

Home Buyer's Guide



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A Bar Z Realty





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Don't Make A Move Without a REALTOR®

“Finding a home without a REALTOR® is like finding a needle in a haystack.”

As members of the National Association of REALTORS®, a strict Code of Ethics binds Realtors. **Here is why working with a REALTOR® works for you in terms of your interests, convenience, budget and your peace of mind throughout the entire buying process.**

- REALTORS® are the source of the most complete and up-to-date information on market availability, including homes listed by another REALTOR®. Working with a REALTOR® saves valuable time.
- REALTORS® assist in determining what a purchaser can afford as well as available financing options.
- REALTORS® assist in finding the home which best meets a purchaser's needs, from size and style to features and location as well as accessibility to desired amenities.
- REALTORS® can provide information to better inform a purchaser which property to buy, from real estate values to taxes, municipal services to utility costs.
- REALTORS® can be objective about a property and point out disadvantages, as they have no emotional ties.
- REALTORS® will negotiate offers and counter offers on your behalf with the Seller until an agreement has been made and will guide you through the loan and escrow process.
- REALTORS® will determine “Fair” market value establishing a fair sales price.

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Why does a REALTOR® charge commissions?

Your REAL ESTATE agent is a self employed business professional. Their job is to represent you in the transaction of REAL ESTATE. Whether you are selling a home, or looking to purchase property. A REAL ESTATE agent is hired by you to represent your best interests not just financially, but to help you achieve your realistic expectations. As a licensed REALTOR® a huge amount of responsibility goes along with the job, not only to serve you as a client, but to help protect you and your interests.

Being a REALTOR® is not a nine to five job, there is no wage or salary check from their employer at the end of each pay period and no hourly rate is determined by a labor board. Your REALTOR® is paid only at the successful close of escrow on the property in question.

Being a REALTOR® is just like operating your own business. Your agent faces similar “overheads” found in any business venture with a good portion of their commission satisfying these business related expenses, which directly help serve you as a client. Depending on the agent and the agency he/she represents, that commission is often split with their REAL ESTATE office to help cover the “cost of doing business”.

Other REALTOR® expenses come in many forms. Advertising your house, or their services via magazines and newspapers is extremely expensive. A single page in a “free” publication (i.e., found at the grocery store), can cost several hundred dollars alone each month.

Transportation, vehicle operating costs and rising gasoline prices are also a very expensive portion of a REALTOR’S® business.

Office space/facilities and equipment are a monthly expense for your REALTOR®. “Cutting edge” technology costs money and computers, printers, hardware, software, web-pages, e-mail, cell phones with airtime and long distance, pagers, renewal hours and continued education classes are just some of the things which must be paid by your agent before a commission is ever paid.

When you retain a REAL ESTATE agent, please remember that they are working hard for you and the commission that they earn is typically well deserved.

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Purchasing New Homes and Construction

Purchasers who choose new home construction instead of residential resale in established neighborhoods have additional legal considerations of which to be aware. Prior to any new home purchaser signing a contract with a new homebuilder they should:

- **Read the subdivision public report.** The law requires a builder in a new home subdivision to provide to prospective purchasers a report that discloses information about the subdivision which may affect the purchaser's decision to buy. The public report will include information on adjacent land use (commercial zoning and city dump location, if nearby, for example) as well as assessments and taxes to name but a few.
- **Read the CC&R's and any other homeowner association bylaws and/or architectural guidelines.** CC&R's (Covenants, Conditions and Restrictions) enable an association to control some aspects of a purchaser's use of their home. CC&R's can be very strict, particularly those which address landscaping, paint selections, RV's, boats and outdoor play equipment. These restrictions must be addressed by the purchaser in advance as post-closing is too late to find out your home will not meet your intended use.
- **Read the purchase contract.** Unlike residential resale purchase contracts, there is no standard contract for homebuilders. Keep these points in mind while reading the builder's contract:
 - What happens to your earnest money and any additional cash deposits to secure your lot? Deposits should be held by an escrow company, however a builder may disclose that deposits are held not by an escrow company but become immediately available for use by the builder. A purchaser may find it difficult to recover funds held by the builder if the builder fails to perform as promised.
 - Is there a financing contingency for the benefit of the purchaser? Should the purchaser not qualify for a loan are they required to apply through the builder's lender or are they entitled to a return of their deposit?
 - Realistic completion date. Should the date not be met, is the purchaser able to negotiate with the builder a certain dollar amount per day for late completion?
 - What are a purchaser's options for problems? Are there remedies set out in the builder's contract should a problem arise or is a purchaser forced to use the Registrar of Contractors or binding arbitration? Prospective purchasers should consult an attorney if they do not understand the language and or rights set out in the builder's contract.

Finally, talk to your Realtor. Agents who work in a model home center represent the builder and although warm and friendly to purchasers, they are advocates of the builder paid by the builder. It is in a purchasers best interest to work with an independent Realtor of their own choosing who represents them through the entire new home purchase process, including the closing.

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# YOUR CONTACT REFERENCE PAGE

*This page can be very helpful for you during the home purchase process as well as during the time you own your home.*

Your Realtor: \_\_\_\_\_

Mobile phone: \_\_\_\_\_

Email: \_\_\_\_\_

Loan Officer: \_\_\_\_\_

Company: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Insurance Company: \_\_\_\_\_

Agent: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Home Warranty Company: \_\_\_\_\_

Phone: \_\_\_\_\_

|                       |
|-----------------------|
| Escrow Officer: _____ |
| Phone: _____          |
| Fax: _____            |
| Address: _____        |

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Tips

To Make Your Closing Worry Free

1. **FIRE INSURANCE POLICY** - Your lender will require a hazard insurance policy naming the new lender as the Loss Payee. It is your advantage to shop for best pricing. Having placed your insurance, instruct your agent to call Security Title, as additional information will be needed to complete your policy.
2. **PREPAID INTEREST** – Interest on your new loan is paid in arrears (for example, your escrow closes June 10 –Security Title will collect prepaid interest from June 9 through July 1; your first payment on the new loan is due August 1, which pays interest from July 1 to August 1).
3. **LENDER REQUIRED FEES:**
 - A. **PMI (Private Mortgage Insurance)** Usually 0.05 % point fee. Should your lender require PMI, required on new loans wherein a borrower puts less than 20% down towards the new loan, expect 1 year prepaid PMI in escrow, plus 2 months deposited into an impound account.
 - B. **FIRE INSURANCE** – One year prepaid in escrow plus 2 months deposited into an impound account.
 - C. **REAL ESTATE PROPERTY TAXES** – Depending upon the month of closing, a lender will require a property tax reserve which will include enough funds to enable the lender to pay the taxes when they become due plus an additional two month cushion.
 - D. **CREDIT CARDS/PERSONAL LOANS/CAR LOANS** – Depending on the loan ratio to your income, a lender may require all or a portion of your debts be paid off in escrow. They supply escrow with estimated balances, however it is your responsibility to provide Security Title current billings for payment. Escrow does not check balances or recent payments made.
4. **FUNDS TO CLOSE ESCROW:** Funds deposited for close of escrow should be in the form acceptable to the escrow agent. An escrow agent will require cashed funds from a local banking institution or wired funds as out of town and personal checks will cause a delay in the transaction. Title companies do not accept cash.
5. **CLOSE OF ESCROW** – The Arizona definition of close of escrow is recordation completed with the Maricopa and Pinal County Recorder’s office. Signing lender and escrow documents is not closing. Following appointments by purchaser and seller to sign their individual packages, Ugently Title packages and returns them to the lender for review. Lenders may take 24 to 72 hours to review and fund. Following the lender deposit of funds into escrow, Security Title presents the original signed documents (deed, deed of trust) to the County Recorder for recordation. Recordation is the “Close of Escrow”.
6. **POWER OF ATTORNEY** – If any one of the purchasers will be unavailable to sign the lender/escrow packages, notify the Realtor immediately. Your Realtor will notify your loan officer and Security Title. Many lenders will accept a power of attorney signature if the title company prepares the document. The lender must always approve a Power of Attorney in advance.

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# Don't have a clue about a CLUE Report?

CLUE, an acronym for "Comprehensive Loss Underwriting Exchange" is another hot button in the real estate industry. CLUE is a database of homeowners insurance policy claims information. In existence for some years now, insurance companies use the database to determine both the issuance as well as the continuance of homeowner's insurance policies.

A CLUE Report consists of two parts; one addresses the insured's claim history, the other the property's claim history. How many claims an insured has made as well as what type of claims can affect their insurability. The type and number of claims made on the property affect the insurability of the residence. In determining whether or not to issue or terminate new policies, some insurers consider both the claims history of the proposed insured (home purchaser) as well as the claims history of the property itself; still others consider the claims history of the proposed insured alone. In other words, there is no standard for making the insurability determination within the industry. Nonetheless, a CLUE Report may affect not only a property which interests the purchaser, but the purchaser as well depending upon the number of claims the purchaser has made together with the types of claims the purchaser has made.

Home purchasers have no access to the CLUE database information through their own insurance carrier because they don't yet own the property, nor for that matter is their insurance agent able to supply them any information on the property. A purchaser is permitted to see only that part of the report that pertains to his or her own individual claims history. The property seller alone may provide a copy of the report to a prospective purchaser and the seller may obtain a copy of the CLUE Report from [www.choicetrust.com](http://www.choicetrust.com) for a nominal fee.

As a consequence of the impact that CLUE may have not only on the insurability of a property, but individual purchasers as well, Realtors and their clients should consider three things:

1. Make disclosure of the CLUE Report one of the contingencies of the contract
2. Submit your insurance application early
3. Should your current carrier determine a property uninsurable, consider a company that makes its determination solely on the purchaser's claim history, not that of the property as well.

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Steps in the Home Purchase Process

1. Conditional Loan Approval (CLA)
2. Contract negotiation and acceptance and Sellers Property Disclosure (SPDS)
3. Escrow is opened and Title Report is ordered
4. Begin loan process
5. Home inspections period. Contact hazard insurance company to verify property and individual insurability. Repairs accepted.
6. Appraisal is ordered by lender
7. Loan documents drawn by lender
8. Loan and escrow documents signed at closing. Title and final closing deposit is made
9. Funding by lender
10. Recordation of loan and escrow documents with County Recorder
11. Property transfer is complete

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# HOME BUYERS COMPARISON / REMARKS

| INFORMATION               | HOME #1 | HOME#2 |
|---------------------------|---------|--------|
| ADDRESS                   |         |        |
| APPEARANCE<br>CURB APPEAL |         |        |
| LIVING ROOM               |         |        |
| DINING ROOM               |         |        |
| KITCHEN                   |         |        |
| BEDROOMS                  |         |        |
| MASTER<br>SUITE           |         |        |
| BATHS                     |         |        |
| ADDITIONAL<br>ROOMS       |         |        |
| GARAGE                    |         |        |
| LOT<br>LANDSCAPING        |         |        |
| POOL                      |         |        |
| FEATURES                  |         |        |

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Estimated Cost of Home Payment

Property Address: _____

Price: _____

Closing date of escrow: _____ New loan amount: _____

Closing costs

- Down payment _____
- Credit report _____
- Appraisal fee _____
- Escrow fee _____
- Lender title insurance policy _____
- Recording fees _____
- Loan origination _____
- Discount points _____
- VA funding fee, if applicable _____
- Courier fees _____

Estimated closing cost _____

Lender impound/prepaid items

- Interim interest _____
- Tax impounds _____
- Hazard insurance impounds _____
- P.M.I., if applicable _____

Impound/prepaid items total _____

Less earnest deposit _____

Approximate amount needed to close _____

- Principal & interest@ _____ % _____
- Hazard insurance (1/12th of annual amount) _____
- Taxes (1/12th of annual amount) _____
- P.M.I., if applicable, (1/12th of annual amt.) _____
- HOA fees _____

Total monthly investment _____

The above figures are only an estimate. Figures may change with lender and other requirements.

