

# SELLER'S GUIDE



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ZION  
REALTY

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# QUICK REFERENCE

Complete the following information as it becomes available.

Utility companies may ask for your Escrow Number and the name of your Title Company.

**IMPORTANT:** Do not cancel your current home insurance or disconnect utilities prior to the close of escrow

Escrow Number	
New Address	
City/State/Zip	



## REALTOR

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



## COMMUNICATIONS

INTERNET AND TELEVISION SERVICE

COX	602.277.1000 - www.cox.com
Direct TV	1.888.777.2454 - www.directtv.com
Dish Network	1.800.823.4929 - www.dishnetwork.com
Western Broadband	480.895.8084 - www.westernbroadband.net
Century Link	1.800.366.8201 - www.centurylink.com
Start Date	



## COMMUNICATIONS

PHONE SERVICE

AT&T	1.800.222.0300 - www.att.com
Verizon	1.800.922.0204 - www.connecttoverizon.com
New Phone Number	



## INSURANCE

Agent	
Phone	
Policy Number	
Stop Date	
Agent	
Phone	
Policy Number	
Start Date	
Home Warranty	
Plan Number	
Policy Number	
Website	



## NEWSPAPERS

Arizona Republic	602.444.1000 - www.azcentral.com
The Tribune	480.898.6500 - www.tribune.com



## MAIL

United Postal Service	www.usps.com
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## SECURITY TITLE AGENCY

Escrow Officer	
Phone	
Fax	
Email	
Escrow Assistant	
Phone	
Email	
Address	
City/State/Zip	



## GAS

Southwest Gas	
Other	
Start Date	



## ELECTRIC

Salt River Project	602.236.8888 - www.srpnet.com
APS	602.371.7171 - www.aps.com
Start Date	



“To give real service, you must add something which cannot be bought or measured with money, and that is sincerity and integrity.”

DOUGLAS ADAMS

**SECURITY TITLE AGENCY**  
**REDUCED RATE CERTIFICATE**

This certificate entitles you to reduced rates for an Owner's Policy should you sell your property within five (5) years from the date the sale was recorded.

Owner: \_\_\_\_\_

Policy No.: \_\_\_\_\_

Real Estate Agent: \_\_\_\_\_

Recorded Sales Date: \_\_\_\_\_

The offer is applicable only if the policy is issued by Security Title. To ensure your discount, present this certificate to your real estate agent when you list your home for sale. Five Year Reduced Rate offer expires on \_\_\_\_\_

Note: If you decide to sell your home in the future, new title insurance will be needed to protect your Buyer for the time prior to and during your ownership for any defects that may have occurred. See Security Title's short-term, reduced-rate certificate.



We at **Security Title** are proud to be able to provide this helpful guide to understanding the title and escrow process when selling a home in Arizona

## SECURITY TITLE



With over 160 years of history in the title industry, Security Title and our FNF family of title companies offers you the financial strength, experience and expertise needed to close your transactions with confidence and peace of mind.

This booklet has been prepared to give you an overview of the general process involved during the sell of a home and explain the various roles that we will play in helping to close your transaction.

We hope you find this information beneficial in making your transaction and experience a smooth and positive one!



## AS PART OF OUR SERVICE, SECURITY TITLE WILL:

**OPEN** escrow and deposit your earnest money in a separate escrow account.

**CONDUCT** a title search to determine ownership and status of the subject property.

**ISSUE** a title commitment and begin the process to delete or record items to provide clear title to the property.

**ASK** you to complete a beneficiary's statement if you are assuming the Seller's loan.

**MEET** all deadlines as specified in the contract.

**REQUEST** payoff information for the Seller's loans, other liens, homeowners association fees, etc.

**PRORATE** fees, such as property taxes, per the contract, and prepare the settlement statement.

**SET** separate appointments: Seller will sign documents; Buyer will sign documents and deposit funds.

**REVIEW** documents ensuring all conditions and legal requirements are fulfilled; request funds from lender.

When all funds are deposited, **RECORD** documents at the County Recorder to transfer the subject property to the buyer.

After recordation is confirmed, **CLOSE** escrow and disburse funds, including Seller's proceeds, loan payoffs, REALTORS®, commissions, related fees for recording, etc.

**PREPARE** and send final documents to parties involved.





## KEY PROFESSIONALS INVOLVED

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### **REALTOR®**

A REALTOR® is a licensed real estate agent and a member of the National Association of REALTORS®, a real estate trade association. REALTORS® also belong to their state and local Association of REALTORS®.

### **REAL ESTATE AGENT**

A real estate agent is licensed by the state to represent parties in the transfer of real property. Every realtor is a real estate agent, but not every real estate agent has the professional designation of a REALTOR®.

### **LISTING AGENT**

A key role of the listing agent or broker is to form a legal relationship with the homeowner to sell the property and place the property in the Multiple Listing Service.

### **BUYER'S AGENT**

A key role of the buyer's agent or broker is to work with the buyer to locate a suitable property and negotiate a successful home purchase.





# PRICING YOUR HOME

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*Without a doubt, of all the mistakes that a seller can make, price is the most harmful and costly. Price the home too low and the home will sell quickly, but the seller will lose money that is rightfully theirs. Price the property too high and it will not sell. The home will continue to cost the seller money in the form of interest, repairs and upkeep.*

## **PREPARING FOR THE MOVE:**

There are four reasons that one must price a home correctly from day one of the listing.

### **TIME**

Chances are that your home will ultimately sell at its fair market value. Pricing it properly at the onset simply increases the likelihood of a timely sale with less inconvenience and greater monetary return.

### **COMPETITION**

Buyers educate themselves by viewing many properties and they will always look at a range of homes priced competitively. They know, or learn quickly, what is a fair price. If your home is not competitive in value with those they have seen in the same price range, it simply will not sell.

### **REPUTATION**

Overpricing causes most homes to remain on the market too long. Buyers and agents become aware of the long exposure period and often are hesitant to make an offer because they fear something is wrong with the property. Clean, well-prepared homes that are on the market for a long period of time historically sell for less than their fair market value.

### **INCONVENIENCE**

If overpricing keeps your home from selling promptly, you may end up owning two homes, the one your are trying to sell and the new home you have already purchased. Statistically, the typical activity that is generated on a property is generated in the first five weeks of the listing period.





# SHOWING YOUR HOME

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*First impressions are the most important sales tool. Emotion plays a tremendous part in creating an interest in your home from a potential buyer. Make certain your home puts its "best foot forward" and that you follow the time-tested rules and behavior that will enhance the likelihood of a sale.*

## **OUTSIDE ENTRY**

The front door should be clean, fresh and inviting. Make sure the landscaping is maintained.

## **WINDOWS**

Clean windows make a home seem bigger and brighter and add tremendously to a home's "show-ability".

## **LIGHTS**

Make certain all your light fixtures are working and turn on all the lights when showing the home (night or day). It makes the home much more welcoming.

## **CLOSETS**

Neat closets appear larger and keep buyers from wondering if they might be too small.

## **BATHROOMS SELL HOMES!!!**

Each one will be closely inspected. Repair caulking, fix leaks and make sure everything sparkles and smells clean.

## **BEDROOMS**

Remove excess furniture and decorations and use attractive, freshly laundered bedspreads and window coverings to make these rooms more inviting.

## **MINOR REPAIRS**

Creaking doors, loose handles, sticking windows, dirty wallpaper, worn woodwork, and faded walls all reduce buyer appeal. A little money spent in fixing these things will keep you from trying to convince the buyer how it could actually look, and result in a quicker sale at a higher price.

## **FLOORS**

Keep the carpet vacuumed, the floors washed and remove any clutter from the floors and stairways. Your home will show better and there will be no unfortunate accidents.

## **PETS**

Keep them out of the way-outside is best.

## **BACKGROUND**

Loud music or blaring televisions detract from everything you have done to make your home inviting. Allow the agent and buyer to talk without competition.

## **ASSISTING THE POTENTIAL BUYER**

Don't have too many people present during a showing. A potential buyer may feel like an intruder and hurry though the house. Be courteous, but don't force conversation with the potential buyer. They want to inspect your home, not make friends. If they have questions they will ask.

## **ASSISTING YOUR REALTOR®**

Show your home to prospective buyers by appointment through your agent. Let your REALTOR® discuss price, terms, possession and the other details with the buyer. Your REALTOR® has negotiated many contracts. Allow them to use their expertise to get the most favorable conclusion on your behalf. If you are needed, your REALTOR® will include you.







# ESCROW PROCESS

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## WHAT IS AN ESCROW

An escrow is a process wherein the Buyer and Seller deposit written instructions, documents, and funds with a neutral third party until certain conditions are fulfilled. In a real estate transaction, the Buyer does not pay the Seller directly for the property. The Buyer gives the funds to an escrow company who, acting as an intermediary, verifies that title to the property is clear and all written instructions in the contract have been met. Then the company transfers the ownership of the property to the Buyer through recordation and pays the Seller. This process protects all parties involved.

The State of Arizona licenses and regulates all title and escrow companies. The Department of Insurance and the Department of Financial Institutions can inspect a company's records at any time, providing further oversight of the company's management and qualification to act as an impartial third party to the transaction.

In Arizona, escrow services are generally provided by a title insurance company instead of an attorney. The stability, reliability and performance of your title and escrow company are vital to protect the interests of all parties to the transaction.

## WHAT HAPPENS AT SECURITY TITLE

During the escrow period, our title department begins researching and examining all historical records pertaining to the subject property. Barring any unusual circumstances, a commitment for title insurance is issued, indicating a clear title or listing any items which must be cleared prior to closing. The commitment is sent to you for review.

