Escrow Company is hereby instructed to obtain and deliver to Buyer and Seller directly, 124. addressed pursuant to 8s and 9c or as otherwise provided, a Commitment for Title Insurance together with complete and legible copies 125. of all documents that will remain as exceptions to Buyer's policy of Title Insurance ("Title Commitment"), including but not limited to 126. Conditions, Covenants and Restrictions ("CC&Rs"); deed restrictions; and easements. Buyer shall have five (5) days after receipt of the 127. Title Commitment and after receipt of notice of any subsequent exceptions to provide notice to Seller of any items disapproved. Seller 128. shall convey title by warranty deed, subject to existing taxes, assessments, covenants, conditions, restrictions, rights of way, easements 129. and all other matters of record. Buyer shall be provided at Seller's expense an American Land Title Association ("ALTA") Homeowner's 130. Title Insurance Policy or, if not available, a Standard Owner's Title Insurance Policy, showing title vested in Buyer. Buyer may acquire 131. extended coverage at Buyer's own additional expense. If applicable, Buyer shall pay the cost of obtaining the ALTA Lender Title 132. Insurance Policy.

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 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

>>

SELLER	SELLER

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BUYER	BUYER

Residential Resale Real Estate Purchase Contract >>

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

5. WARRANTIES

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

6. DUE DILIGENCE

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

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Residential Resale Real Estate Purchase Contract >>

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

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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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BUYER BUYER

8. ADDITIONAL TERMS AND CONDITIONS

- 8a. 344. _____
- 345. _____
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Residential Resale Real Estate Purchase Contract >>**8q. 443. Broker on behalf of Buyer:**

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

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

446. _____
 PRINT FIRM NAME FIRM MLS CODE

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

448. _____
 PREFERRED TELEPHONE FAX EMAIL

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

450. Buyer; Seller; or both Buyer and Seller

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

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

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

455. _____
 ADDRESS ADDRESS

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

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

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

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

460. _____
 PRINT FIRM NAME FIRM MLS CODE

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

462. _____
 PREFERRED TELEPHONE FAX EMAIL

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

464. Seller; or both Buyer and Seller

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

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

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

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

471. _____
 ADDRESS ADDRESS

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

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

For Broker Use Only:

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

SHORT SALE ADDENDUM TO THE RESIDENTIAL RESALE REAL ESTATE PURCHASE CONTRACT



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



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

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

8. CONTINGENT UPON ACCEPTABLE SHORT SALE AGREEMENT

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

16. DOCUMENTATION TO CREDITOR(S)

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

21. TERMS UPON ACCEPTABLE SHORT SALE AGREEMENT

- 22. **Agreement Notice:** If Seller and Seller's creditors enter into a short sale agreement, the Seller shall immediately deliver notice
- 23. to Buyer ("Agreement Notice").
- 24. **Time Periods:** The date of Seller's delivery of the Short Sale Agreement Notice to Buyer shall be deemed the date of Contract
- 25. acceptance for purposes of all applicable Contract time periods.
- 26. **Escrow and Earnest Money:** Buyer shall promptly open Escrow and deposit Earnest Money as described in the Contract upon
- 27. receipt of Agreement Notice.
- 28. **Seller Warranties:** Buyer hereby waives Seller's warranties as set forth in Lines 172-174 of Section 5a of the Contract that all
- 29. listed items shall be in working condition at the earlier of possession or COE. However, Seller warrants and shall maintain and
- 30. repair the Premises so that, pursuant to lines 175-176 of the Contract, at the earlier of possession or COE, the Premises, including
- 31. all heating, cooling, mechanical, plumbing, and electrical systems (including swimming pool and/or spa, motors, filter systems,
- 32. cleaning systems, and heaters, if any), free-standing range/oven, built-in appliances and additional existing personal property
- 33. included in the sale, will be in substantially the same condition as on the date of Contract acceptance and all personal property not
- 34. included in the sale and all debris will be removed from the Premises.
- 35. **Close of Escrow:** Close of Escrow shall occur thirty (30) days or _____ days after delivery of Agreement Notice.
- 36. **Creditor Requirements:** Buyer and Seller agree to cooperate with Creditor(s) and sign additional Creditor disclosure(s) or execute
- 37. additional addendum(a) required by Creditor(s) as a condition of approval of the short sale, provided that Buyer and Seller incur no
- 38. additional cost or liability.