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EXPLANATION OF ESTIMATED COSTS

Your escrow officer will explain your closing settlement (pre-audit) when you prepare to close your transaction and take ownership of your new home.

You may qualify for Security Title's discounted rates. Consult your Realtor or your Ugewtk{ Title Representative.

ESCROW AND TITLE FEES:

ESCROW FEE: Fee charged to handle the paperwork in transferring title, necessary adjustments and effecting the proper distribution of funds. Fee is based on the sales price, usually split between the seller and purchaser.
New VA loan, seller must pay.

OWNERS TITLE POLICY: Title insurance protection showing that the purchaser has marketable title. Fee is based on the sales price and usually paid by the seller.

RECORDING AND AFFIDAVIT FEES: Paid to the County Recorder's Office as a fee for recording documents. Fee is based on the number of pages in each document. Purchaser pays for recording the Deed and the Deed of Trust. Seller pays for the Affidavit of Property Value and any releases of existing loans.

ALTA LOAN POLICY: Extended coverage title insurance policy issued for the benefit of the lender and any future assignees of the loan obligation. Coverage is limited to the amount of the outstanding loan balance.

STANDARD LOAN PLICY: Title insurance to a lender insuring the priority and validity of its lien. This policy can be issued to a seller in a carryback situation.

LENDERS FEES (NEW AND EXISTING):

LOAN ORIGINATION FEE: Lender's fee for processing the paperwork involved in new loan. It is usually 1% of the new loan amount and normally paid by the purchaser.

LOAN DISCOUNT POINTS: This is sometimes referred to as "points" or "discount points." It is always a percentage of the new loan amount. The fee will vary, based on the market rate of the money.

TAX SERVICE CONTRACT: Required by institutional lenders so that tax billings and notifications are mailed directly to the lender. Advises them of new assessments and any delinquent taxes. Also required when title company collects for impound accounts.

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EXPLANATION OF ESTIMATED COSTS (continued)

| | |
|---------------------|---|
| PMI/MGIC PREMIUM: | Mortgage insurance premium paid to a private mortgage insurer such as Mortgage Guarantee Insurance Corporation to insure the loan. Usually an annual premium paid in advance and impounded monthly. |
| PREPAYMENT PENALTY: | A penalty charge in a Note, Mortgage or Deed of Trust, imposed when the loan is paid prior to the due date. Amounts vary, check with your lender. |
| IMPOUND ACCOUNT: | An account held by the lender to pay future taxes, insurance and assessments. The monthly payment to a lender will include an amount to be paid into this account. This account is usually transferred and charged to a purchaser, if the loan is assumed. |
| ASSUMPTION FEE: | Paid to the lender for transferring an existing loan into a new purchaser's name. Fee is usually split equally between seller and purchaser. |
| FHA MIP: | Fees charged to insure FHA loans. A portion is paid up front or financed and a small portion is paid monthly. Depending upon down payment the amounts vary. Check with your lender. |
| PREPAID INTEREST: | Lender will require prepaid interest from the day of funding the new loan to the first day of the following month. (Estimate 30 days). |
| TAX PRORATION: | Taxes are assessed on a calendar year basis. The seller credits the purchaser through escrow, the seller's share of taxes from the date to which taxes were last paid to the close of escrow. The purchaser then pays the total tax bill at the time the bill becomes available for payment. |
| ADJUSTED INTEREST: | When payment is made, the interest portion of the payment covers the interest that has accrued since the last payment due date. As an example, if a payment is monthly, the July 1 st payment covers interest from June 1 through June 30. If the escrow closes during July, the seller will be charged interest from July 1 to the close of escrow. |
| RECONVEYANCE FEE: | Fee charged by the Trustee in a Deed of Trust for issuance of a Deed of Release and Full Reconveyance. Usually an \$85.00 charge to the seller. Includes Reconveyance fee and recording fee. |

MISCELLANEOUS FEES:

| | |
|------------------------|--|
| ACCOUNT SERVICING FEE: | Fee paid to the servicing agent for processing payments on a deferred balance between a seller and purchaser. Fee will be based on the number of checks that the servicing agent must issue upon the receipt of payment. |
|------------------------|--|

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# About Closing Costs

Your Security Title Escrow Officer will explain your Settlement Statement (HUD-1) following his or her receipt of the lender's package with instructions for specific charges that must show on the HUD-1. That said, this is a general guide to who pays what:

## The Seller can generally expect to pay for:

- Owner's title insurance policy premium
- Real estate commission
- ½ of the escrow fee
- Any loan charges required by purchaser's lender if specified in the purchase contract
- Payoff plus any fees, charges and or penalties and interest on all loans made by the seller, including statement fees, reconveyance fees and or prepayment fees.
- Termite inspection and repair work as specified by the purchase contract
- Home Warranty if specified in the purchase contract
- Any encumbrance of record against the seller
- Recording charges to clear all documents of record against the seller
- Prorated property taxes and or delinquent taxes to date of close
- Unpaid HOA dues or assessments of record
- HOA transfer fee
- HOA Disclosure Statement (required by statute for subdivisions over 50 units)

## The Purchaser can generally expect to pay for:

- Lender's title insurance policy premium
- ½ of the escrow fee
- All new lender charges except those required by lender for seller to pay
- Recording charges for all documents in the purchaser's name
- Interest on new loan from date of loan funding to 30 days prior to first payment due date
- Hazard insurance premium for first year in advance and impounds as required by new lender
- Property tax impounds as required by new lender
- Advance HOA management payments (if applicable)
- Preservation fees, recreation center fees (if applicable)

*Note: FHA and VA loan regulations require the purchaser and seller to pay for certain items. FHA requires the purchaser pay for impounds for taxes and hazard insurance as well as adjusted interest. FHA and VA both require the seller to pay for any of these fees if applicable to the contract: assignment of loan; flood certification; recording charges to clear title; new lender document preparation charges; inspection and or photo charges if applicable; tax service fee and lender warehousing fee. VA requires in addition that the seller pay all escrow fees. Purchaser pays additional costs not agreed by seller.*

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Title Insurance Premiums

Title insurance is unique in the world of insurance for unlike auto, hazard or life insurance that operate under “risk assumption” (assuming something might happen), title insurance operates for “risk elimination” (eliminating the possibility of something happening). Title examiners are trained to analyze records for information which affects title to real property including, but not limited to, identifying the rights which others may have in your property; encumbrances against your property (liens, judgments or other legal actions) or rights of way. Prior to transferring title from a seller to a purchaser, **U&I** Title will “clear” those encumbrances you do not wish to assume, like the seller’s mortgage for instance.

Other insurance rates are based on actuarial study of anticipated losses and premiums are pooled with the assumption that a given number of claims will likely be made. Title insurance premiums differ as they are paid to identify and eliminate potential claims and risks so they *won’t* happen. In addition, unlike other insurance premiums which are paid annually for regular renewal, title insurance is a one time premium and is far less costly than other forms of insurance, considering the investment you protect is your home and the land underneath.

Although the goal of a title company is to do such a thorough search and evaluation that no claim will ever arise, its an impossible task as long as we live in an imperfect world with human error and changing court interpretation which make 100% risk elimination impossible. When claims are made, they are assigned to claims personnel and handled according to the terms of the policy. **U&I** Title highly recommends that homeowners purchase the Homeowner’s Title Insurance Policy, which is the industry standard now required, if available, by the AAR Residential Resale Purchase Contract. It offers the qualified Purchaser the very best protection available.

U&I **CA** premium rates, as well as those of other title companies, are filed with the State Banking Department and each title company is required to publicly post its schedule of fees and, as in all competitive businesses, rates vary from company to company. Consumers should comparison shop prior to deciding on a given title insurer, bearing in mind that some companies will charge an additional fee for something another company has included in a set fee. Your Realtor can help you with your comparison.

Almost every title company maintains a “title plant” or database of title records; in some instances, these records are well over one hundred years old, some in books, some on microfilm others on CD. Each and every day, documents are recorded which affect real property as well as property owners and each day the new information is stored so its available and easily retrieved when information on a parcel is requested.

Title plant records maintenance, skilled personnel for research and evaluation, together with state of the art data processing and legal interpretation are the foundation for your protection and peace of mind with your title policy and represent the largest portion of your title insurance premium dollar.

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ITEMS REQUIRED FOR LOAN APPLICATION

- ❑ Government issued photo identification
- ❑ Resident addresses (Last 2 years)
- ❑ Employer names and addresses (Last 2 years)
- ❑ Gross monthly income
- ❑ Checking and savings account information
 - Name and address of bank (s)
 - Account number (s)
 - Two (2) most recent bank statements
- ❑ Information on all current loans and/or credit cards
 - Names and addresses on accounts
 - Account numbers
 - Approximate balances
 - Monthly payment on current loans/credit cards
- ❑ Information on any real estate you currently own
 - Property address (s)
 - Loan information
 - Rental information
- ❑ Funds for credit report and appraisal costs
- ❑ W-2 (Last 2 years)
- ❑ Two most recent paycheck stubs
- ❑ Certificate of Eligibility and DD-214 (VA loans only)

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# “POINTS” Explained

## What Is a Point?

One point is equal to 1% of the new loan amount.

## Why Do Lenders Charge Points?

Whenever governmental regulation, State usury laws and/or competitive practices prohibit the lender from charging a rate of interest which would make the real estate loan competitive with other investments, the lender must seek some method of increasing the yield for the investors. By charging “points” the lender can bring the real estate loan up to that of other investments.

## Are “Points” Called By Different Names?

Yes, Commitment Fee, Discount Fee, Warehousing Fee, Funding Fee, etc.

## Who Must Pay The Points?

**Conventional:** Points can be paid by the Purchaser, the Seller, or split between the two. Specify on the Purchase Contract

**FHA:** Purchaser is usually charged with the Loan Origination Fee; the Purchaser or the Seller can pay the Discount Fee.

**VA:** Purchaser is usually charged with the Loan Origination Fee and the Funding Fee. Discount Fee may be paid by Seller, Purchaser or split.

**City/County/State Government Sponsored Loans:** (As published by them.)

## Do The Number of Points Charged Fluctuate?

Yes, if rates on mortgage loans are lower than other investments such as stocks, bonds, etc., funds will be drawn away from the mortgage market. When there is a heavy demand upon the money market because of business needs, military requirements or other government borrowing, money for home mortgages becomes scarce and more expensive. When this occurs more points can be charged. Points balance the market. Points are not set by government regulation, but by each lender individually.