Your escrow officer follows the instructions on your contract, coordinates deadlines, and gathers all necessary paperwork. For example, written requests for payoff information (called "demands") are sent to the Seller's mortgage company and any other lien holders.

## HOW IS AN ESCROW OPENED?

Once you have completed the contract (or Purchase Agreement), and the Seller has accepted the offer, your REALTOR® will open escrow. The earnest money deposit and the contract are placed in escrow. As a neutral party to the transaction, Security Title can respond only to those written instructions agreed to mutually by all "interested" parties (Seller and Buyer); Security Title cannot otherwise alter the contract or create instructions, and that protects all parties to the transaction.

## HOW TO HOLD TITLE

You should inform your escrow officer and lender as soon as possible of how you wish to hold title to your home and exactly how your name(s) will appear on all documents. This allows your lender and Security Title to prepare all documents correctly. Changes later, such as adding or deleting an initial in your name, can delay your closing. You may wish to consult an attorney, accountant or other professional before deciding how to hold title.





# OTHER PARTIES IN AN ESCROW TRANSACTION

In addition to the buyer, seller, lender and real estate agent(s), escrow may involve several other parties providing these services: Home Inspection, Termite/Pest Inspection, Appraisal and Home Warranty.

## HOME INSPECTIONS

A home inspection is another component of the escrow process. It is a physical examination to identify material defects in the systems, structure and components of a building, such as foundations, basements and under-floor areas, exteriors, roof coverings, attic areas and roof framing, plumbing, electrical systems, heating and cooling systems, fireplaces and chimneys, and building exteriors.

### Is Your Home Inspector Insured?

They should have: Professional Liability Insurance Coverage, General Liability and Workers Compensation.

### How the Seller Should Prepare for a Home Inspection

The Seller should have the property fully accessible, including elimination of stored objects that may prevent the inspector from accessing key components of the home. Areas of special concern are attics, crawlspaces, electric panels, closets, garages, gates/yards, furnaces and water heaters. All utilities should be on, with functioning pilots lit.

### Inspector's Responsibility of the Homeowner

Respect the property. Leave the property as they found it. Answer questions about the report after the inspection is completed. Provide a copy of the report on site.



## TERMITE/PEST INSPECTION

This report is prepared by a State Certified Inspector as evidence of the existence or absence of wood destroying organisms or pests which were visible and accessible on the date the inspection was made. In addition to looking for subterranean termites, the inspector is also looking for signs of activity from other wood organisms such as:

- Carpenter ants
- Carpenter bees
- Wood destroying fungus
- Dry wood termites

These conditions are easy to spot and in most cases are simple and inexpensive to correct. If you aren't certain about the condition of your property, seek assistance from a State-Certified Termite Inspector.





# OTHER PARTIES IN AN ESCROW TRANSACTION

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## APPRAISAL

If the Buyer is securing a new loan for the purchase, an appraisal will be required by the lender. An appraiser will:

- Research the subject property as to year built, bedrooms, baths, lot size and square footage.
- Compare data of recent sales in the subject's neighborhood, typically within a one mile radius. The appraiser usually locates at least three (and preferably more) similar homes that have sold within the past six months. These homes are considered the "Comparable Properties" or "Comps" for short.
- Field inspection is conducted in two parts:
  - (1) the inspection of the subject property, and
  - (2) the exterior inspection of the comparable properties.

The subject property inspection includes taking photos of the front and rear of the home (that may include portions of the yard) and photos of the street scene. The appraiser also makes an interior inspection for features and conditions which may detract from or add to the value of the home. A floor plan of the home is drawn and included while doing the inspection.

## HOME WARRANTY

Home warranties offer advantages to both the Buyer and Seller. This policy protects the Buyer by paying for certain repairs and costs of major mechanical systems and major appliances in the home such as heating and air conditioning. There are a variety of plans available.

### **Benefits of Home Warranty Coverage to the Seller**

- Home may sell faster and at a higher price
- Optional coverage during the listing period
- Protection from legal disputes that occur after the sale increases the marketability of home

### **Benefits of Home Warranty Coverage to the Buyer**

- Warranty coverage for major systems and built-in appliances
- Protects cash flow
- Puts a complete network of qualified service technicians at the Buyer's service
- Low deductible

Most home warranty plans can be paid for at the close of escrow. A copy of the invoice is presented to the escrow company and it becomes part of the seller's closing costs. FNF offers Home Warranty coverage at [www.HomeWarranty.com](http://www.HomeWarranty.com) or 1.800.862.6837





# APPRAISAL PROCESS

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## WHAT APPRAISERS LOOK FOR DURING THE HOME APPRAISAL PROCESS

*Knowing what an appraiser will look for during the appraisal process can help you better prepare your home for the appraisal. Here are a few key features of your home that an appraiser will be interested in:*

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### PROPERTY SIZE

The appraiser will consider the overall size of your home. A larger property is often more desirable to buyers because it gives them the possibility of building an addition to the home in the future. A home with many bedrooms and bathrooms will also have extra value since a greater number of people can live in the home.

### EXTERIOR

Before even entering your home, the home appraiser will inspect the outside of your property. This involves looking at the structure of your home and inspecting the foundation and roof to determine what materials they are made from and what condition they are in. The appraiser will also look for any damage to your home, such as leaks, cracks or defects that may have gone unnoticed when the house was built.

### INTERIOR

As with the exterior, the appraiser will consider the materials used in the construction of your home; their condition is very important. The main construction of your home, including the walls, flooring, windows, and doors, will be carefully inspected to determine quality and identify any damage or defects. The condition of lighting fixtures, kitchen appliances and plumbing will also influence the appraiser's estimate.

### EXTRA FEATURES

Amenities that contribute to the comfort and safety of a home will greatly improve the appraised value. Appraisers will take into consideration all the extras that your home offers, such as air conditioning, fireplaces, security systems, or smoke detectors. Outdoor amenities, such as a swimming pool, garage or gazebo, could also lead to a higher appraisal.

### IMPROVEMENTS

Improvements that you have made since you took ownership will influence the appraised value of your home. While inspecting the interior of your home, the appraiser will pay attention to upgrades that you have made to your kitchen and bathrooms especially. A new oven, stove, sink or bathtub is a big plus when determining your home's value. Because the appraiser might not notice all the upgrades that you've made, it is important to provide him or her with a list of improvements before the appraisal.





# WHY YOU NEED TITLE INSURANCE

## What Title Insurance is and Why it is Important

- 1 Title insurance protects the interests of property owners and lenders against legitimate or false title claims by owners or lien holders. It insures the title to the investment, unlocking its potential as a financial asset for the owner.
- 2 At Security Title we access, assemble, analyze, and distribute title information, in addition to handling escrow and closing.
- 3 Title problems are discovered in more than one-third of residential real estate transactions. These “defects” must be resolved prior to closing. The most common problems are existing liens, unpaid mortgages, and recording errors of names, addresses or legal descriptions.
- 4 A homeowner’s title insurance policy protects the owner for as long as he or she has an interest in the property or is liable for a warranty; and the premium is paid only once, at closing.
- 5 Title insurance is different from other forms of insurance because it insures against events that occurred before the policy is issued, as opposed to insuring against events in the future, Title insurance is loss prevention insurance.
- 6 Security Title performs a thorough search of existing records to identify all possible defects in order to resolve them prior to issuing a policy. We perform intensive and extensive work up front to minimize claims. The better we do this, the lower our rate of claims and the more secure your level of protection.
- 7 Researching titles is extremely labor intensive. The industry invests a substantial amount of time and expense to collect and evaluate title records. As a result, the industry’s claims experience is low compared to other lines of insurance.
- 8 Security Title’s impressive Claim Reserves gives you unquestionable security and peace of mind knowing that your policy is backed by a leader in the title insurance industry.
- 9 Dollar for dollar, title insurance is the best investment you can make to protect your interest in one of the most valuable assets you own: your home.
- 10 To get the best value, choose Security Title for all your Title and Escrow needs. Write us in on your next transaction and you’ll see why we are Worth the Money.