39. BUYER CANCELLATION

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

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BUYER BUYER

Short Sale Addendum to the Residential Resale Real Estate Purchase Contract >>

41. LEGAL AND TAX ADVICE

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

45. (SELLER'S INITIALS REQUIRED) _____ SELLER _____ SELLER

46. UNFULFILLED CONTINGENCY

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

50. OTHER TERMS AND CONDITIONS

51. _____
52. _____
53. _____
54. _____
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74. _____

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

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

79. ^ 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.

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Section 1

COMMON DOCUMENTS A BUYER SHOULD REVIEW

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

1 Purchase Contract

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

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

(AAR Sample Residential Resale Purchase Contract)

2 MLS Printout

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

Therefore, the buyer should verify any important information contained in the MLS.

3 The Subdivision Disclosure Report (Public Report)

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

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

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

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

4 Seller's Property Disclosure Statement (SPDS)

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

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

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

5 Covenants, Conditions and Restrictions (CC&Rs)

The CC&Rs are recorded against the property and generally empower a homeowner's association to control certain aspects of property use within the development. By purchasing a property in such a development, the buyer agrees to be bound by the CC&Rs. The association, the property owners as a whole, and individual property owners can enforce the 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)

ADRE ADVISES:

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

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

6 Homeowners Association(HOA) Governing Documents

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

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

7 HOA Disclosures

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

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

8 Community Facilities District

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

9 Title Report or Title Commitment

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

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

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

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

10 Loan Information and Documents

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

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

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

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

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

11 Home Warranty Policy

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

12 Affidavit of Disclosure

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

<http://bit.ly/1p6CjDO>

(AAR Sample Affidavit of Disclosure)

13 Lead-Based Paint Disclosure Form

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

<http://www2.epa.gov/lead>, <http://1.usa.gov/1uO5wGS>(EPA)

<http://bit.ly/1rCq9kd>(ADRE Lead Based Paint Information)

14 Professional Inspection Report

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

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

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

15 County Assessors/Tax Records

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

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

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

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

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

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

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

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

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

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

Gila:
<http://bit.ly/Yq3bv9>

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

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

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

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

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

16 Termites and Other Wood Destroying Insects and Organisms

Termites 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/2GiIIR> (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.

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

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

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

Section 2

COMMON PHYSICAL CONDITIONS IN THE PROPERTY A BUYER SHOULD INVESTIGATE

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

1 Repairs, Remodeling and New Construction

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

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

(BeforeYouHirea Contractor– Tips)

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

<https://www.nariosouthernarizona.com/page-319328>

(National Association of Remodeling Industry– Southern Arizona)

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

(City of Phoenix – Building Permit Records)

2 Square Footage

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

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

(AZFI – Arizona Board of Appraisers Directory)

3 Roof

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

www.azroofing.org

(Arizona Roofing Contractors Association)

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

(BeforeYouHirea Contractor– Tips)

4 Swimming Pools and Spas

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

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

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

<https://www.azleg.gov/ars/36/01681.htm> (A.R.S. 36-1681 Swimming Pool Enclosures)

5 Septic and Other On-Site Wastewater Treatment Facilities

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

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

(ADEQ – AZ Statewide Inspection Program)

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

(File a Notice of Transfer Online)

6 SEWER

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

7 Water/Well Issues

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

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

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

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

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

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

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

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

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

8 Soil Problems

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

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

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

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

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

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

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

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

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

9 Previous Fire/Flood

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

10 Pests

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

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

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

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

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

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

<http://bit.ly/1HLIW55> (Information on Scorpions)
<http://bit.ly/1PFP9Y2> (Information on Bed Bugs)
<http://www2.epa.gov/bedbugs> (Bed Bugs: Get Them Out and Keep Them Out)
<http://www.maricopa.gov/FAQ.aspx?TID=104> (Maricopa County – Roof Rats)
<https://agriculture.az.gov/pestspest-control/termites> (Termite Information)
<https://agriculture.az.gov/pests-pest-control/agriculture-pests/bark-beetles> (Bark Beetle Information)

11 Endangered & Threatened Species

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

<https://www.fws.gov/southwest/es/arizona/> (Arizona Ecological Services)
<https://www.fws.gov/endangered/map/state/AZ.html> (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 mold may cause health problems in some people while triggering only common allergic responses in others. Mold is often not detectable by a visual inspection. To determine if the premises you are purchasing or leasing contains mold or airborne health hazards, you may retain an environmental expert to perform an indoor air quality test. This is particularly important if any of the inspection reports or disclosure documents indicate the existence of past or present moisture, standing water, visible water stains, or water intrusion in the Premises.