## Are Points Deductible for Income Tax Purposes?

Points incurred on a home mortgage for purchase or improvement and secured by the tax payer’s principal residence, are deductible currently, if points are generally charged in the geographical area where the loan is made and to the extent of the number of points generally charged in that area for a home loan. If you are in doubt about points being deductible you should contact your tax accountant.

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WHAT IS “ESCROW”?

As Webster defines escrow: *“A contract or other written agreement deposited with a third person, by whom it is to be delivered to the grantee on fulfillment of some condition...”*

For a title and/or escrow company, their duty is to act as a neutral third party, holding all documents and monies as required by the purchase contract, until all of the terms and conditions in the contract have been met and the property is in title insurable condition. We then make the transfer from the Seller to the Purchaser. Title companies do not work for the Seller nor for the Purchaser, however are employed by **both** of the parties and act only upon mutually agreed written instructions from the Purchaser and the Seller. Purchasers and Sellers deposit monies, documents, receipts and written instructions generally in the form of a purchase contract and addenda to the contract with a neutral third party. In Arizona, a title company, or an escrow company, rather than an attorney serves this purpose while a few states still use attorneys.

Arizona does not perform “Table” closings. Title companies prepare the necessary paperwork, including the standard documents like the conveyance deed, Affidavit of Value and the Identity Statement to be signed far in advance of the actual closing date specified in the purchase contract leaving last minute requirements such as loan documents and disclosures prepared by the lender to be signed just prior to recordation. When you arrive for signatures on lender and title company documents, it’s usually the week of, or a few days prior to the recordation date referenced as the “close of escrow” date on the purchase contract. In Arizona, “closing” or “close of escrow” is considered to be the recordation of all conveyance and loan documents, as they apply, as specified in the AAR Purchase Contract although some lenders may refer to “closing” as the day loan documents are signed. If you are obtaining a new loan, the signed loan package must be returned to the lender for review and subsequent funding of the loan. That process alone may take several hours or several days depending on the individual lender’s requirements. It is in your best interest to be in close contact with your REALTOR[®], your lender and your title company two weeks prior to your scheduled close of escrow date to insure a timely close.

Upon the title company’s receipt of all “**GOOD FUNDS**” *, including but not limited to, Purchasers’ closing funds, loan proceeds and fulfillment of all conditions and contingencies, the documents are released for recording. Many title companies in Maricopa and Pinal County, including U & A, record electronically. Documents are scanned and transmitted to the Maricopa County Recorder’s Office. Upon notification by the County Recorder that the documents have been recorded, all funds are disbursed and final closing packages provided to all of the parties. All closing funds **must** be in the form of either a Cashier’s Check or Certified Check drawn on an Arizona banking or savings institution, or a wire transfer. Out of state or personal checks will not be considered “**GOOD FUNDS**” until our bank has been notified that the funds have cleared and are available for use. Depending on the type of check and the location of the bank or institution upon which the funds were drawn, this may be three (3) to ten (10) business days after the funds are deposited into escrow. Please plan ahead so that the necessary funds will be available at closing and the clearing of checks will not be an issue that delays your closing. Should you find that you have additional questions, consult your REALTOR[®] or Escrow Officer.

(*See the Arizona Good Funds Law included in this booklet for Specific Funds Requirements)
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Reviewing Your Title Commitment

The following is provided to help understand the Title Commitment, also referred to as a Title Report, which you receive from Ugewtk{ Title. Upon receipt, you should review the document with attention to these areas:

SCHEDULE A: This reflects information provided to the Title Department by your Ugewtk{ Title Escrow Officer as a result of the purchase contract and a preliminary search of the public records regarding the Seller. Information provided by the Buyer and/or Realtor, such as the legal description of the property, sale price, loan amount, lender, name and marital status of Buyer and Seller is reflected.

Be certain the information reflected in Schedule A is correct as this will be reflected in all of your documents, including any lender documents.

SCHEDULE B: “Exceptions” are items which run with the land to include Covenants, Conditions and Restrictions (CC&Rs), easements, homeowners association requirements, mineral rights as reserved in patents, leasehold interests and other items which will remain of record following transfer of the property. They are called “exceptions” because the Buyer will receive clear title “except” the Buyer’s rights to use of the property will be subject to the CC&Rs, easements for utilities of record and perhaps others as described in the “Exceptions”. A Buyer should carefully read the Schedule B documents which further define a Buyers use of the property.

REQUIREMENTS: These are items that Ugewtk{ Title needs to eliminate or “clear” from the title in order to provide a clear, unencumbered title to the Buyer. Items that must be cleared include:

- Payment of property taxes
- Assessments owed of record
- Any encumbrances (or liens) on the property.

Often encumbrance items show up because another individual has a name similar to one of the parties in the escrow. Ugewtk{ Title may ask for an Identify Statement in order to determine if items that show up are not related to our parties and can be deleted.

Recorder’s Requirements: The County Recorder’s office that specifies the required size, margins and print size on documents to be recorded.

If you have any questions, remember an answer from your Ugewtk{ Title Escrow Officer is just a phone call away .

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# ARIZONA'S "GOOD FUNDS" LAW

Arizona law requires that escrow agents not disburse money from an escrow account until funds related to the transaction have been deposited and are available.

## TICOR TITLE'S GUIDELINES CONCERNING THE AVAILABILITY OF FUNDS

All availability dates are based on funds deposited in our bank. The following information outlines the "availability of most common types of deposited funds.

| Type of Deposit                                                                                                                     | Same Day* | Next Day *<br>(1 <sup>st</sup> Business Day) | 2 <sup>nd</sup> Day* | 5 <sup>th</sup> Day* |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------------------------------------|----------------------|----------------------|
| Bank Wire, Electronic Payment or Transfer                                                                                           | X         |                                              |                      |                      |
| Cashier's, Certified and Teller's Checks                                                                                            |           | X                                            |                      |                      |
| Official Checks – Drawn on Local ** FDIC Institution                                                                                |           | X                                            |                      |                      |
| Official Checks – Drawn on <i>Non-Local and/or Non-FDIC</i>                                                                         |           |                                              |                      | X                    |
| US Treasury Checks, US Postal Money Orders                                                                                          |           | X                                            |                      |                      |
| All other Money Orders (Non-US Postal)                                                                                              |           |                                              |                      | X                    |
| Federal Reserve, Federal Credit Union & Federal Home Loan Bank Checks                                                               |           | X                                            |                      |                      |
| Local ** State, Count, Municipal Gov't Checks (Must be In-State and Local**)                                                        |           | X                                            |                      |                      |
| Non-Local, State, County, Municipal Gov't Checks (5 <sup>th</sup> Day)                                                              |           |                                              |                      | X                    |
| Local ** Checks including: Personal, Corporate, Credit Union, Money Market & Traveler's Checks                                      |           |                                              | X                    |                      |
| Non-Local Checks including: Personal, Corporate, Credit Union, Money Market & Traveler's Checks                                     |           |                                              |                      | X                    |
| On-US Checks ***                                                                                                                    |           | X                                            |                      |                      |
| Third Party Checks: It is our company policy not to accept third party checks. Exceptions must be approved by Escrow Administration |           |                                              |                      |                      |
| Drafts: No disbursement until funds received                                                                                        |           |                                              |                      |                      |

- \* **Business Day:** Funds are potentially available on the \*Business Day indicated above. A business day is defined as a calendar day other than Saturday and Sunday, and excluding most major holidays. If January 1<sup>st</sup>, July 4<sup>th</sup>, November 11<sup>th</sup> or December 25<sup>th</sup> fall on a Sunday, the next Monday is excluded from the definition of a business day. Note that individual banks may require additional "hold" periods longer than shown above.
- \*\* **Local:** A Check is considered "local" when it is drawn against a bank located in the same processing region as the depository bank. The check-processing region for the State of Arizona is the Los Angeles Region. Any check with a four-digit ABA Number beginning with "12" or "32" is "local".
- \*\*\* **On-US Checks:** Next day availability is dependent on the check being drawn against the same bank or branch as the depository bank and in the same check-processing region, meaning the ABA numbers must begin with "12" or "32".

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PROPERTY TAX INFORMATION

ANNUAL TAX STATEMENT

Annual tax statements are issued in the fall of the current year and billed for the calendar year. They may be paid in two installments or all at once.

- ❖ 1st half due October 1, DELINQUENT NOVEMBER 1
- ❖ 2nd half due March 1, DELINQUENT MAY 1

The County Treasurer WILL NOT be held responsible for payments made on the wrong property, and will not accept payments in advance of their due date.

To avoid problems:

- ❖ Check the property description on your tax statement.
- ❖ Provide your parcel number when making payments or inquiries at the County Treasurer's or Assessor's office.

*Your parcel number can be found on your Final Settlement Statement or your title commitment.

*The Treasurer must place interest on all delinquent accounts.

UPDATING THE ASSESSOR'S RECORDS

Ownership information transfers may take six months to process. If property is purchased after November 1 of the previous year, new owners may not receive a tax statement. New owners should contact the Treasurer's office if a statement is not received by October 15th.

For your convenience the County Treasurer's phone number is 602-955-1111. The County Assessor's phone number is 602-955-1111. Have your parcel number handy.

NOTIFICATION OF VALUE

Assessment notices are sent to property owners on or before January 31st of each year. The notice includes assessed value, full cash value, classification and assessment ratio. These items may be protested through the County Assessor within 45 days of receipt.

For more information, contact the Maricopa County Assessor's office at 602-955-1111.

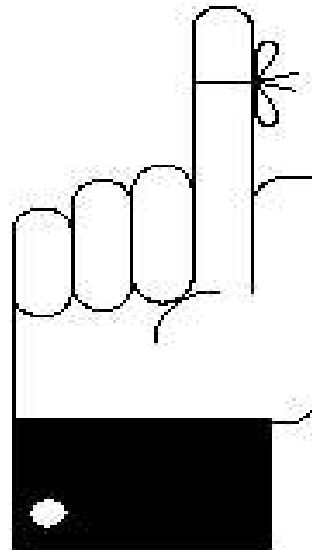
This information may not be copied without prior consent of the County Treasurer.



For a Smooth Closing

Remember:

- Maintain current financial status; no major purchases, no job changes; avoid credit card purchases and any other lines of credit;
- Tell your Realtor and escrow officer if you will be unable to come to our office at closing; we will make special arrangements to accommodate your needs;
- Check with your lender and your REALTOR[®] at least two weeks prior to scheduled close to finalize lender requirements and verify that the loan package has been ordered;
- If your funds will come from out of state, please let your escrow officer know at least two weeks before closing;
- Call your escrow officer the week prior to scheduled closing to set your closing appointment; closing usually take less than an hour;
- Be sure to let your employer know; at this time you need to ask your escrow officer about the funds you need to bring to close and what form they should be in for your escrow;
- If you are unsure about closing procedures, ask questions. An explanation is just a phone call away;
- Be prepared for last minute lender requirements;
- Bring a government issued photo ID and any “Certified” funds with you to signing.