# WHO PAYS WHAT IN A REAL ESTATE TRANSACTION

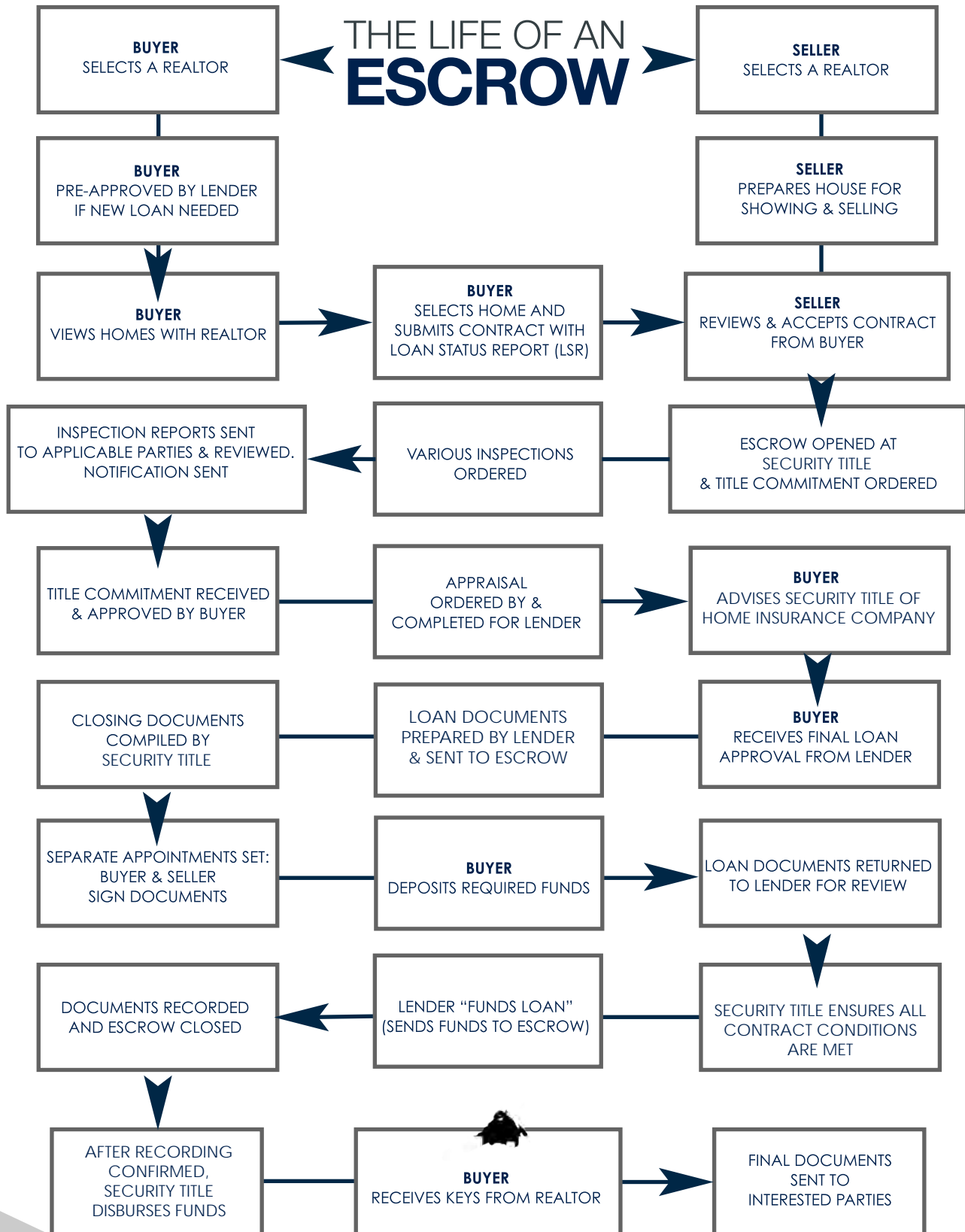
	CASH	CTM	FHA	VA	CONV
1. Downpayment	BUYER	BUYER	BUYER	BUYER	BUYER
2. Termite (Wood Infestation) Inspection (negotiable except on VA)				SELLER	
3. Property Inspection (If requested by Buyer)	BUYER	BUYER	BUYER	BUYER	BUYER
4. Property Repairs, if any (negotiable)	SELLER	SELLER	SELLER	SELLER	SELLER
5. New Loan Origination Fee (negotiable)			BUYER	BUYER	BUYER
6. Discount Points (negotiable)			BUYER	SELLER	BUYER
7. Document Preparation Fee (Charge Selling on FHA/VA)			SELLER	SELLER	BUYER
8. Credit Report		BUYER	BUYER	BUYER	BUYER
9. Appraisal or Extension Fee (negotiable)			BUYER	BUYER	BUYER
10. Interest Proration on Seller's Existing Loan		SELLER			
11. Existing Loan Payoff	SELLER		SELLER	SELLER	SELLER
12. Existing Loan Payoff Demand	SELLER		SELLER	SELLER	SELLER
13. Loan Prepayment Penalty (if any)	SELLER		SELLER	SELLER	SELLER
14. Next Month's PITI Payment		BUYER	BUYER	BUYER	BUYER
15. Prepaid Interest (approx. 30 days)			BUYER	BUYER	BUYER
16. Mortgage Transfer Fee		SPLIT			
17. Reserve Account Balance (Credit Seller / Charge Buyer)		PRORATE	PRORATE	PRORATE	PRORATE
18. FHA MIP, VA Funding Fee, PMI Premium		PRORATE	BUYER	BUYER	BUYER
19. Assessments payoff or proration (sewer, paving, etc.)	SELLER	SELLER			
20. Taxes	PRORATE	PRORATE	PRORATE	PRORATE	PRORATE
21. Tax Impounds			BUYER	BUYER	BUYER
22. Tax Service Contract			SELLER	SELLER	BUYER
23. Fire/Hazard Insurance	BUYER	BUYER	BUYER	BUYER	BUYER
24. Flood Insurance			BUYER	BUYER	BUYER
25. Homeowners Association (HOA) Transfer Fee	SPLIT	SPLIT	SPLIT	SELLER	SPLIT
26. HOA/Disclosure Fee	SELLER	SELLER	SELLER	SELLER	SELLER
27. Current HOA Payment	PRORATE	PRORATE	PRORATE	PRORATE	PRORATE
28. Next Month's HOA Payment	BUYER	BUYER	BUYER	BUYER	BUYER
29. Home Warranty Premium (negotiable)					
30. Realtors' Commissions	SELLER	SELLER	SELLER	SELLER	SELLER
31. Home Title Policy	SELLER	SELLER	SELLER	SELLER	SELLER
32. Lenders Title Policy and Endorsements			BUYER	BUYER	BUYER
33. Account Servicing Set-up Fee (negotiable)		SPLIT			
34. Escrow Fee (Note: Charge Seller on VA Loan)	SPLIT	SPLIT	SPLIT	SELLER	SPLIT
35. Recording Fees (Flat Rate)	SPLIT	SPLIT	SPLIT	SPLIT	SPLIT
36. Reconveyance/Satisfaction Fee	SELLER		SELLER	SELLER	SELLER
37. Courier/Express Mail Fees	SPLIT	SPLIT	SPLIT	SELLER	SPLIT
38. Wire Fees	SPLIT	SPLIT	SPLIT	SELLER	SPLIT
39. Email Loan Documents			BUYER	SELLER	BUYER

Note: Prorated items will appear on Closing Statement as charges for one and credits for the other





# THE ESCROW PROCESS





# SIGNING APPOINTMENT

*The escrow officer will contact you to arrange an appointment for you to sign all the necessary documents. Your appointment will take approximately 45 minutes. Your signature(s) will need to be notarized so make certain to bring either a passport or current driver's license for identification purposes.*

## **After Your Signing Appointment:**

After the seller and the buyer have signed all the necessary instructions and documents, the escrow officer will return them to the lender for final review. The review generally occurs within a day, allowing the necessary work to be completed to record the close of escrow.

**Closing Escrow:** Recording of the deed signifies legal transfer of title to the property from the seller to the buyer and is the culmination of the transaction. Usually the Deed and Deed of Trust are recorded within one working day of the escrow's receipt of loan funds. This completes the transaction and signifies the "close of escrow."

**Your Proceeds:** A final settlement statement and check for any proceeds due will be available the day the sale is completed, documents are recorded and the escrow is closed.

## **After Escrow Closes:**

After the loan has been finalized, the documents signed and recorded, and the financial settlement completed, there are still a few items that must be attended to in order to officially complete the transaction.

Your existing loan is paid in full from escrow. Your lender is required by law to issue a full release and reconveyance of their loan. As soon as the Deed of Reconveyance removing the previous Deed of Trust is received, it is recorded and the original is returned to you. This process can sometimes take several weeks.

Finally, in some cases, the escrow officer will be instructed to hold funds in escrow to pay off obligations that may not be completed until after escrow closes. For example, funds might be set aside for termite repair work or correction of a structural problem. Upon completion of the project and receipt of the proper documentation for release, the escrow officer will disburse the reserve funds as appropriate.







# RED FLAGS IN THE ESCROW/TITLE PROCESS

A “**RED FLAG**” is a signal to pay attention! Below are some of the items which may cause delay or other problems within a transaction and must be addressed well before the closing.

- Bankruptcies
- Business trusts
- Clearing liens and judgments, including child or spousal support liens
- Encroachments or off record easements
- Establishing fact of death— joint tenancy, trusts
- Foreclosures
- Physical inspection results— Encroachments, or off-record easements
- Probates
- Power of Attorney—Use of, proper execution
- Proper execution of documents
- Proper jurats, notary seals
- Recent construction
- Transfers or loans involving corporations or partnerships
- Last minute change in buyers
- Last minute change in type of title insurance coverage

## RED FLAGS EXAMPLES

**CC&R’S:** These are standard. The CC&R’s should be provided to the buyer by escrow. The buyer should read these thoroughly, especially if improvements to the property are contemplated.

**RED FLAG:** Some CC&R’s prohibit certain types of improvements.

**EASEMENTS:** These are also standard. Most easements in newer subdivisions (20 years or less) are contained in the streets. Some subdivisions have nonexclusive easements over portions of the property for such things as maintenance of side yards, access to common areas (like golf courses), etc.

**RED FLAG:** If improvements are contemplated (such as construction of a pool or spa) the buyer should request the easements be plotted on a map to determine if there will not be any interference to contemplated improvements. Easements are very difficult to get removed and your client may be better off with another property if an easement interferes with his future plans for the property.

**AGREEMENTS:** These commonly take the form of road maintenance agreements, mutual easement agreements (like a shared driveway) or improvement agreements, and will bind the owner to certain actions. A copy of the agreement should be requested from title and provided to the buyer. It is the buyer’s responsibility to contact their own counsel if they do not understand how the agreement would affect them.

**TRUST DEEDS:** These are common. Escrow will order a demand from the lender(s) which will allow the title company to pay off existing loan(s) using the proceeds from the new buyer’s loan (or proceeds if all cash).