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

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

<http://1.usa.gov/1it5vok> (Indoor Air Quality)
www.epa.gov/mold (EPA)
<http://www.epa.gov/iaq/pubs/index.html> (Publications & Resources)
www.cdc.gov/mold (Mold Information)

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

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

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

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

bit.ly/2kRk7jm (Drywall Information Center)
<http://bit.ly/2GclWpM> (About Radon)
<http://www2.epa.gov/asbestos> (Asbestos Information)
bit.ly/2gUzcSt (Voluntary Guidelines for Methamphetamine)
<http://1.usa.gov/1OC9Yji> (EPA Formaldehyde Information)

14 Property Boundaries

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

www.azpls.org/ (AZ Professional Land Surveyors)
<https://btr.az.gov/laws-standards/standards/land-surveyors> (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://msc.fema.gov/portal> (Flood Map Service Center)

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

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

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

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

Other Arizona Counties: Consult County Websites.

16 Insurance (Claims History)

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

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

https://personalreports.lexisnexis.com/fact_act_disclosure.jsp (Home Seller's Disclosure Report)

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>

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 (and more).

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

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

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

1 Environmentally Sensitive Land

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

<http://www.scottsdaleaz.gov/codes/eslo>
(Environmentally Sensitive Lands Overlay – ESL)

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

2 Electromagnetic Fields

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

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

3 Superfund Sites

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

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

www.epa.gov/superfund/ (EPA), <http://espanol.epa.gov/> (Spanish)

4 Freeway Construction and Traffic Conditions

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

www.azdot.gov (ADOT)

www.azdot.gov/Highways (Statewide Projects)

www.az511.com (Traffic Conditions – Alerts)

5 Crime Statistics

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

<https://www.phoenix.gov/police/neighborhood-resources/crime-stats-maps> (Phoenix Crime Statistics)

<http://www.tucsonaz.gov/police/statistics> (Tucson Crime Stats)

www.leagueaz.org/lgd (Crime Statistics All Arizona Cities)

6 Sex Offenders

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

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

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

7 Forested Areas

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

<https://dffm.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.

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

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

9 Zoning/Planning/Neighborhood Services

Information may be found on community websites.

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

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

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

10 Schools

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

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

ADRE ADVISES:

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

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

11 City Profile Report

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

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

Section 4

OTHER METHODS OF GETTING INFORMATION ABOUT A PROPERTY

Talk to the Neighbors

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

Drive around the Neighborhood

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

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

Investigate your Surroundings:

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

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

Section 5

RESOURCES

Market Conditions Advisory

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

The ultimate decision on the price a buyer is willing to pay and the price a seller is willing to accept for a specific property rests solely with the individual buyer or seller. The parties to a real estate transaction must decide on what price and terms they are willing to buy or sell 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) make no representation regarding the above items. Buyer and seller are advised to obtain professional tax and legal advice regarding the advisability of entering into this transaction.

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

(AAR - Sample Forms)

Fair Housing and Disability Laws

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

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

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

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

(Americans with Disabilities Act)

Wire Fraud

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

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

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

Additional Information

NATIONAL ASSOCIATION OF REALTORS® (NAR)

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

NAR'S Ten Steps to Homeownership

<http://bit.ly/YweGug>

Home Closing 101

www.homeclosing101.org

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

Arizona Department of Real Estate
Consumer Information

www.azre.gov/InfoFor/Consumers.aspx

Arizona Association of REALTORS®

www.aaronline.com

BUYER ACKNOWLEDGMENT

Buyer acknowledges receipt of all 13 pages of this Advisory.