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COMMONLY USED ENTITIES FOR HOLDING TITLE TO REAL PROPERTY

| | TENANCY IN COMMON | JOINT TENANCY WITH RIGHT OF SURVIVORSHIP | COMMUNITY PROPERTY | COMMUNITY PROPERTY WITH RIGHT OF SURVIVORSHIP |
|---------------------------|---|--|---|--|
| PARTIES | Any number of persons (Can be husband & wife.) | Any number of persons (Can be husband & wife.) | Only husband and wife. | Only husband and wife. (2 persons per marital community) |
| DIVISION | Ownership can be divided into any number of interests, equal or unequal. | Ownership interests must be equal. | Ownership interests are equal. | Ownership interests are equal. |
| TITLE | Each co-owner has a separate legal title to his undivided interest. | There is only one title to the whole property. | Title is in the "community." Each interest is separate but management is unified. | Title is in the "community." Each interest is separate but management is unified. |
| POSSESSION | Equal right of possession. | Equal right of possession. | Equal right of possession. | Equal right of possession. |
| CONVEYANCE | Each co-owner's interest may be conveyed separately by its owner. | Conveyance by one co-owner without the others breaks the joint tenancy, provided it is recorded prior to death. | Both co-owners must join on conveyance of real property. Separate interests cannot be conveyed. | Both co-owners must join on conveyance of real property. Separate interests cannot be conveyed. |
| PURCHASER'S STATUS | Purchaser will become a tenant in common with the other co-owners in the property. | Purchaser will become a tenant in common with the other co-owners in the property. | Purchaser can only acquire whole title of community, but cannot acquire a part of it. | Purchaser can only acquire whole title of community, but cannot acquire a part of it. |
| DEATH | On co-owner's death, his interest passes by will to his devisees or heirs. No right of survivorship. | On co-owner's death, his interest ends and cannot be disposed of by will. Survivor owns the property by rights of survivorship. | On co-owner's death 1/2 belongs to survivor in severalty, 1/2 goes by will to descendant's devisees or by succession to survivor. | On co-owner's death, his interest ends and cannot be disposed of by will. Estate passes to survivor outside of probate. |
| CREDITOR'S RIGHTS | Co-owner's interest may be sold at execution sale to satisfy his creditor. Creditor becomes a tenant in common. | Co-owner's interest may be sold at execution sale to satisfy creditor. Joint tenancy is broken, creditor becomes tenant in common. | Co-owner's interest cannot be seized and sold separately. The whole property may be sold at execution sale to satisfy creditor. | Co-owner's interest cannot be seized and sold separately. The whole property may be sold at execution sale to satisfy creditor. |
| PRESUMPTION | Court will presume tenancy in common if not expressly stated husband and wife. | Must be expressly stated in writing and accepted. Court will not presume joint tenancy. | Strong presumption that property acquired by husband & wife is community. | Must be expressly stated in writing and accepted. Court will not presume joint tenancy. Both halves of community property are entitled to "stepped up" tax basis as of date of death of either spouse. |

This document is intended for information purposes only. You are urged to contact your Attorney and Certified Public Accountant regarding the best way for you to hold title in as much as your personal circumstances will influence this decision.

Ten Reasons a Buyer or Seller should request a Homeowners Policy of Title Insurance when purchasing a parcel of Real Estate:

- 1. Covers against defects in the title to your property including unrecorded easements, forgeries, or other undisclosed contract issues.**
- 2. Covers against loss due to unknown encumbrances on your title such as liens, judgements, tax liens, or security instruments.**
- 3. Covers against title claims as a result of fraud, incompetence, or incapacity of the party conveying the property.**
- 4. Covers against lack of legal access to the property.**
- 5. Covers loss due to a violation of subdivision law or regulation which effects your ability to obtain a building permit, correct or remove the violation, or remove any existing structures in violation (subject to the policy deductibles).**
- 6. Covers loss if you are forced to remove structures because they encroach on your neighbor's property, over an easement or building set-back line.**
- 7. Covers loss should your existing improvements, to include lawns, shrubbery or trees are damaged due to future exercise of a right of use for the surface of the land for minerals, water or any other substance.**
- 8. Covers loss if a taxing authority assesses supplemental real estate taxes not previously assessed against the property prior to the policy date.**
- 9. Covers loss in the event the address of the residence purchased is not the same as shown on the final title policy.**
- 10. Covers loss if the title to the property is unmarketable which allows another party not to perform on a purchase contract to purchase the land, lease it, or make a mortgage loan on it.**

For all covered risks, see a Performa copy of the title policy which includes deductible amounts.



SECURITY
TITLE AGENCY

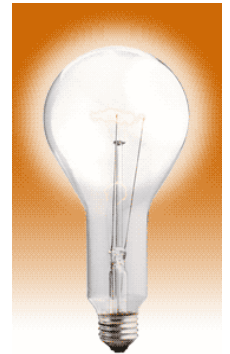
Area Information

For New and Current Residents

Utilities & Services for Move-In

Electricity & Gas

| | | |
|---|----------------|--|
| Arizona Public Service - Residential Service | (800) 253-9405 | www.aps.com |
| Arizona Public Service (APS)
318 N. Marshall Street, Casa Grande | (520) 421-8400 | www.aps.com |
| Southwest Gas Company
201 W. 4th Street, Casa Grande | (800) 428-7324 | www.swg.com |
| Electrical District #2
5575 E. Eleven Mile Corner Road, Coolidge | (520) 723-7741 | www.ed2.com |
| Electrical District #3
19736 N. John Wayne Parkway, Maricopa | (520) 424-9021 | www.ed3online.org |
| Central Arizona Irrigation & Drainage District
231 S. Sunshine Blvd., Eloy | (520) 466-7336 | www.caidd.com |
| HoHoKam Irrigation & Drainage District
142 S. Arizona Blvd., Coolidge | (520) 723-7751 | www.hohokampower.com |
| San Carlos Irrigation District
120 S. 3rd Street, Coolidge | (520) 723-3701 | |



Sewer

| | | |
|----------------------------------|----------------|--|
| City of Casa Grande Public Works | (520) 421-8600 | www.ci.casa-grande.az.us |
| Arizona City Sanitation District | (520) 466-5203 | |
| City of Coolidge Public Works | (520) 723-4882 | www.coolidgeaz.com |
| City of Eloy Utilities | (520) 464-3401 | www.elayaz.govoffice2.com |
| Santa Cruz Water Company | (520) 568-4452 | www.gwresources.com/utilities-santacruz |
| Town of Florence Public Works | (520) 868-7620 | www.town.florence.az.us |



Telephone - Internet - Cable/Satellite (* Some providers carry all services depending upon location)

| | | |
|---------------------------------|----------------|--|
| Quest * | (800) 244-1111 | www.qwest.com |
| Cox Communications * | (520) 836-1444 | www.cox.com |
| EarthLink * | (800) 511-2041 | www.earthlink.net |
| Casa Grande Internet | (520) 421-3333 | www.casagrandeinternet.com |
| Transcend Broadband * | (520) 413-4861 | www.transcendbroadband.com |
| Direct TV | (800) 280-4388 | www.directtv.com |
| Dish Network | (520) 876-5200 | www.dishnetwork.com |
| Cable America Corp (Coolidge) * | (520) 723-7874 | www.cableamerica.com |



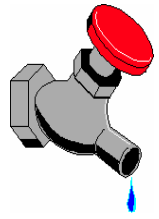
Trash Service

| | | |
|---|----------------|--|
| City of Casa Grande Public Works | (520) 421-8600 | www.ci.casa-grande.az.us |
| Arizona City Sanitation Service | (520) 466-6001 | |
| City of Coolidge Public Works | (520) 723-4882 | www.coolidgeaz.com |
| City of Eloy Utilities | (520) 464-3401 | www.elayaz.govoffice2.com |
| Town of Florence Public Works | (520) 723-7620 | www.town.florence.az.us |
| Waste Management (Maricopa - zipcode 85239) | (800) 796-9696 | www.wm.com |



Water

| | | |
|---|----------------|--|
| Arizona Water Company
220 E. 2nd Street, Casa Grande | (520) 836-8785 | www.azwater.com |
| 448 W. Central Ave., Coolidge | (520) 723-5346 | |
| City of Eloy Utilities
624 N. Main Street, Eloy | (520) 464-3401 | www.elayaz.govoffice2.com |
| Santa Cruz Water Company | (520) 568-4452 | www.gwresources.com/utilities-santacruz |
| Town of Florence Public Works (Maricopa) | (520) 723-7620 | www.town.florence.az.us |



Miscellaneous Information Numbers

City Halls

| | | |
|---|----------------|--|
| Casa Grande
510 E. Florence Blvd., Casa Grande | (520) 421-8600 | www.ci.casa-grande.az.us |
| Coolidge
130 W. Central, Coolidge | (520) 723-5361 | www.coolidgeaz.com |
| Eloy
628 N. Main Street, Eloy | (520) 466-9201 | www.elayaz.govoffice2.com |
| Florence
775 N. Main Street, Florence | (520) 568-7500 | www.town.florence.az.us |
| Maricopa
45145 W. Madison Ave. | (520) 568-9098 | www.cityofmaricopa.net |



Chamber of Commerce

| | | |
|--|----------------|--|
| Casa Grande
575 N. Marshall Street, Casa Grande | (520) 836-2125 | www.casagrandechamber.org |
| Arizona City
13640 S Sunland Gin Rd | (520) 466-5141 | www.azcchamber.com |
| Eloy
305 N. Stuart, Eloy | (520) 466-3411 | www.info@eloychamber.com |
| Florence | (520) 868-7500 | www.elaychamber.com |

Day Care & Pre-school

| | | |
|---|----------------|--|
| Caring Center Child Development
501 E. Kortsen Road, Casa Grande | (520) 836-2233 | |
| Serendipity Day Care
1579 N. Trezell Road, Casa Grande | (520) 836-5522 | |
| Tutor Time Child Care
Edison & John Wayne Parkway, Maricopa
Pinal & McCartney Road, Casa Grande | (602) 200-9800 | www.tutortime.com |
| Central Lutheran Child Care
13044 S. Sunland Gin Road, Arizona City | (520) 466-5174 | |
| Mini Leaders
13354 S. Sunland Gin Road, Arizona City | (520) 494-8381 | |
| Curiel Annex Preschool
304 N. Alsdorf Road, Eloy | (520) 466-2112 | |
| Grayamark Academy
44400 W. Honeycutt Road, Maricopa | (520) 568-5750 | |
| Kid's Klub Inc.
1840 S. Arizona Blvd., Coolidge | (520) 723-7567 | |
| Pinal Gila community Child Services
1750 S. Arizona Blvd., Coolidge | (520) 723-5321 | |



Education

| | | |
|---|----------------|--|
| Casa Grande Elementary School District
1460 N. Pinal Ave., Casa Grande | (520) 836-2111 | www.cgelem.k12.az.us |
| Casa Grande Union High School District
1362 N. Casa Grande Ave., Casa Grande | (520) 316-3332 | www.cguhs.org |
| St. Anthony's of Padua Catholic School
501 E. 2nd Street, Casa Grande | (520) 836-7247 | www.stanthonypaduaschool.org |
| Central Arizona College District Office
8470 N. Overfield Road, Coolidge | (800) 237-9814 | www.centralaz.edu |
| Coolidge Unified School District
221 W. Central Ave., Coolidge | (520) 723-2042 | www.coolidgeschools.org |
| Eloy Elementary School District
1011 N. Sunshine Blvd, Eloy | (520) 466-2100 | www.eesd.k12.az.u |
| Eloy - Santa Cruz High School District
900 N. Main Street, Eloy | (520) 466-2200 | www.santacruzdevils.us |
| Florence Unified School District
225 S. Orlando St., Florence | (520) 866-3500 | www.florenceusd.org |
| Maricopa Unified School District
45012 W. Honeycutt Road, Maricopa | (520) 568-5100 | www.musd20.org |