**RED FLAG:** Watch out for old deeds of trust from a previous owner (or sometimes the current owner if he has refinanced). If you find a deed of trust listed that has already been paid, or that looks like it was taken out by a previous owner, call your escrow officer immediately. Your escrow officer will research the deed of trust, and take the necessary steps to either remove it from the public record or by acquiring an “indemnity” from the title company who paid off the old loan. Old deeds of trust with private party beneficiaries (an individual acting as lender, such as an old seller carry-back) are difficult to get removed, especially if several years have gone by since the loan has been paid off.





## RED FLAGS EXAMPLES

**ENCROACHMENTS:** Sometimes a structure (commonly a fence or driveway) encroaches upon a property. This usually means that a client will have to take the property subject to the encroachment. Contact your title officer if you see encroachment language in your prelim.

**RED FLAG:** The lender will usually not want to lend on a property where encroachments exist. In some circumstances, an endorsement to the lender's policy (usually with an extra charge) can allow the lender to close. These are determined on a case-by-case basis. Again, contact your escrow officer.

**NOTICE OF VIOLATION:** These will sometimes be recorded by the fire department, the health department or the local zoning enforcement division in situations where the property violates a local statute.

**RED FLAG:** These are always a red flag. The lender will not accept these conditions. The violation will have to be eliminated and the local enforcement agency will have to issue a release before closing. The seller or the seller's representative will have to deal directly with the appropriate agency to resolve these types of issues.

**COURT ORDERS/JUDGMENTS:** These are not a standard item. The most common type are support judgments. These are issued by the courts when child/spousal support is owed by the party named.

**RED FLAG:** Any order/judgment is a red flag. If you see an order or judgment, contact escrow immediately to verify that the demand has been ordered.

**BANKRUPTCY:** While not unusual, bankruptcies are not standard.

**RED FLAG:** All open bankruptcies require the debtor to get permission from the court to sell or encumber an asset (the home) or to take on new debt. Chapter 7 and 13 bankruptcies against the seller are the most common found in a sale situation. A letter from the bankruptcy trustee will be required to close escrow. The trustee will sometimes require that a payment be made to the court at close. We sometimes find a Chapter 13 against a buyer, which will also require a letter from the trustee allowing the debtor to take on more debt. An open Chapter 7 against the buyer is rare, and the buyer probably cannot get a loan as long as he is in a Chapter 7. NOTE: Chapter 7 is a complete washout of dischargeable debt, Chapter 13 is a reorganization of debt and Chapter 11 is a reorganization of debt for a company or corporation.

**NOTICE OF PENDING ACTION:** This is also known as a "lis pendens."

**RED FLAG:** This is a big red flag. This means that someone has a lawsuit pending that may affect the title to the property. These are often found in acrimonious divorce situations. A demand (the aggressing party usually wants money before releasing) and dismissal of the case and (a "withdrawal of lis pendens") will be required before closing.





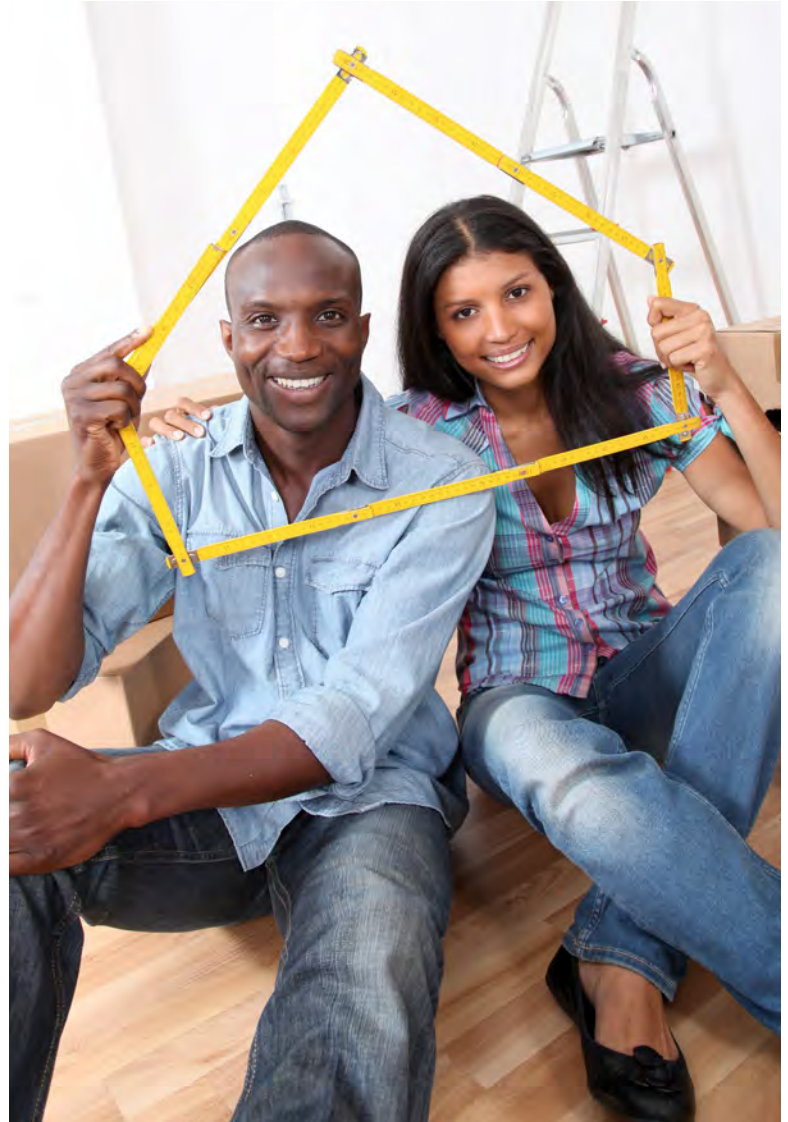
# RED FLAGS IN THE ESCROW/TITLE PROCESS

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## STATEMENT OF INFORMATION:

Also known as a statement of facts, statement of identity, or an SI. This required document will be provided to the parties by escrow. It asks for information about the parties such as social security number, residence history, marital history, job history, aliases, etc. Please fill this out as completely as possible. The SI allows the company to eliminate things recorded in the GI (General Index) against the name (as opposed to the property) such as tax liens, judgments, welfare liens, support liens and lawsuits that may be filed against people that have the same name as you. These types of liens may attach to any real property owned by the debtor, and therefore make the property liable for any payment due under the lien.

**RED FLAG:** If you have a common name (for example: Smith, Johnson, Garcia, Martinez, Lee, etc) it is important that the company receive the completed SI promptly in order to “clear” these items. Sometimes you may be unaware that a lien exists. More often, you may have resolved the situation but had never gotten the proper release documents recorded in order to remove it from the public record. We cannot close a file with unresolved liens against a seller. Contact your escrow officer if you find that this situation exists.



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**NOTE:** If you obtain a judgement against a party that awards money damages if you, it may be wise to record the judgement in any county where the debtor owns or may own property. Consult your attorney.

If you find something on your prelim that is not listed here, it is probably a red flag and you should contact your escrow officer. He (or she) will be happy to provide you with copies of recorded documents and advise you as to what is needed in order to remove the item (if necessary). Sometimes, though, removing an item is so time consuming, or costly, or both, that the buyer may elect to cancel a transaction. We cannot advise you regarding the risk in making such a decision. You should contact your own counsel if you have only concerns.



# ? TERMS YOU SHOULD KNOW

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**ACKNOWLEDGEMENT:** A formal declaration made before an authorized official (usually notary public) by the person who has executed (signed) a document by his or her own act and deed. In most instances, documents must be acknowledged (notarized) before they can be accepted for recording.

**AFFIDAVIT:** A sworn statement in writing, made before an authorized official.

**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.

**ASSESSMENTS:** Specific and special taxes (in addition to normal taxes) imposed on real property for public improvements within a specific geographic area.

**BENEFICIARY:** As used in a trust deed, the Lender is designated as the Beneficiary, i.e. obtains the benefit of the security.

**CC&Rs:** Covenants, Conditions and Restrictions. A document that controls the use, requirements and restrictions of a property.

**CLOSING DISCLOSURE:** The financial disclosure statement that accounts for all of the funds received and disbursed at the closing, including deposits for taxes, hazard insurance and mortgage insurance.

**CONTINGENCY:** A condition that must be satisfied before a contract can be completed. For instance, a sales agreement may be contingent upon the buyer obtaining financing.

**DEED OF TRUST:** Written instrument by which title to land is transferred to a trustee as security for a debt or other obligation. Used in place of mortgages in many states. Also called Trust Deed.

**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 or another.

**ESCROW:** A procedure in which a third party acts as a stakeholder for both the buyer and the seller, carrying out both parties' instructions and assuming responsibility for handling all of the paperwork and distribution of funds.

**FEE SIMPLE:** An estate in which the owner has unrestricted power to dispose of the property as he or she wishes, including leaving by will of inheritance. It is the greatest interest a person can have in real estate.

**GRANT:** A transfer of real property from the grantor, who makes the grant, to the grantee.

**HOMESTEAD EXEMPTION:** Automatic in Arizona, it allows any resident of Arizona, 18 years or older, to be 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.

**IMPOUND ACCOUNT:** Funds retained by a lender to cover such items as taxes and hazard insurance premiums.



# ? TERMS YOU SHOULD KNOW

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**LEGAL DESCRIPTION:** A description of land recognized by law, based on government surveys, spelling out 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: judgements, taxes, mortgages, deeds of trust.

**LOAN-TO-VALUE RATIO:** The relationship between the amount of the mortgage and the appraised value of the property, expressed as a percentage of the appraisal value.