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

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

^ BUYER SIGNATURE

DATE

^ BUYER SIGNATURE

DATE

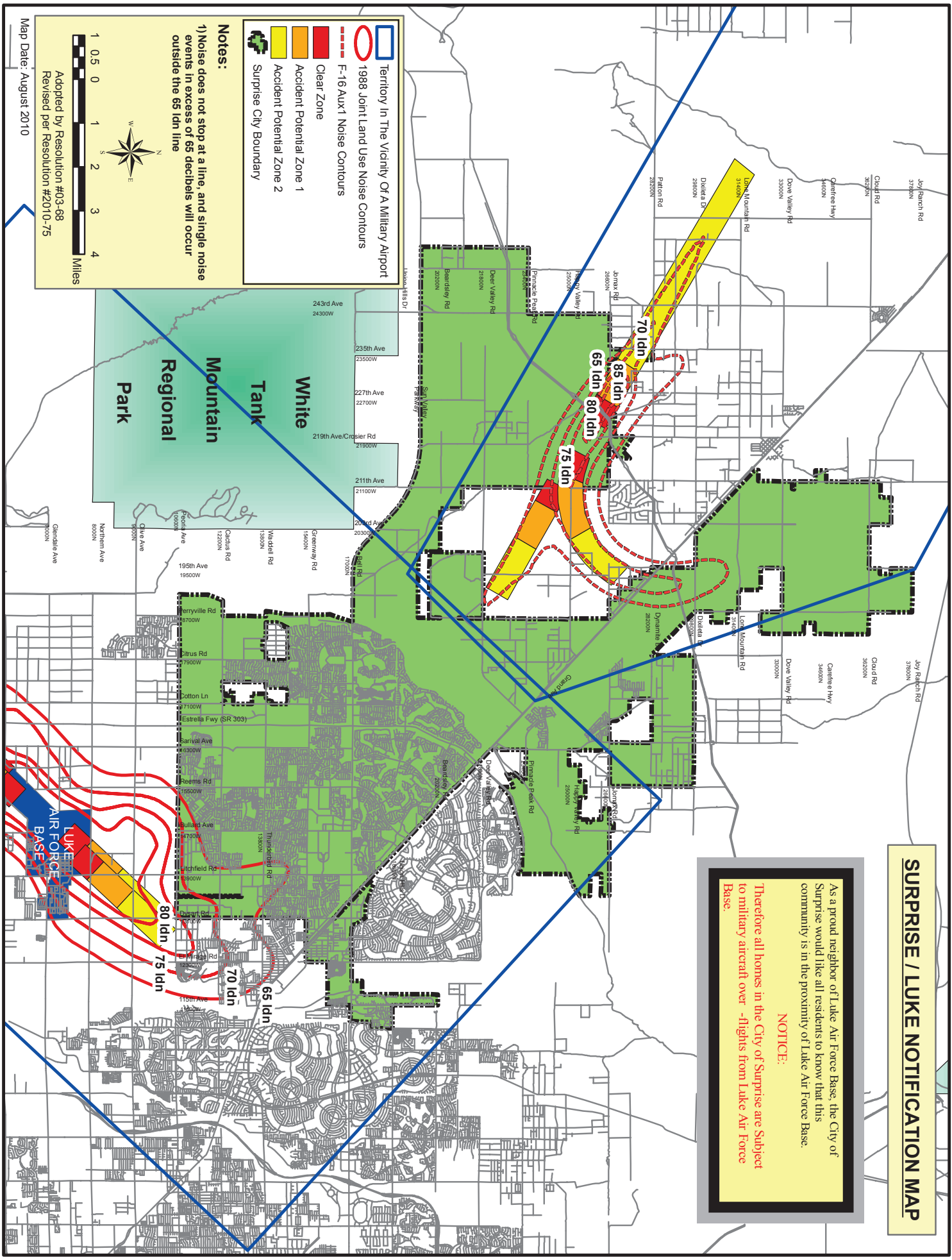


SURPRISE / LUKE NOTIFICATION MAP

As a proud neighbor of Luke Air Force Base, the City of Surprise would like all residents to know that this community is in the proximity of Luke Air Force Base.

NOTICE:

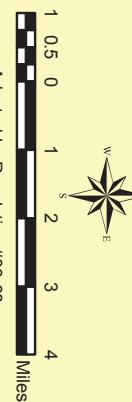
Therefore all homes in the City of Surprise are Subject to military aircraft over -flights from Luke Air Force Base.



Notes:

1) Noise does not stop at a line, and single noise events in excess of 65 decibels will occur outside the 65 ldn line

- Territory In The Vicinity Of A Military Airport
- 1988 Joint Land Use Noise Contours
- F-16 Aux1 Noise Contours
- Clear Zone
- Accident Potential Zone 1
- Accident Potential Zone 2
- Surprise City Boundary



Adopted by Resolution #03-68
Revised per Resolution #2010-75
Map Date: August 2010



Lawyers Title

lawyerstitlenaz.com