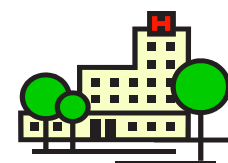
Golf Courses

| | | |
|---|----------------|--|
| Dave White Municipal - City of CG
2121 N. Thornton Road, Casa Grande | (520) 836-9216 | www.ci.casa-grande.az.us |
| Francisco Grande
26000 W. Gila Bend Hwy, Casa Grande | (520) 836-6444 | www.franciscogrande.com |
| Arizona City
13939 S. Cleator Road, Arizona City | (520) 466-5327 | |
| Grande Valley
1505 S. Toltec Road, Eloy | (520) 466-7734 | www.grandevalleygolf.com |
| Oasis Golf Course
5467 E. Hunt Hwy., Florence | (480) 888-8890 | |
| The Duke at El Dorado
42660 W. El Dorado Parkway, Maricopa | (480) 844-1100 | www.thedukegolf.com |



Hospitals

| | | |
|--|----------------|--|
| Casa Grande Regional Medical Center
1800 E. Florence Blvd., Casa Grande | (520) 381-6300 | www.casagrandehospital.com |
| Chandler Regional Hospital
475 S. Dobson Road, Chandler | (480) 728-3000 | www.chandlerregional.org |
| Banner Health Care | | www.bannerhealth.com |



Libraries

| | | |
|---|----------------|--|
| Casa Grande Public Library
449 N. Dry Lake Street, Casa Grande | (520) 421-8710 | www.ci.casa-grande.az.us |
| Arizona City Library
13254 S. Sunland Gin Road., Arizona City | (520) 466-5565 | www.co.pinal.az.us/library/azcity |
| Coolidge Library
160 W. Central Ave., Coolidge | (520) 723-6030 | www.coolidgeaz.com |
| Eloy Public Library
100 E. 7th Street, Eloy | (520) 466-3814 | www.elayaz.govoffice2.com |
| Florence Community Library
1000 S. Willow, Florence | (520) 868-9471 | www.town.florence.az.us |
| Maricopa Community Library
44240 West Maricopa/Casa Grande Highway | (520) 568-2926 | www.co.pinal.az.us/library/maricopa |



Parks & Recreation Departments

| | | |
|--|----------------|--|
| Casa Grande Parks & Recreation
510 E. Florence Blvd., Casa Grande | (520) 421-8600 | www.ci.casa-grande.az.us |
| Coolidge Parks & Recreation
660 S. Main Street, Coolidge | (520) 723-4551 | www.coolidgeaz.com |
| Eloy Parks & Recreation
501 W. 3rd Place, Eloy | (520) 466-7351 | www.elayaz.govoffice2.com |
| Florence Parks & Recreation
132 N. Bailey Street, Florence | (520) 868-4835 | www.town.florence.az.us |
| Maricopa Parks & Recreation
45145 W. Madison Ave., Maricopa | (520) 568-9098 | www.cityofmaricopa.net |



Police Departments

| | | |
|---|----------------|--|
| Casa Grande - Non Emergency
520 N. Marshall Street, Casa Grande | (520) 421-8700 | www.ci.casa-grande.az.us |
| Coolidge - Non Emergency
110 W. Central Ave., Coolidge | (520) 723-4653 | www.coolidgeaz.com |
| Eloy - Non Emergency
630 N. Main Street, Eloy | (560) 466-7324 | www.elayaz.govoffice2.com |
| Florence - Non Emergency
425 N. Pinal, Florence | (520) 868-7681 | www.town.florence.az.us |
| Maricopa - Non Emergency
45145 W. Madison Ave., Maricopa | (520) 316-6800 | www.cityofmaricopa.net |
| Pinal County Sheriff's Office - Non Emergency
971 Jason Lopez Circle, Florence | (520) 866-6800 | www.co.pinal.az.us |

For Emergency Dial 911



Post Office

| | | |
|--|----------------|--|
| Casa Grande
1670 N. Pinal Ave, Casa Grande | (520) 836-7221 | www.usps.com |
| Arizona City
10601 W. Battaglia Road, Az City | (520) 466-5314 | www.usps.com |
| Coolidge
229 W. Central Ave, Coolidge | (520) 723-3011 | www.usps.com |
| Eloy
620 N. Main Street, Eloy | (520) 466-3451 | www.usps.com |
| Florence
501 N. Main Street, Florence | (520) 868-3266 | www.usps.com |
| Maricopa
44920 W. Hathaway Ave., Maricopa | | www.usps.com |



This information may not be copied without prior consent of Security Title Agency.

RESIDENTIAL RESALE REAL ESTATE PURCHASE CONTRACT

Document updated:
May 2005



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: _____
- 1c. 8. \$ _____ Full Purchase Price, paid as outlined below
9. \$ _____ Earnest money
10. \$ _____
11. \$ _____
12. _____
- 1d. 13. **Close of Escrow:** Close of Escrow ("COE") shall occur when the deed is recorded at the appropriate county recorder's
14. office. Buyer and Seller shall comply with all terms and conditions of this Contract, execute and deliver to
15. Escrow Company all closing documents, and perform all other acts necessary in sufficient time to allow COE to
16. occur on _____ MONTH _____ DAY, _____ YEAR ("COE Date"). If Escrow Company or recorder's office
17. is closed on COE Date, COE shall occur on the next day that both are open for business.
18. Buyer shall deliver to Escrow Company a cashier's check, wired funds or other immediately available funds to pay any down
19. payment, additional deposits or Buyer's closing costs, and instruct the lender, if applicable, to deliver immediately available funds
20. to Escrow Company, in a sufficient amount and in sufficient time to allow COE to occur on COE Date.
- 1e. 21. **Possession:** Seller shall deliver possession, occupancy, access to keys and/or means to operate all locks, mailbox, security
22. system/alarms, and all common area facilities to Buyer at COE or _____.
23. Broker(s) recommend that the parties seek appropriate counsel from insurance, legal, tax, and accounting professionals
24. regarding the risks of pre-possession or post-possession of the Premises.
- 1f. 25. **Addenda Incorporated:** Assumption and Carryback Buyer Contingency Domestic Water Well HUD forms
26. H.O.A. Lead-Based Paint Disclosure Additional Clause On-site Wastewater Treatment Facility
27. Other: _____
- 1g. 28. **Fixtures and Personal Property:** Seller agrees that all existing fixtures on the Premises, and any existing personal property
29. specified herein, shall be included in this sale, including the following:
- | | | |
|--|---|--|
| 30. • free-standing range/oven | • flush-mounted speakers | • outdoor landscaping, fountains, and lighting |
| 31. • built-in appliances | • attached fireplace equipment | • water-misting systems |
| 32. • light fixtures | • window and door screens, sun screens | • solar systems |
| 33. • ceiling fans | • storm windows and doors | • pellet, wood-burning or gas-log stoves |
| 34. • towel, curtain and drapery rods | • shutters and awnings | • timers |
| 35. • draperies and other window coverings | • garage door openers and controls | • mailbox |
| 36. • attached floor coverings | • attached TV/media antennas/satellite dishes | • storage sheds |

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SELLER SELLER

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BUYER BUYER

Residential Resale Real Estate Purchase Contract >>

2j. 82. **Changes:** Buyer shall immediately notify Seller of any changes in the loan program, financing terms, or lender described in the 83. LSR and shall only make any such changes without the prior written consent of Seller if such changes do not adversely affect 84. Buyer's ability to obtain loan approval without conditions, increase Seller's closing costs, or delay COE.

2k. 85. **FHA Notice (FHA Buyer Initials Required):** HUD does not warrant the condition of the property. By initialing below, Buyer acknowl- 86. edges receipt of Form HUD-92564-CN, "For Your Protection: Get a Home Inspection." Buyer further acknowledges that such 87. form was signed at or before the Contract date. Signed HUD-92564-CN is attached and made a part of this Purchase Contract.

88. (FHA BUYER'S INITIALS REQUIRED) SAMPLE
BUYER BUYER

3. TITLE AND ESCROW

3a. 89. **Escrow:** This Contract shall be used as escrow instructions. The Escrow Company employed by the parties to carry out the 90. terms of this Contract shall be:

91. _____ "ESCROW/TITLE COMPANY" _____ PHONE/FAX _____

3b. 92. **Title and Vesting:** Buyer will take title as determined before COE. Taking title may have significant legal, estate planning and tax 93. consequences. Buyer should obtain legal and tax advice.

3c. 94. **Title Commitment and Title Insurance:** Escrow Company is hereby instructed to obtain and deliver to Buyer and Seller 95. directly, addressed pursuant to 8t and 9c or as otherwise provided, a Commitment for Title Insurance together with 96. complete and legible copies of all documents that will remain as exceptions to Buyer's policy of Title Insurance ("Title 97. Commitment"), including but not limited to Conditions, Covenants and Restrictions ("CC&Rs"); deed restrictions; and 98. easements. Buyer shall have five (5) days after receipt of the Title Commitment and after receipt of notice of any 99. subsequent exceptions to provide notice to Seller of any items disapproved. Seller shall convey title by general warranty 100. deed. Buyer shall be provided at Seller's expense an American Land Title Association ("ALTA") Homeowner's Title 101. Insurance Policy, or if not available, an ALTA Residential Title Insurance Policy ("Plain Language"/"1-4 units") or, if not 102. available, a Standard Owner's Title Insurance Policy, showing title vested in Buyer. Buyer may acquire extended coverage 103. at Buyer's own additional expense.

3d. 104. **Additional Instructions:** (i) Escrow Company shall promptly furnish notice of pending sale that contains the name and 105. address of the Buyer to any homeowner's association in which the Premises is located. (ii) If the Escrow Company is 106. also acting as the title agency but is not the title insurer issuing the title insurance policy, Escrow Company shall deliver 107. to the Buyer and Seller, upon deposit of funds, a closing protection letter from the title insurer indemnifying the Buyer 108. and Seller for any losses due to fraudulent acts or breach of escrow instructions by the Escrow Company. (iii) All 109. documents necessary to close this transaction shall be executed promptly by Seller and Buyer in the standard form used 110. by Escrow Company. Escrow Company shall modify such documents to the extent necessary to be consistent with this 111. Contract. (iv) Escrow Company fees, unless otherwise stated herein, shall be allocated equally between Seller and 112. Buyer. (v) Escrow Company shall send to all parties and Broker(s) copies of all notices and communications directed to 113. Seller, Buyer and Broker(s). (vi) Escrow Company shall provide Broker(s) access to escrowed materials and information 114. regarding the escrow. (vii) If an Affidavit of Disclosure is provided, Escrow Company shall record the Affidavit at COE.

3e. 115. **Tax Prorations:** Real property taxes payable by the Seller shall be prorated to COE based upon the latest tax information available.