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

**PURCHASE AGREEMENT:** A written document in which the purchaser agrees to buy certain real estate and the seller agrees to sell under stated terms and conditions. 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 property, but not containing any warranty of a valid interest or title by the grantor.

**REAL PROPERTY:** Land and buildings as opposed to personal property.

**RECORDING:** Filing documents affecting real property with the County Recorder to make them a matter of public record.

**REGULATION Z:** The set of rules governing consumer lending issues by the Federal Reserve Board of Governors in accordance with the Consumer Protection Act.

**TITLE:** Evidence of a person's right or the extent of his interest in property.

**TITLE INSURANCE POLICY:** A policy that protects the purchaser, mortgagee or other party against losses.

**WARRANTY DEED:** A document used to convey fee title to real property from the grantor (usually the Seller) to grantee (usually the Buyer).





# PLANNING YOUR MOVE

## ABOUT 2 MONTHS BEFORE YOU MOVE

- Research your new city through the Chamber of Commerce and the city websites.
- Start cleaning closets and storage areas and decide what goes with you, what goes to a charitable organization or garage sale, and what goes in the trash.
- Talk with your accountant or an IRS advisor about any moving expenses that might be tax deductible and require records.
- Contact moving companies for services and estimates.
- Start a list of everyone you want to notify about your move. Keep it handy because names will pop into your mind unexpectedly. Along with friends and relatives, include schools, doctors, dentists, creditors, attorney, accountant, broker, and any recurring services such as maid, lawn, exterminator, water softener, diaper, internet provider, magazine subscriptions, etc.

## 1 MONTH OUT

- Notify the post office of the move, and pick up a supply of change of address cards.
- If possible, open bank accounts at the new location now so your checks can be printed, and you won't have to rely on temporary checks which are not accepted everywhere.
- Get serious about cleaning out the house; start accumulating boxes and begin packing.
- Contact your insurance companies (health, auto, homeowners, renters) and discuss coverage at the new location.
- Contact utility companies and arrange to disconnect/connect at your current home and at your new home.
- Driving? Flying? How will you, your family, your pets, your plants, extra cars, get to the new city? Arrange for that now.
- Take pets to your veterinarian for check up and regular immunizations before the trip.

## 2 WEEKS BEFORE

- Contact your bank about closing your existing accounts when you move.
- If you're driving your car, have it serviced.
- Find out what you need to do to transfer records for doctors, dentists, veterinarians, etc. Be sure to get permanent records from schools, not copies. Get prescriptions for new pharmacies.

## 1 WEEK LEFT

- Contact your local trash collector about proper disposal.
- Gather odds and ends: dry cleaning, safe deposit box items, prescriptions, anything you've loaned.
- Return library books, anything borrowed.

## A COUPLE OF DAYS

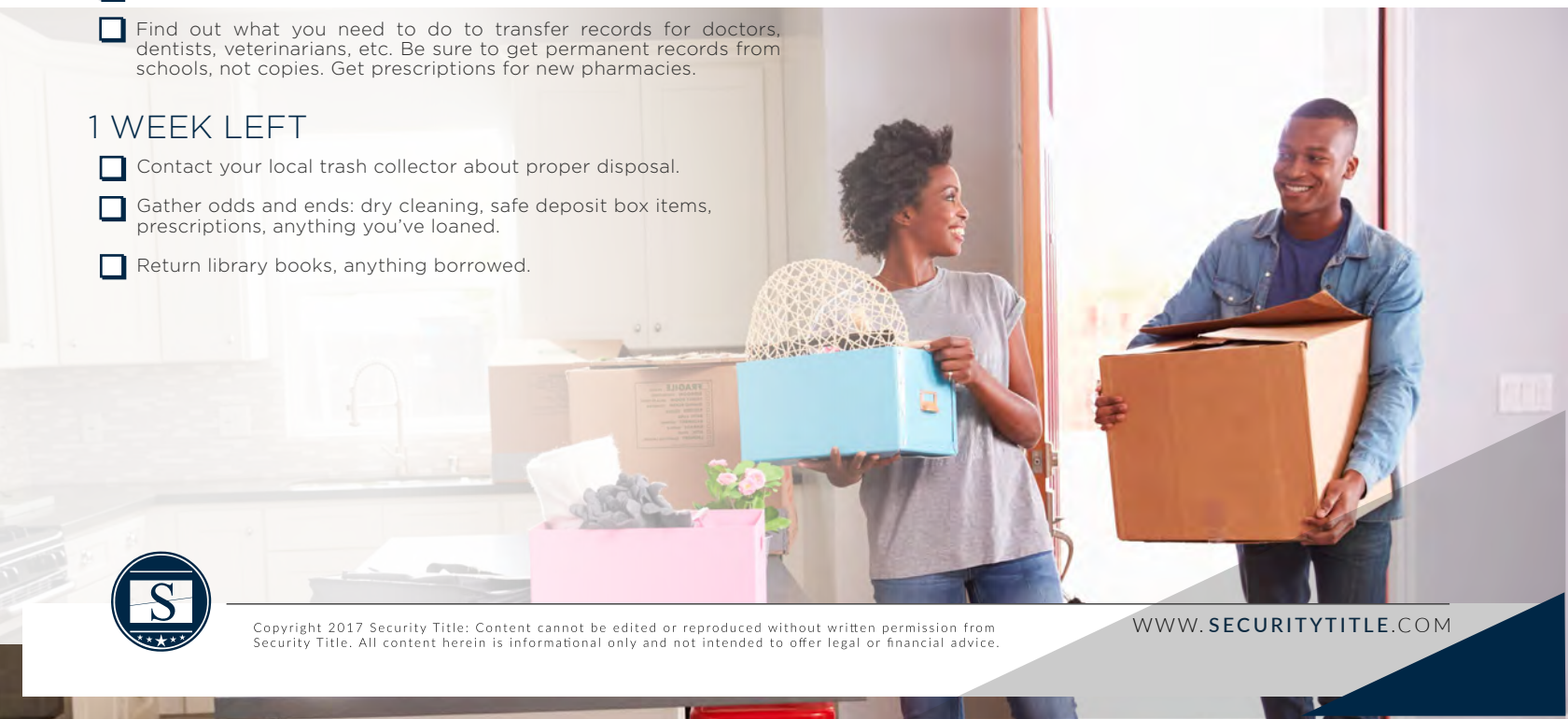
- Give away plants you're not taking.
- Defrost the refrigerator and freezer.
- Write out clear instructions—sketch a map, too, if you can—of your new home, and include your itinerary and emergency numbers.
- Keep a copy yourself, and give copies to the moving company and your family or friends.
- Complete packing. Be sure to set aside the items you want to take with you so the mover doesn't accidentally load them onto the truck.
- Pack local phone books. You'll be glad you did.
- Check with the utility companies to verify connect and disconnect dates after escrow closes.
- Contact your REALTOR® and verify when and where keys to your new home will be available.
- Disconnect appliances.

## THE BIG DAY

- If you can't be there when the movers arrive, arrange for someone to meet them.
- Check the movers' bill of lading and inventory carefully before signing.
- Keep papers with you in a safe place. Make one last trip through the house, double-checking closets, drawers and cabinets. Lock the windows.
- Leave the garage remote control for the new owners.
- Turn off all the lights, close and lock the door, and leave the keys as prearranged with your REALTOR® or new owner.

## GOOD LUCK, AND ENJOY YOUR NEW HOME!

This is general advice and is not intended for any specific circumstances.





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



# ATTENTION BUYER!

*You are entering into a legally binding agreement.*

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

If important to you, hire a qualified:

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

Verify square footage (see Section 6b)

Verify the property is on sewer or septic (see Section 6f)

- 4. Confirm your ability to obtain insurance and insurability of the property during the inspection period with your insurance agent (see Sections 6a and 6e).

- 5. Apply for your home loan now, if you have not done so already, and provide your lender with all requested information (see Section 2f).

It is your responsibility to make sure that you and your lender follow the timeline requirements in Section 2, and that you and your lender deliver the necessary funds to escrow in sufficient time to allow escrow to close on the agreed upon date. Otherwise, the Seller may cancel the contract and you may be liable for damages.

- 6. Read the title commitment within five (5) days of receipt (see Section 3c).

- 7. Read the CC&R's and all other governing documents within five (5) days of receipt (see Section 3c), especially if the home is in a homeowner's association.

- 8. Conduct a thorough pre-closing walkthrough (see Section 6l). If the property is unacceptable, speak up. After the closing may be too late.

You can obtain information through the Buyer's Advisory at [www.aaronline.com/manage-risk/buyer-advisory-3/](http://www.aaronline.com/manage-risk/buyer-advisory-3/).

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

## WARNING: \*WIRE TRANSFER FRAUD\*

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

# RESIDENTIAL RESALE REAL ESTATE PURCHASE CONTRACT

Document updated:  
**February 2020**



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



## 1. PROPERTY

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

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SELLER	SELLER

<Initials

Initials>

BUYER	BUYER



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

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

**2. FINANCING**

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

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SELLER	SELLER

<Initials

Initials>

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 will credit Buyer \_\_\_\_\_% 101. of the Purchase Price OR \$ \_\_\_\_\_ (Seller Concessions). The Seller Concessions may be used for any Buyer fee, cost, charge, 102. or expenditure to the extent allowed by Buyer's lender.
- 2k. 103. **Changes:** Buyer shall immediately notify Seller of any changes in the loan program, financing terms, or lender described in the 104. Pre-Qualification Form attached hereto or LSU provided within ten (10) days after Contract acceptance and shall only make any 105. such changes without the prior written consent of Seller if such changes do not adversely affect Buyer's ability to obtain loan 106. approval without PTD conditions, increase Seller's closing costs, or delay COE.
- 2l. 107. **Appraisal Contingency:** Buyer's obligation to complete this sale is contingent upon an appraisal of the Premises acceptable to 108. lender for at least the purchase price. If the Premises fail to appraise for the purchase price in any appraisal required by lender, 109. Buyer has five (5) days after notice of the appraised value to cancel this Contract and receive a return of the Earnest Money or 110. the appraisal contingency shall be waived, unless otherwise prohibited by federal law.
- 2m. 111. **Appraisal Cost(s):** Initial appraisal fee shall be paid by  Buyer  Seller  Other \_\_\_\_\_ 112. at the time payment is required by lender and is non-refundable. If Seller is paying the initial appraisal fee, the fee  will  will not 113. be applied against Seller's Concessions at COE, if applicable. If Buyer's lender requires an updated appraisal prior to COE, it will be 114. performed at Buyer's expense. Any appraiser/lender required inspection cost(s) shall be paid for by Buyer.

**3. TITLE AND ESCROW**

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

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

- 3d. 133. **Additional Instructions:** (i) Escrow Company shall promptly furnish notice of pending sale that contains the name and address of Buyer to any homeowner's association(s) in which the Premises are located. (ii) If Escrow Company is also acting as the title agency but is not the title insurer issuing the title insurance policy, Escrow Company shall deliver to Buyer and Seller, upon deposit of funds, a closing protection letter from the title insurer indemnifying Buyer and Seller for any losses due to fraudulent acts or breach of escrow instructions by Escrow Company. (iii) All documents necessary to close this transaction shall be executed promptly by Seller and Buyer in the standard form used by Escrow Company. Escrow Company shall modify such documents to the extent necessary to be consistent with this Contract. (iv) Escrow Company fees, unless otherwise stated herein, shall be allocated equally between Seller and Buyer. (v) Escrow Company shall send to all parties and Broker(s) copies of all notices and communications directed to Seller, Buyer and Broker(s). (vi) Escrow Company shall provide Broker(s) access to escrowed materials and information regarding the escrow. (vii) If an Affidavit of Disclosure is provided, Escrow Company shall record the Affidavit at COE.
- 3e. 143. **Tax Prorations:** Real property taxes payable by Seller shall be prorated to COE based upon the latest tax information available.
- 3f. 144. **Release of Earnest Money:** In the event of a dispute between Buyer and Seller regarding any Earnest Money deposited with Escrow Company, Buyer and Seller authorize Escrow Company to release the Earnest Money pursuant to the terms and conditions of this Contract in its sole and absolute discretion. Buyer and Seller agree to hold harmless and indemnify Escrow Company against any claim, action or lawsuit of any kind, and from any loss, judgment, or expense, including costs and attorney fees, arising from or relating in any way to the release of the Earnest Money.
- 3g. 149. **Prorations of Assessments and Fees:** All assessments and fees that are not a lien as of COE, including homeowner's association fees, rents, irrigation fees, and, if assumed, insurance premiums, interest on assessments, interest on encumbrances, and service contracts, shall be prorated as of COE or  Other: \_\_\_\_\_
- 3h. 152. **Assessment Liens:** The amount of any assessment lien or bond including those charged by a special taxing district, such as a Community Facilities District, shall be prorated as of COE.

**4. DISCLOSURE**

- 4a. 154. **Seller's Property Disclosure Statement ("SPDS"):** Seller shall deliver a completed AAR Residential SPDS form to Buyer within three (3) days after Contract acceptance. Buyer shall provide notice of any SPDS items disapproved within the Inspection Period or five (5) days after receipt of the SPDS, whichever is later.
- 4b. 157. **Insurance Claims History:** Seller shall deliver to Buyer a written five (5) year insurance claims history regarding the Premises (or a claims history for the length of time Seller has owned the Premises if less than five (5) years) from Seller's insurance company or an insurance support organization or consumer reporting agency, or if unavailable from these sources, from Seller, within five (5) days after Contract acceptance. Buyer shall provide notice of any items disapproved within the Inspection Period or five (5) days after receipt of the claims history, whichever is later.
- 4c. 162. **Foreign Sellers:** The Foreign Investment in Real Property Tax Act ("FIRPTA") is applicable if Seller is a non-resident alien individual, foreign corporation, foreign partnership, foreign trust, or foreign estate ("Foreign Person"). Seller agrees to complete, sign, and deliver to Escrow Company a certificate indicating whether Seller is a Foreign Person. FIRPTA requires that a foreign seller may have federal income taxes up to 15% of the purchase price withheld, unless an exception applies. Seller is responsible for obtaining independent legal and tax advice.
- 4d. 167. **Lead-Based Paint Disclosure:** If the Premises were built prior to 1978, Seller shall: (i) notify Buyer of any known lead-based paint ("LBP") or LBP hazards in the Premises; (ii) provide Buyer with any LBP risk assessments or inspections of the Premises in Seller's possession; (iii) provide Buyer with the Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards, and any report, records, pamphlets, and/or other materials referenced therein, including the pamphlet "Protect Your Family from Lead in Your Home" (collectively "LBP Information"). Buyer shall return a signed copy of the Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards to Seller prior to COE.
  - 173.  LBP Information was provided prior to Contract acceptance and Buyer acknowledges the opportunity to conduct LBP risk assessments or inspections during Inspection Period.
  - 175.  Seller shall provide LBP Information within five (5) days after Contract acceptance. Buyer may within ten (10) days or \_\_\_\_\_ days after receipt of the LBP Information conduct or obtain a risk assessment or inspection of the Premises for the presence of LBP or LBP hazards ("Assessment Period"). Buyer may within five (5) days after receipt of the LBP Information or five (5) days after expiration of the Assessment Period cancel this Contract.
  - 179. Buyer is further advised to use certified contractors to perform renovation, repair or painting projects that disturb lead-based paint in residential properties built before 1978 and to follow specific work practices to prevent lead contamination.
  - 181. If Premises were constructed prior to 1978, **(BUYER'S INITIALS REQUIRED)** \_\_\_\_\_ BUYER BUYER
  - 182. If Premises were constructed in 1978 or later, **(BUYER'S INITIALS REQUIRED)** \_\_\_\_\_ BUYER BUYER

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

**5. WARRANTIES**

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

**6. DUE DILIGENCE**

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

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

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

242.  sewer system  conventional septic system  alternative system

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

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

245. Addendum is incorporated herein by reference.

246.

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

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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)** \_\_\_\_\_

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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)** \_\_\_\_\_

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6i. 260. **Inspection Period Notice:** Prior to expiration of the Inspection Period, Buyer shall deliver to Seller a signed notice of any items

261. disapproved. AAR's Buyer's Inspection Notice and Seller's Response form is available for this purpose. Buyer shall conduct all

262. desired inspections and investigations prior to delivering such notice to Seller and all Inspection Period items disapproved shall be

263. provided in a single notice.

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

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

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

268. (b) If Buyer's notice fails to specify items disapproved as allowed herein, the cancellation will remain in effect but Buyer has  
 269. failed to comply with a provision of this Contract and Seller may deliver to Buyer a cure notice as required by Section 7a.

270. If Buyer fails to cure their non-compliance within three (3) days after delivery of such notice, Buyer shall be in breach and

271. Seller shall be entitled to the Earnest Money. If, prior to expiration of the Cure Period, Buyer delivers notice specifying

272. items disapproved as allowed herein, Buyer shall be entitled to a return of the Earnest Money.

273. **OR**

274. (2) Provide Seller an opportunity to correct the items disapproved, in which case:

275. (a) Seller shall respond in writing within five (5) days or \_\_\_\_\_ days after delivery to Seller of Buyer's notice of items  
 276. disapproved. Seller's failure to respond to Buyer in writing within the specified time period shall conclusively be deemed  
 277. Seller's refusal to correct any of the items disapproved.

278. (b) **If Seller agrees in writing to correct items disapproved, Seller shall correct the items, complete any repairs in a**  
 279. **workmanlike manner and deliver any paid receipts evidencing the corrections and repairs to Buyer three (3) days**  
 280. **or \_\_\_\_\_ days prior to the COE Date.**

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

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

287. BUYER'S FAILURE TO GIVE NOTICE OF DISAPPROVAL OF ITEMS OR CANCELLATION OF THIS CONTRACT WITHIN

288. THE SPECIFIED TIME PERIOD SHALL CONCLUSIVELY BE DEEMED BUYER'S ELECTION TO PROCEED WITH THE

289. TRANSACTION WITHOUT CORRECTION OF ANY DISAPPROVED ITEMS.

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**6k. 290. Home Warranty Plan:** Buyer and Seller are advised to investigate the various home warranty plans available for purchase. The  
 291. parties acknowledge that different home warranty plans have different coverage options, exclusions, limitations, service fees and  
 292. most plans exclude pre-existing conditions.

293.  A Home Warranty Plan will be ordered by  Buyer or  Seller with the following optional coverage

294. \_\_\_\_\_, to be issued by \_\_\_\_\_ at a cost

295. not to exceed \$ \_\_\_\_\_, to be paid for by  Buyer  Seller  Split evenly between Buyer and Seller

296.  Buyer declines the purchase of a Home Warranty Plan.

297.

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

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**6l. 298. Walkthrough(s):** Seller grants Buyer and Buyer's inspector(s) reasonable access to conduct walkthrough(s) of the Premises for  
 299. the purpose of satisfying Buyer that any corrections or repairs agreed to by Seller have been completed, and the Premises are  
 300. in substantially the same condition as of the date of Contract acceptance. If Buyer does not conduct such walkthrough(s), Buyer  
 301. releases Seller and Broker(s) from liability for any defects that could have been discovered.