3f. 116. **Release of Earnest Money:** In the event of a dispute between Buyer and Seller regarding any Earnest Money deposited with 117. Escrow Company, Buyer and Seller authorize Escrow Company to release Earnest Money pursuant to the terms and conditions 118. of this Contract in its sole and absolute discretion. Buyer and Seller agree to hold harmless and indemnify Escrow Company 119. against any claim, action or lawsuit of any kind, and from any loss, judgment, or expense, including costs and attorney fees, 120. arising from or relating in any way to the release of Earnest Money.

3g. 121. **Prorations of Assessments and Fees:** All assessments and fees that are not a lien as of the COE, including homeowner's 122. association fees, rents, irrigation fees, and, if assumed, insurance premiums, interest on assessments, interest on encumbrances, 123. and service contracts, shall be prorated as of COE or Other _____

3h. 124. **Assessment Liens:** The amount of any assessment, other than homeowner's association assessments, that is a lien as of the 125. COE, shall be paid in full by Seller prorated and assumed by Buyer. Any assessment that becomes a lien after COE is 126. the Buyer's responsibility.

3i. 127. **IRS and FIRPTA Reporting:** Seller agrees to comply with IRS reporting requirements. If applicable, Seller agrees to complete, 128. sign, and deliver to Escrow Company a certificate indicating whether Seller is a foreign person or a non-resident alien pursuant to 129. the Foreign Investment in Real Property Tax Act ("FIRPTA"). Buyer and Seller acknowledge that if the Seller is a foreign person, 130. the Buyer must withhold a tax equal to 10% of the purchase price, unless an exemption applies.

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4. DISCLOSURES

- 4a. 131. **Seller Property Disclosure Statement ("SPDS"):** Seller shall deliver a completed AAR SPDS form to the Buyer within five
132. (5) days after Contract acceptance. Buyer shall provide notice of any SPDS items disapproved within the Inspection Period or
133. five (5) days after receipt of the SPDS, whichever is later.
- 4b. 134. **Insurance Claims History:** Seller shall deliver to Buyer a written five-year insurance claims history regarding Premises (or a
135. claims history for the length of time Seller has owned the Premises if less than five years) from Seller's insurance company or
136. an insurance support organization or consumer reporting agency, or if unavailable from these sources, from Seller, within five
137. (5) days after Contract acceptance. (Seller may obscure any reference to date of birth or social security number from the
138. document). Buyer shall provide notice of any items disapproved within the Inspection Period or five (5) days after receipt of the
139. claims history, whichever is later.
- 4c. 140. **Lead-Based Paint Disclosure:** If the Premises were built prior to 1978, the Seller shall: (i) notify the Buyer of any known
141. lead-based paint ("LBP") or LBP hazards in the Premises; (ii) provide the Buyer with any LBP risk assessments or inspections
142. of the Premises in the Seller's possession; (iii) provide the Buyer with the Disclosure of Information on Lead-based Paint and
143. Lead-based Paint Hazards, and any report, records, pamphlets, and/or other materials referenced therein, including the
144. pamphlet "Protect Your Family from Lead in Your Home" (collectively "LBP Information"). Buyer shall return a signed copy of
145. the Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards to Seller prior to COE.

146. LBP Information was provided prior to Contract acceptance and Buyer acknowledges the opportunity to conduct LBP risk
147. assessments or inspections during Inspection Period.
148. Seller shall provide LBP Information within five (5) days after Contract acceptance. Buyer may within ten (10) days or
149. _____ days after receipt of the LBP Information conduct or obtain a risk assessment or inspection of the Premises
150. for the presence of LBP or LBP hazards ("Assessment Period"). Buyer may within five (5) days after receipt of the LBP
151. Information or five (5) days after expiration of the Assessment Period cancel this Contract.

152. If Premises were constructed prior to 1978, **(BUYER'S INITIALS REQUIRED)**
153. If Premises were constructed in 1978 or later, **(BUYER'S INITIALS REQUIRED)**
- 4d. 154. **Affidavit of Disclosure:** If the Premises is located in an unincorporated area of the county, and five or fewer parcels of
155. property other than subdivided property are being transferred, the Seller shall deliver a completed Affidavit of Disclosure in
156. the form required by law to the Buyer within five (5) days after Contract acceptance. Buyer shall provide notice of any
157. Affidavit of Disclosure items disapproved within the Inspection Period or five (5) days after receipt of the Affidavit of
158. Disclosure, whichever is later.
- 4e. 159. **Changes During Escrow:** Seller shall immediately notify Buyer of any changes in the Premises or disclosures made herein, in
160. the SPDS, or otherwise. Such notice shall be considered an update of the SPDS. Unless Seller is already obligated by Section
161. 5a, or otherwise by this Contract or any amendments hereto, to correct or repair the changed item disclosed, Buyer shall be
162. allowed five (5) days after delivery of such notice to provide notice of disapproval to Seller.

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5. WARRANTIES

- 5a. 163. **Seller Warranties:** Seller warrants and shall maintain and repair the Premises so that, at the earlier of possession or COE: (i) all
164. heating, cooling, mechanical, plumbing, and electrical systems (including swimming pool and/or spa, motors, filter systems,
165. cleaning systems, and heaters, if any), free-standing range/oven, and built-in appliances will be in working condition; (ii) all other
166. agreed upon repairs and corrections will be completed pursuant to Section 6j; (iii) the Premises, including all additional existing
167. personal property included in the sale, will be in substantially the same condition as on the date of Contract acceptance; and (iv)
168. all personal property not included in the sale and all debris will be removed from the Premises.
- 5b. 169. **Warranties that Survive Closing:** Seller warrants that Seller has disclosed to Buyer and Broker(s) all material latent defects and
170. any information concerning the Premises known to Seller, excluding opinions of value, which materially and adversely affect the
171. consideration to be paid by Buyer. Prior to the COE, Seller warrants that payment in full will have been made for all labor,
172. professional services, materials, machinery, fixtures, or tools furnished within the 150 days immediately preceding the COE in
173. connection with the construction, alteration, or repair of any structure on or improvement to the Premises. Seller warrants that the
174. information regarding connection to a sewer system or on-site wastewater treatment facility (conventional septic or alternative) is
175. correct to the best of Seller's knowledge.

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Residential Resale Real Estate Purchase Contract >>

6h. 222. **BUYER ACKNOWLEDGMENT: BUYER RECOGNIZES, ACKNOWLEDGES, AND AGREES THAT BROKER(S) ARE NOT**
223. **QUALIFIED, NOR LICENSED, TO CONDUCT DUE DILIGENCE WITH RESPECT TO THE PREMISES OR THE**
224. **SURROUNDING AREA. BUYER IS INSTRUCTED TO CONSULT WITH QUALIFIED LICENSED PROFESSIONALS TO**
225. **ASSIST IN BUYER'S DUE DILIGENCE EFFORTS. BECAUSE CONDUCTING DUE DILIGENCE WITH RESPECT TO THE**
226. **PREMISES AND THE SURROUNDING AREA IS BEYOND THE SCOPE OF THE BROKER'S EXPERTISE AND LICENSING,**
227. **BUYER EXPRESSLY RELEASES AND HOLDS HARMLESS BROKER(S) FROM LIABILITY FOR ANY DEFECTS OR**
228. **CONDITIONS THAT COULD HAVE BEEN DISCOVERED BY INSPECTION OR INVESTIGATION.**

229.

(BUYER'S INITIALS REQUIRED)

SAMPLE
BUYER BUYER

6i. 230. **Inspection Period Notice:** Prior to expiration of the Inspection Period, Buyer shall deliver to Seller a signed notice of any items
231. disapproved. AAR's Buyer's Inspection Notice and Seller's Response form is available for this purpose. Buyer shall conduct all
232. desired inspections and investigations prior to delivering such notice to Seller and all Inspection Period items disapproved shall
233. be provided in a single notice.

6j. 234. **Buyer Disapproval:** If Buyer, in Buyer's sole discretion, disapproves of items as allowed herein, Buyer shall deliver to Seller
235. notice of the items disapproved and state in the notice that Buyer elects to either:

236. (1) immediately cancel this Contract and all Earnest Money shall be released to Buyer, or

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

238. (a) Seller shall respond in writing within five (5) days or _____ days after delivery to Seller of Buyer's notice of
239. items disapproved. Seller's failure to respond to Buyer in writing within the specified time period shall
240. conclusively be deemed Seller's refusal to correct any of the items disapproved.

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

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

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

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

6k. 254. **Notice of Non-Working Warranted Items:** Buyer shall provide Seller with notice of any non-working warranted item(s) of which
255. Buyer becomes aware during the Inspection Period or the Seller warranty for that item(s) shall be waived. Delivery of such notice
256. shall not affect Seller's obligation to maintain or repair the warranted item(s).

6l. 257. **Home Warranty Plan:** Buyer and Seller are advised to investigate the various home warranty plans available for purchase. The
258. parties acknowledge that different home warranty plans have different coverage options, exclusions, limitations, service fees and
259. most plans exclude pre-existing conditions.

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

261. _____, to be issued by _____ at a cost not to exceed

262. \$ _____, to be paid for by Buyer Seller

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

6m. 264. **Walkthrough(s):** Seller grants Buyer and Buyer's inspector(s) reasonable access to conduct walkthrough(s) of the Premises for the
265. purpose of satisfying Buyer that any corrections or repairs agreed to by the Seller have been completed, warranted items are in
266. working condition and that the Premises is in substantially the same condition as of the date of Contract acceptance. If Buyer does
267. not conduct such walkthrough(s), Buyer releases Seller and Broker(s) from liability for any defects that could have been discovered.

6n. 268. **Seller's Responsibility Regarding Inspections and Walkthrough(s):** Seller shall make the Premises available for all
269. inspections and walkthrough(s) upon reasonable notice by Buyer. Seller shall, at Seller's expense, have all utilities on, including
270. any propane, until COE to enable Buyer to conduct these inspections and walkthrough(s).

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7. REMEDIES

- 7a. 271. **Cure Period:** A party shall have an opportunity to cure a potential breach of this Contract. If a party fails to comply with any 272. provision of this Contract, the other party shall deliver a notice to the non-complying party specifying the non-compliance. If the 273. non-compliance is not cured within three (3) days after delivery of such notice ("Cure Period"), the failure to comply shall become 274. a breach of Contract.
- 7b. 275. **Breach:** In the event of a breach of Contract, the non-breaching party may cancel this Contract and/or proceed against the 276. breaching party in any claim or remedy that the non-breaching party may have in law or equity, subject to the Alternative Dispute 277. Resolution obligations set forth herein. In the case of the Seller, because it would be difficult to fix actual damages in the event of 278. Buyer's breach, the Earnest Money may be deemed a reasonable estimate of damages and Seller may, at Seller's option, accept 279. 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 280. notice required by Section 2a, or Buyer's inability to obtain loan approval due to the waiver of the appraisal contingency pursuant 281. to Section 2c, Seller shall exercise this option and accept the Earnest Money as Seller's sole right to damages. An unfulfilled 282. contingency is not a breach of Contract.
- 7c. 283. **Alternative Dispute Resolution ("ADR"):** Buyer and Seller agree to mediate any dispute or claim arising out of or relating to 284. this Contract in accordance with the REALTORS® Dispute Resolution System, or as otherwise agreed. All mediation costs shall 285. be paid equally by the parties. In the event that mediation does not resolve all disputes or claims, the unresolved disputes or 286. claims shall be submitted for binding arbitration. In such event, the parties shall agree upon an arbitrator and cooperate in the 287. scheduling of an arbitration hearing. If the parties are unable to agree on an arbitrator, the dispute shall be submitted to the 288. American Arbitration Association ("AAA") in accordance with the AAA Arbitration Rules for the Real Estate Industry. The 289. decision of the arbitrator shall be final and nonappealable. Judgment on the award rendered by the arbitrator may be entered in 290. any court of competent jurisdiction. Notwithstanding the foregoing, either party may opt out of binding arbitration within thirty 291. (30) days after the conclusion of the mediation conference by notice to the other and in such event either party shall have the 292. right to resort to court action.
- 7d. 293. **Exclusions from ADR:** The following matters are excluded from the requirement for ADR hereunder: (i) any action brought in 294. the Small Claims Division of an Arizona Justice Court (up to \$2,500) so long as the matter is not thereafter transferred or 295. removed from the small claims division; (ii) judicial or nonjudicial foreclosure or other action or proceeding to enforce a deed of 296. trust, mortgage, or agreement for sale; (iii) an unlawful entry or detainer action; (iv) the filing or enforcement of a mechanic's 297. lien; or (v) any matter that is within the jurisdiction of a probate court. Further, the filing of a judicial action to enable the 298. recording of a notice of pending action ("lis pendens"), or order of attachment, receivership, injunction, or other provisional 299. remedies shall not constitute a waiver of the obligation to submit the claim to ADR, nor shall such action constitute a breach of 300. the duty to mediate or arbitrate.
- 7e. 301. **Attorney Fees and Costs:** The prevailing party in any dispute or claim between Buyer and Seller arising out of or relating to this 302. Contract shall be awarded their reasonable attorney fees and costs. Costs shall include, without limitation, attorney fees, expert 303. witness fees, fees paid to investigators, and arbitration costs.

8. ADDITIONAL TERMS AND CONDITIONS

- 8a. 304. _____
- 305. _____
- 306. _____
- 307. _____
- 308. _____
- 309. _____
- 310. _____
- 311. _____
- 312. _____
- 313. _____
- 314. _____
- 315. _____

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Residential Resale Real Estate Purchase Contract >>

8r. 367. Broker on behalf of Buyer:

368. **SAMPLE**
 PRINT SALESPERSON'S NAME AGENT CODE PRINT FIRM NAME FIRM CODE

369. _____
 FIRM ADDRESS STATE ZIP CODE

370. _____
 TELEPHONE FAX EMAIL

8s. 371. Agency Confirmation: The Broker named in Section 8r above is the agent of (check one):

372. the Buyer; the Seller; or both the Buyer and Seller

8t. 373. The undersigned agree to purchase the Premises on the terms and conditions herein stated and acknowledge receipt of 374. a copy hereof including the Buyer Attachment.

375. **SAMPLE** **SAMPLE**
 ^ BUYER'S SIGNATURE MO/DA/YR ^ BUYER'S SIGNATURE MO/DA/YR

376. _____
 ADDRESS ADDRESS

377. _____
 CITY, STATE, ZIP CODE CITY, STATE, ZIP CODE

9. SELLER ACCEPTANCE

9a. 378. Broker on behalf of Seller:

379. **SAMPLE**
 PRINT SALESPERSON'S NAME AGENT CODE PRINT FORM NAME FIRM CODE

380. _____
 FIRM ADDRESS STATE ZIP CODE

381. _____
 TELEPHONE FAX EMAIL

9b. 382. Agency Confirmation: The Broker named in Section 9a above is the agent of (check one):

383. the Seller; or both the Buyer and Seller

9c. 384. The undersigned agree to sell the Premises on the terms and conditions herein stated, acknowledge receipt of a 385. copy hereof and grant permission to Broker named on Section 9a to deliver a copy to Buyer.

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

388. **SAMPLE** **SAMPLE**
 ^ SELLER'S SIGNATURE MO/DA/YR ^ SELLER'S SIGNATURE MO/DA/YR

389. _____
 SELLER'S NAME PRINTED SELLER'S NAME PRINTED

390. _____
 ADDRESS ADDRESS

391. _____
 CITY, STATE, ZIP CODE CITY, STATE, ZIP CODE

392. **OFFER REJECTED BY SELLER:** _____, _____, _____
 MONTH DAY YEAR **SAMPLE**
 (SELLER'S INITIALS)

For Broker Use Only:

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

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 BUYER BUYER

COUNTER OFFER

Document updated:
May 1996



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. This is a Counter Offer originated by the: Seller Buyer Landlord Tenant. This is a Counter Offer to the Offer
2. Counter Offer dated _____ between the following Parties:
MO/DA/YR

3. Seller/Landlord: _____

4. Buyer/Tenant: _____

5. Premises: _____

6. Acceptance of the above Offer and/or Counter Offer is contingent upon agreement to the following:

- 7. _____
- 8. _____
- 9. _____
- 10. _____
- 11. _____
- 12. _____
- 13. _____
- 14. _____
- 15. _____
- 16. _____
- 17. _____
- 18. _____
- 19. _____
- 20. _____
- 21. _____
- 22. _____
- 23. _____
- 24. _____
- 25. _____
- 26. _____
- 27. _____
- 28. _____

29. **Time for acceptance:** Unless acceptance of this Counter Offer is signed by all parties and a signed copy delivered in person, by mail or facsimile
30. and received by the party originating the Counter Offer, indicated on line 1. or received by _____

31. by _____ at _____ a.m./p.m., Mountain Standard Time or unless this Counter Offer has been previously withdrawn by the
MO/DA/YR

32. originating party, this Counter Offer shall be considered withdrawn at the date and time specified on line 31. Except as otherwise provided
33. in this Counter Offer, the Parties accept and agree to all terms and conditions of the above Offer and/or Counter Offer. Until this Counter
34. Offer has been accepted in the manner described above, the Parties understand that the Premises can be sold or leased to someone else
35. or either Party may withdraw the offer to buy, sell, or lease the Premises. The undersigned acknowledges receipt of a copy hereof.

36. _____ Date: _____ Time: _____
37. Seller Buyer Landlord Tenant MO/DA/YR

38. _____ Date: _____ Time: _____
39. Seller Buyer Landlord Tenant MO/DA/YR

ACCEPTANCE

40. The undersigned agrees to the modified or additional terms and conditions in the above Counter Offer and acknowledges receipt of a copy hereof.
41. An additional Counter Offer is attached.

42. _____ Date: _____ Time: _____
43. Seller Buyer Landlord Tenant MO/DA/YR

44. _____ Date: _____ Time: _____
45. Seller Buyer Landlord Tenant MO/DA/YR

For Broker Use Only:

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



Arizona Department of Real Estate
BUYER ADVISORY

A resource for real estate consumers provided by
Arizona Association of REALTORS®

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

This advisory is designed to make the purchase of real property as smooth as possible. Some of the more common issues that a buyer may decide to investigate or verify concerning a property purchase are summarized in this Advisory. Included in this Advisory are: (1) common documents a buyer should review; (2) physical conditions in the property the buyer should investigate; and (3) conditions affecting the surrounding area that the buyer should investigate. In addition, a buyer must communicate to the real estate agents in the transaction any special concerns the buyer may have about the property or surrounding area, whether or not those issues are addressed in this Advisory.

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

COMMON DOCUMENTS A BUYER SHOULD REVIEW

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

Purchase Contract

Buyers should protect themselves by taking the time to read the real estate purchase contract and understand their legal rights and obligations before they submit an offer to buy a property. Sample AAR forms are at www.aaronline.com/ForRealtors/Forms/.

MLS Printout

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

The Subdivision Disclosure Report (Public Report)

A Subdivision Disclosure Report (Public Report) is intended to point out material information about a subdivision. Subdividers (any person who offers for sale or lease six or more lots in a subdivision or who causes land to be divided into a subdivision) are required to give buyers an ADRE Public Report. Read the Public Report before signing any contract to purchase property in a subdivision. Although some of the information may become outdated, subsequent buyers can also benefit from reviewing the Public Report. Public Reports dating from January 1, 1997, are available on the ADRE website at <http://services.azre.gov/publicdatabase/SearchDevelopments.aspx>. The ADRE does not verify the information in the Public Report therefore the Report could be inaccurate so it should be verified. For additional information, go to www.azre.gov/PublicInfo/PropertyBuyerChecklist.aspx

Seller's Property Disclosure Statement ("SPDS")

Most sellers provide a SPDS. This document poses a variety of questions for the seller to answer about the property and its condition. The real estate broker is not responsible for verifying the accuracy of the items on the SPDS; therefore, a buyer should carefully review the SPDS and verify those statements of concern. View sample SPDS forms at www.aaronline.com/ForRealtors/Forms/. Also review www.azre.gov/PublicInfo/PropertyBuyerChecklist.aspx

Covenants, Conditions and Restrictions ("CC&Rs")

The CC&Rs are recorded against the property and generally empower a homeowner's association to control certain aspects of property use within the development. By purchasing a property in such a development, the buyer agrees to be bound by the CC&Rs. The association, the property owners as a whole, and individual property owners can enforce the contract. It is essential that the buyer review and agree to these restrictions prior to purchasing a property. See www.realtor.com/BASICS/condos/ccr.asp. The ADRE advises: "Read the deed restrictions, also called CC&Rs (covenants, conditions and restrictions). You might find some of the CC&Rs are very strict." www.azre.gov/PublicInfo/PropertyBuyerChecklist.aspx. Buyers should consult legal counsel if uncertain of the application of particular provisions in the CC&Rs.

Homeowner's Association ("HOA") Governing Documents

In addition to CC&Rs, HOAs may be governed by Articles of Incorporation, Bylaws, Rules and Regulations, and often architectural control standards. Read and understand these documents. Also, be aware that some HOAs impose fees that must be paid when the property is sold, so ask if the purchase of the property will result in any fees. Condominium and planned community HOAs are regulated by Arizona statutes; however, they are not under the jurisdiction of the Department of Real Estate. If you have questions about your rights and remedies regarding homeowner's associations or community associations, read the information provided at www.azre.gov/PublicInfo/RealEstateResearchTopics.aspx#LINK11 or Chapter 16 and 18 of the Arizona Revised Statutes - Title 33 www.azleg.state.az.us/ArizonaRevisedStatutes.asp?Title=33

HOA Disclosures

If purchasing a resale home in a condominium or planned community, the seller (if fewer than 50 units in the community) or the HOA (if there are 50 or more units) must provide the buyer with a disclosure containing a variety of information. See www.azleg.state.az.us/ars/33/01260.htm and www.azleg.state.az.us/ars/33/01806.htm for the laws detailing these requirements.

Title Report or Title Commitment

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

Questions about the title commitment and Schedule B documents may be answered by the title or escrow officer, legal counsel, or a surveyor. General information regarding title issues may be found at www.alta.org/consumer/questions.cfm. For information on title insurance, visit the Arizona Department of Insurance website at www.id.state.az.us/consumerautohome.html#titleresource.