**6m. 302. Seller's Responsibility Regarding Inspections and Walkthrough(s):** Seller shall make the Premises available for all inspections  
 303. and walkthrough(s) upon reasonable notice by Buyer. Seller shall, at Seller's expense, have all utilities on, including any propane,  
 304. until COE to enable Buyer to conduct these inspections and walkthrough(s).

**6n. 305. IRS and FIRPTA Reporting:** The Foreign Investment in Real Property Tax Act ("FIRPTA") provides that, if a seller is a Foreign  
 306. Person, a buyer of residential real property must withhold federal income taxes up to 15% of the purchase price, unless an exception  
 307. applies. If FIRPTA is applicable and Buyer fails to withhold, Buyer may be held liable for the tax. Buyer agrees to perform any acts  
 308. reasonable or necessary to comply with FIRPTA and IRS reporting requirements and Buyer is responsible for obtaining independent  
 309. legal and tax advice.

## 7. REMEDIES

**7a. 310. Cure Period:** A party shall have an opportunity to cure a potential breach of this Contract. If a party fails to comply with any  
 311. provision of this Contract, the other party shall deliver a notice to the non-complying party specifying the non-compliance. If the  
 312. non-compliance is not cured within three (3) days after delivery of such notice ("Cure Period"), the failure to comply shall become a  
 313. breach of Contract. If Escrow Company or recorder's office is closed on the last day of the Cure Period, and COE must occur  
 314. to cure a potential breach, COE shall occur on the next day that both are open for business.

**7b. 315. Breach:** In the event of a breach of Contract, the non-breaching party may cancel this Contract and/or proceed against the  
 316. breaching party in any claim or remedy that the non-breaching party may have in law or equity, subject to the Alternative Dispute  
 317. Resolution obligations set forth herein. In the case of Seller, because it would be difficult to fix actual damages in the event of  
 318. Buyer's breach, the Earnest Money may be deemed a reasonable estimate of damages and Seller may, at Seller's option, accept  
 319. the Earnest Money as Seller's sole right to damages; and in the event of Buyer's breach arising from Buyer's failure to deliver the  
 320. notice required by Section 2b, or Buyer's inability to obtain loan approval due to the waiver of the appraisal contingency pursuant  
 321. to Section 2l, Seller shall exercise this option and accept the Earnest Money as Seller's sole right to damages. An unfulfilled  
 322. contingency is not a breach of Contract. The parties expressly agree that the failure of any party to comply with the terms and  
 323. conditions of Section 1d to allow COE to occur on the COE Date, if not cured after a cure notice is delivered pursuant to Section 7a,  
 324. will constitute a material breach of this Contract, rendering the Contract subject to cancellation.

**7c. 325. Alternative Dispute Resolution ("ADR"):** Buyer and Seller agree to mediate any dispute or claim arising out of or relating to this  
 326. Contract in accordance with the REALTORS® Dispute Resolution System, or as otherwise agreed. All mediation costs shall be paid  
 327. equally by the parties. In the event that mediation does not resolve all disputes or claims, the unresolved disputes or claims shall  
 328. be submitted for binding arbitration. In such event, the parties shall agree upon an arbitrator and cooperate in the scheduling of  
 329. an arbitration hearing. If the parties are unable to agree on an arbitrator, the dispute shall be submitted to the American Arbitration  
 330. Association ("AAA") in accordance with the AAA Arbitration Rules for the Real Estate Industry. The decision of the arbitrator shall be  
 331. final and nonappealable. Judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction.  
 332. Notwithstanding the foregoing, either party may opt out of binding arbitration within thirty (30) days after the conclusion of the  
 333. mediation conference by notice to the other and, in such event, either party shall have the right to resort to court action.

**7d. 334. Exclusions from ADR:** The following matters are excluded from the requirement for ADR hereunder: (i) any action brought in the  
 335. Small Claims Division of an Arizona Justice Court (up to \$3,500) so long as the matter is not thereafter transferred or removed from  
 336. the small claims division; (ii) judicial or nonjudicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or  
 337. agreement for sale; (iii) an unlawful entry or detainer action; (iv) the filing or enforcement of a mechanic's lien; or (v) any matter that  
 338. is within the jurisdiction of a probate court. Further, the filing of a judicial action to enable the recording of a notice of pending action  
 339. ("lis pendens"), or order of attachment, receivership, injunction, or other provisional remedies shall not constitute a waiver of the  
 340. obligation to submit the claim to ADR, nor shall such action constitute a breach of the duty to mediate or arbitrate.

**7e. 341. Attorney Fees and Costs:** The prevailing party in any dispute or claim between Buyer and Seller arising out of or relating to this  
 342. Contract shall be awarded their reasonable attorney fees and costs. Costs shall include, without limitation, attorney fees, expert  
 343. witness fees, fees paid to investigators, and arbitration costs.

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**8. ADDITIONAL TERMS AND CONDITIONS**

- 8a. 344. \_\_\_\_\_
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- 8b. 390. **Risk of Loss:** If there is any loss or damage to the Premises between the date of Contract acceptance and COE or possession,  
391. whichever is earlier, by reason of fire, vandalism, flood, earthquake, or act of God, the risk of loss shall be on Seller, provided,  
392. however, that if the cost of repairing such loss or damage would exceed ten percent (10%) of the purchase price, either Seller or  
393. Buyer may elect to cancel the Contract.
- 8c. 394. **Permission:** Buyer and Seller grant Broker(s) permission to advise the public of this Contract.
- 8d. 395. **Arizona Law:** This Contract shall be governed by Arizona law and jurisdiction is exclusively conferred on the State of Arizona.
- 8e. 396. **Time is of the Essence:** The parties acknowledge that time is of the essence in the performance of the obligations described  
397. herein.
- 8f. 398. **Compensation:** Seller and Buyer acknowledge that Broker(s) shall be compensated for services rendered as previously agreed by  
399. separate written agreement(s), which shall be delivered by Broker(s) to Escrow Company for payment at COE, if not previously paid.  
400. If Seller is obligated to pay Broker(s), this Contract shall constitute an irrevocable assignment of Seller's proceeds at COE. If Buyer  
401. is obligated to pay Broker(s), payment shall be collected from Buyer as a condition of COE. COMMISSIONS PAYABLE FOR THE  
402. SALE, LEASING, OR MANAGEMENT OF PROPERTY ARE NOT SET BY ANY BOARD OR ASSOCIATION OF REALTORS®, OR  
403. MULTIPLE LISTING SERVICE, OR IN ANY MANNER OTHER THAN BETWEEN BROKER AND CLIENT.
- 8g. 404. **Copies and Counterparts:** A fully executed facsimile or electronic copy of the Contract shall be treated as an original Contract.  
405. This Contract and any other documents required by this Contract may be executed by facsimile or other electronic means and in any  
406. number of counterparts, which shall become effective upon delivery as provided for herein, except that the Disclosure of Information  
407. on Lead-Based Paint and Lead-Based Paint Hazards may not be signed in counterpart. All counterparts shall be deemed to  
408. constitute one instrument, and each counterpart shall be deemed an original.
- 8h. 409. **Days:** All references to days in this Contract shall be construed as calendar days and a day shall begin at 12:00 a.m. and  
410. end at 11:59 p.m.
- 8i. 411. **Calculating Time Periods:** In computing any time period prescribed or allowed by this Contract, the day of the act or event from  
412. which the time period begins to run is not included and the last day of the time period is included. Contract acceptance occurs on the  
413. date that the signed Contract (and any incorporated counter offer) is delivered to and received by the appropriate Broker. Acts that  
414. must be performed three (3) days prior to the COE Date must be performed three (3) full days prior (i.e. – if the COE Date is Friday  
415. the act must be performed by 11:59 p.m. on Monday).
- 8j. 416. **Entire Agreement:** This Contract, and any addenda and attachments, shall constitute the entire agreement between Seller and  
417. Buyer, shall supersede any other written or oral agreements between Seller and Buyer and can be modified only by a writing signed  
418. by Seller and Buyer. The failure to initial any page of this Contract shall not affect the validity or terms of this Contract.
- 8k. 419. **Subsequent Offers:** Buyer acknowledges that Seller has the right to accept subsequent offers until COE. Seller understands that  
420. any subsequent offer accepted by Seller must be a backup offer contingent on the cancellation of this Contract.
- 8l. 421. **Cancellation:** A party who wishes to exercise the right of cancellation as allowed herein may cancel this Contract by delivering  
422. notice stating the reason for cancellation to the other party or to Escrow Company. Cancellation shall become effective immediately  
423. upon delivery of the cancellation notice.
- 8m. 424. **Notice:** Unless otherwise provided, delivery of all notices and documentation required or permitted hereunder shall be in writing  
425. and deemed delivered and received when: (i) hand-delivered; (ii) sent via facsimile transmission; (iii) sent via electronic mail, if email  
426. addresses are provided herein; or (iv) sent by recognized overnight courier service, and addressed to Buyer as indicated in Section  
427. 8q, to Seller as indicated in Section 9a and to Escrow Company indicated in Section 3a.
- 8n. 428. **Release of Broker(s): Seller and Buyer hereby expressly release, hold harmless and indemnify Broker(s) in this  
429. transaction from any and all liability and responsibility regarding financing, the condition, square footage, lot lines,  
430. boundaries, value, rent rolls, environmental problems, sanitation systems, roof, wood infestation, building codes,  
431. governmental regulations, insurance, price and terms of sale, return on investment or any other matter relating to the value  
432. or condition of the Premises. The parties understand and agree that Broker(s) do not provide advice on property as an  
433. investment and are not qualified to provide financial, legal, or tax advice regarding this real estate transaction.**  
434. **(SELLER'S INITIALS REQUIRED)** \_\_\_\_\_ **(BUYER'S INITIALS REQUIRED)** \_\_\_\_\_  
  SELLER  SELLER  BUYER  BUYER
- 8o. 435. **Terms of Acceptance:** This offer will become a binding Contract when acceptance is signed by Seller and a signed copy delivered  
436. in person, by mail, facsimile or electronically, and received by Broker named in Section 8q  
437. by \_\_\_\_\_, \_\_\_\_\_ at \_\_\_\_\_ a.m./p.m., Mountain Standard Time.  
438. Buyer may withdraw this offer at any time prior to receipt of Seller's signed acceptance. If no signed acceptance is received by this  
439. date and time, this offer shall be deemed withdrawn and Buyer's Earnest Money shall be returned.
- 8p. 440. THIS CONTRACT CONTAINS TEN (10) PAGES EXCLUSIVE OF ANY ADDENDA AND ATTACHMENTS. PLEASE ENSURE  
441. THAT YOU HAVE RECEIVED AND READ ALL TEN (10) PAGES OF THIS OFFER AS WELL AS ANY ADDENDA AND  
442. ATTACHMENTS.

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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 452. 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 466. copy hereof and grant permission to Broker named in Section 9a to deliver a copy to Buyer.

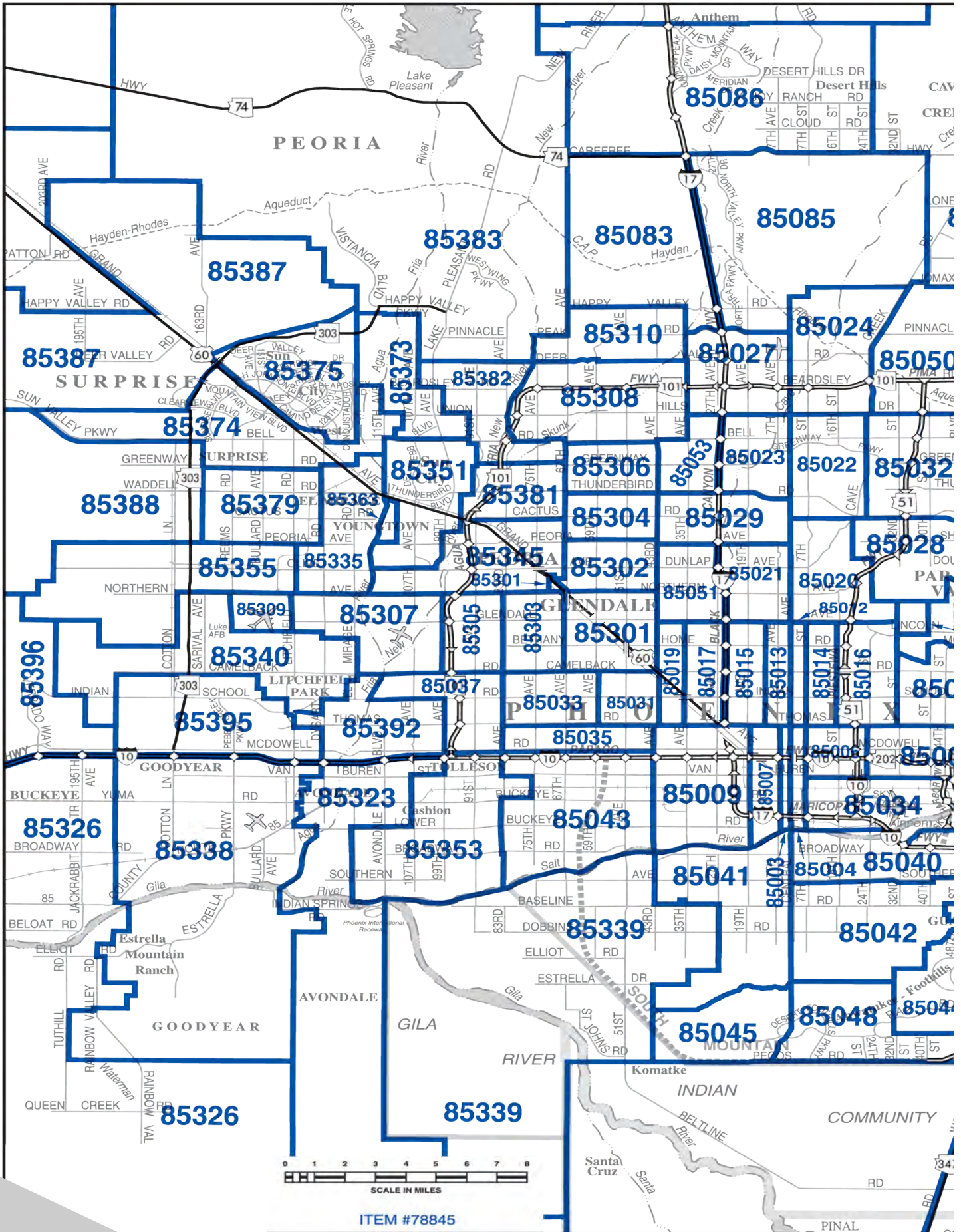
467. [ ] Counter Offer is attached, and is incorporated herein by reference. Seller must sign and deliver both this offer and the Counter Offer. If there is a conflict between this offer and the Counter Offer, the provisions of the Counter Offer shall be controlling.

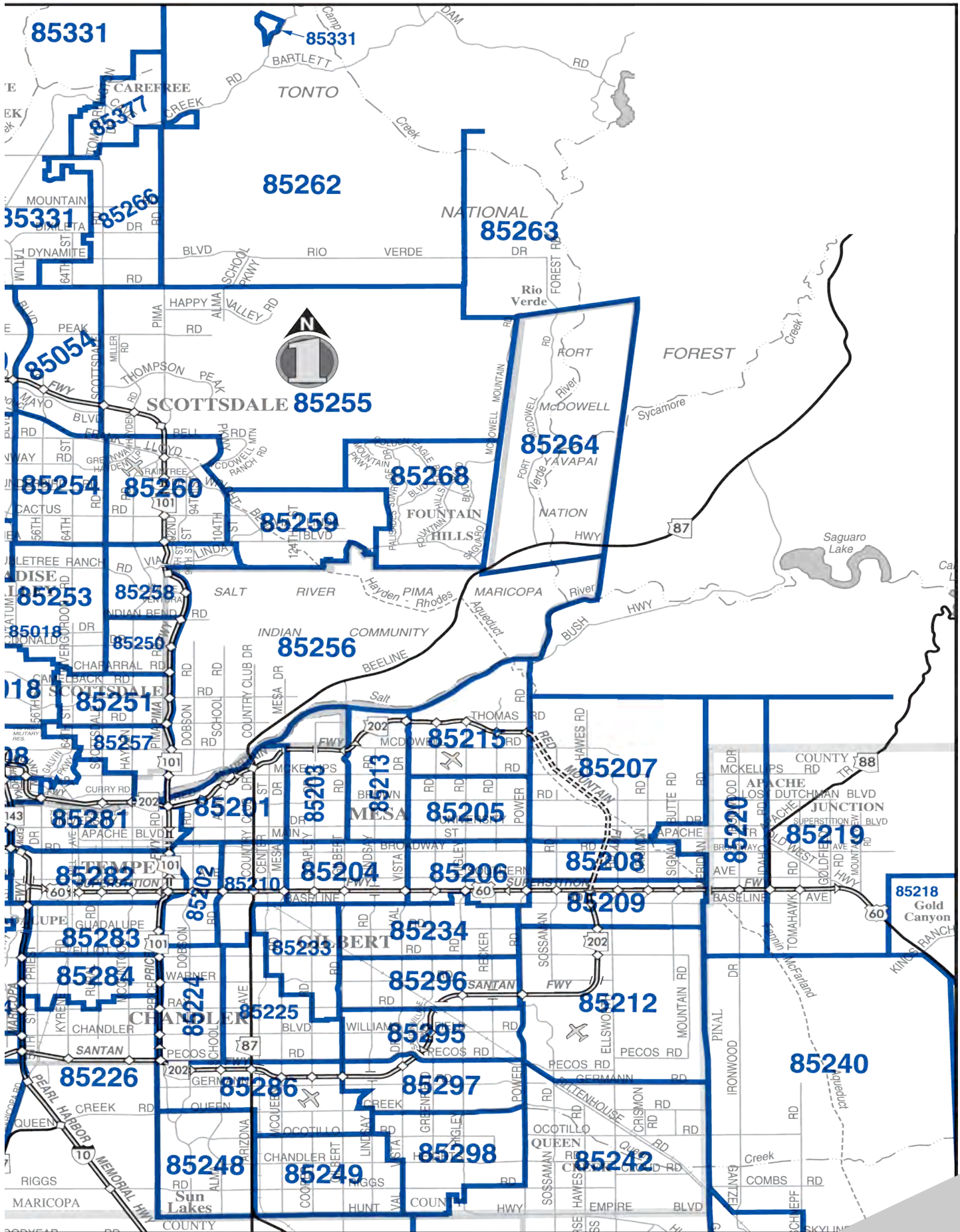
469. ^ SELLER'S SIGNATURE MO/DA/YR ^ SELLER'S SIGNATURE MO/DA/YR
470. ^ SELLER'S NAME PRINTED ^ SELLER'S NAME PRINTED
471. ADDRESS ADDRESS
472. CITY, STATE, ZIP CODE CITY, STATE, ZIP CODE

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

For Broker Use Only:

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











ZION  
REALTY

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