Loan Documents

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

Ginnie Mae: www.ginniemae.gov/ypth/index.asp?Section=YPTH

HUD: www.hud.gov/

Mortgage Bankers Assoc.: www.homeloanlearningcenter.com/default.htm

National Assoc. of Mortgage Brokers:

www.namb.org/namb/Home_Buyers_Home.asp?SnID=382338594

Home Warranty Policy

A home warranty may be part of the sale of the home. Buyers should read the home warranty document for coverage and limitation information. Be aware that pre-existing property conditions are generally not covered under these policies.

Affidavit of Disclosure

If the buyer is purchasing five or fewer parcels of land (whether improved or vacant), other than subdivided land, in an unincorporated area of a county, the seller must furnish the buyer with an Affidavit of Disclosure. A sample form is located at www.aaronline.com/documents/affidavit.aspx.

Lead-Based Paint Disclosure Form

If the home was built prior to 1978, the seller must provide the buyer with a lead-based paint disclosure form. Information about lead-based paint may be obtained at www.azre.gov/PublicInfo/RealEstateResearchTopics.aspx#LINK11 or www.epa.gov/lead/. 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. For more information on this new rule, visit www.epa.gov/lead/pubs/lscp-press.htm.

Professional Inspection Report

The importance of having a property inspected by a professional inspector cannot be over-emphasized. An inspection is a visual physical examination, performed for a fee, designed to identify material defects in the property. The inspector will generally provide the buyer with a report detailing information about the property's condition. The buyer should carefully review this report with the inspector and ask the inspector about any item of concern. Pay attention to the scope of the inspection and any portions of the property excluded from the inspection. A list of certified home inspectors may be found at the Arizona Board of Technical Registration website, www.btr.state.az.us. Additional information on inspections may be found at www.ashi.com, and guidance on hiring a home inspector may be found at www.realtor.com/basics/buy/inspnegot/hire.asp?gate=realtor&poe=propertystore

County Assessors/Tax Records

The county assessor's records contain a variety of valuable information, including the assessed value of the property for tax purposes and some of the physical aspects of the property, such as the reported square footage.

The date built information in the assessor's records can be either the actual or effective/weighted age if the residence has been remodeled. All information on the site should be verified for accuracy. Information is available on county websites:

Coconino: www.coconino.az.gov/

Maricopa: www.maricopa.gov/assessor or <http://treasurer.maricopa.gov/parcels/>

Pima: www.asr.pima.gov/

Yavapai: www.co.yavapai.az.us/

Other counties: www.az.gov/webapp/portal

Termites and Other Wood Destroying Insects and Organisms

Termites are commonly found in some parts of Arizona. The Office of Pest Management (OPM) regulates pest inspectors and can provide the buyer with information regarding past termite treatments on a property. To obtain a termite history report on a property, visit the OPM website at <http://tarf.sb.state.az.us/> or call 1-800-223-0618. The OPM publication, *What You Should Know about Wood-Destroying Insect Inspection Reports*, can be found at www.sb.state.az.us/TermiteInsp.php. Additional information may be obtained at the OPM website at www.sb.state.az.us/index.php.

COMMON PHYSICAL CONDITIONS IN THE PROPERTY A BUYER SHOULD INVESTIGATE

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

Repairs and New Construction

The seller may have made repairs or added a room to the property. The buyer should feel comfortable that the work was properly done or have an expert evaluate the work. Request copies of permits, invoices or other documentation regarding the work performed. The Registrar of Contractors' ("ROC") publication, *Hiring a Licensed Contractor*, is available on the ROC website, www.rc.state.az.us/Consumer_menu.html. The Arizona chapters of the National Association of the Remodeling Industry may be contacted at www.greaterphoenixnari.org/ for the Phoenix area and www.nariofsouthernarizona.memberlodge.com/ for Southern Arizona/Tucson. For information regarding permits, contact the city or county building department.

Square Footage

Square footage on the MLS printout or as listed by the county assessor's records is often only an estimate and generally should not be relied upon for the exact square footage in a property. An appraiser or architect can measure the property's size to verify the square footage. If the square footage is important, you should have it confirmed by one of these experts during the inspection period in a resale transaction and prior to executing a contract in a new home transaction. A list of appraisers may be found at the Arizona Board of Appraisal, www.appraisal.state.az.us/directory/Default.aspx. A list of architects may be found at the Board of Technical Registration, www.btr.state.az.us.

Roof

If the roof is 10 years old or older, a roof inspection by a licensed roofer is highly recommended. See the ROC information on hiring a licensed contractor online at www.rc.state.az.us/Consumer_menu.html or the Arizona Roofing Contractors Association at www.azroofing.org.

Swimming Pools and Spas

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

Barriers: Further, each city and county has its own swimming pool barrier ordinance. Pool barrier contact information for Arizona cities and counties may be found at www.aaronline.com/documents/pool_contacts.aspx. The Arizona Department of Health Services Private Pool Safety notice may be found at http://azdhs.gov/phs/neh/pool_rules.htm. The state law on swimming pools is located at www.azleg.state.az.us/ars/36/01681.htm.

Septic and Other On-Site Wastewater Treatment Facilities

If the home is not connected to a public sewer, it is probably served by an on-site wastewater treatment facility (septic or alternative system). A qualified inspector must inspect any such facility within six months prior to transfer of ownership. For information on current inspection and transfer of ownership requirements, contact the county environmental/health agency or the Arizona Department of Environmental Quality at www.azdeq.gov/environ/water/permits/download/septic_tank.pdf. To file for a Notice of Transfer online go to <https://az.gov/app/own/home.xhtml>

Sewer

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

Water/Well Issues

You should investigate the availability and quality of the water to the property. For information on wells and assured/adequate water, go to www.azwater.gov/AzDWR/WaterManagement/Wells/default.htm or www.azwater.gov/WaterManagement_2005/Content/OAAWS/default.asp.

Adjudications: Arizona is undertaking several General Stream Adjudications, which are court proceedings to determine the extent and priority of water rights in an entire river system. For information regarding water uses and watersheds affected by these adjudications, and the forms upon sale of the property, contact the Department of Water Resources at www.azwater.gov/dwr/Content/Find_by_Program/Adjudications/default.htm. Additionally, the Verde Valley Water Users assists members in matters pertaining to the Gila River System Adjudication. www.verdevalleywaterusers.org/homepage.htm

CAGRDS: The Central Arizona Groundwater Replenishment District (CAGRDR) functions to replenish groundwater used by its members, individual subdivisions ("member lands") and service areas of member water providers ("member service areas"). Homeowners in a CAGRDR pay an annual assessment fee which is collected through the county property tax process based on the amount of groundwater served to member homes. To learn more about CAGRDR, membership visit www.cagrdr.com.

Soil Problems

The soil in some areas of Arizona has "clay-like" tendencies, sometimes referred to as "expansive soil." To investigate areas in Arizona where expansive soils exist, go to www.az.nrcs.usda.gov (search "shrink/swell") or www.azgs.az.gov ("Geologic Hazards") and the direct link to the Study Area Maps is www.azgs.az.gov/efmaps.shtml. Other areas are subject to fissures, subsidence and other soil conditions. For information on earth fissures, visit www.azwater.gov/AzDWR/Hydrology/Geophysics/LandSubsidenceInArizona.htm. Properties built on such soils may experience significant movement causing a major problem. If it has been disclosed that the property is subject to any such soil conditions or if the buyer has any concerns about the soil condition or observes evidence of cracking, the buyer should secure an

independent assessment of the property and its structural integrity by a licensed, bonded, and insured professional engineer. A list of state certified professional engineers and firms can be found at www.btr.state.az.us.

Previous Fire/Flood

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

Pests

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

Scorpions: Scorpions, on the other hand, may be difficult to eliminate. If the buyer has any concerns or if the SPDS indicates the seller has seen scorpions or other pests on the property, seek the advice of a pest control company. A source of information on scorpions may be found at www.desertusa.com/oct96/du_scorpion.html.

Roof Rats: For information on roof rats, which have been reported in some areas, www.maricopa.gov/EnvSvc/VectorControl/RR/RRInfo.aspx.

Termites and bark beetles: For information on termites or bark beetles, which have been reported in some forested areas, see www.sb.state.az.us/.

Endangered and Threatened Species

Certain areas in the state may have issues related to federally listed endangered or threatened species that may affect land uses. Further information may be obtained by going to the following U.S. Fish and Wildlife website, www.fws.gov/southwest/es/arizona/, or contact the appropriate planning/development service department.

Deaths and Felonies on the Property

An Arizona law states that sellers and real estate licensees have no liability for failure to disclose to a buyer that the property was ever the site of a natural death, suicide, murder or felony, www.azleg.state.az.us/ars/32/02156.htm. This information is often difficult to uncover; however, the local law enforcement agency may be able to identify calls made to the property address.

Indoor Environmental Concerns

Mold: Mold has always been with us, and it is a rare property that does not have some mold. However, over the past few years a certain kind of mold has been identified as a possible contributor to illnesses. Allergic individuals may experience symptoms related to mold. The Arizona Department of Health Services, Office of Environmental Health, states: "If you can see mold, or if there is an earthy or musty odor, you can assume you have a mold problem."

www.hs.state.az.us/phs/oeH/invsurv/air_qual/mold_contents.htm

The Environmental Protection Agency (EPA) and Centers for Disease Control and Prevention websites also contain valuable information:

www.epa.gov/mold/ and www.cdc.gov/mold/default.htm.

Chinese Drywall: There have been a few reports of Chinese Drywall used in Arizona homes, see www.cpsc.gov/info/drywall/where.html for more information.

Radon gas and carbon monoxide: Radon gas and carbon monoxide poisoning are two of the more common and potentially serious indoor air quality ("IAQ") concerns. Both of these concerns can be addressed by the home inspector, usually for an additional fee. For information on radon levels in the state, go to www.azleg.state.az.us/radon.htm.

Drug labs: Unremediated meth labs and other dangerous drug labs must be disclosed to buyers/tenants by Arizona law. A list of unremediated properties and a list of the registered drug laboratory site remediation firms can be found at www.azbtr.gov/listings/drug_lab_site_clean_up.asp.

Other: For information on other indoor environmental concerns, the EPA has a host of resource materials and pamphlets available at www.epa.gov/iaq/iaqinfo.html and www.epa.gov/iaq/pubs/index.html.

Property Boundaries

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

Flood Plain Status

If the property is in a flood zone, an additional annual insurance premium of several hundred dollars may be required (check with your insurance agent about cost and coverage). If the property is in an area deemed high risk, the buyer may be required by the lender to obtain flood hazard insurance through the National Flood Insurance Program. Find details on flood plain status at:

Maricopa County: www.fcd.maricopa.gov/

Pima County: www.rfcd.pima.gov

Other parts of the state: www.azgs.az.gov/hazards_floods.shtml

FEMA Flood Map Service Center: www.fema.gov/hazard/flood/index.shtm

Phoenix: www.phoenix.gov/devpro/floodpl.html

Tucson:

http://tucsonaz.gov/dsd/Forms_Fees_Maps/Applications/applications.html

Flagstaff: www.flagstaffstormwater.com or call 928-779-7650 x.7213.

Insurance (Claims History)

Many factors affect the availability and cost of homeowner's insurance. Some insurance companies use a database known as the Comprehensive Loss Underwriting Exchange ("C.L.U.E.") in their underwriting practices to track the insurance claim history of a property and of the person applying for insurance coverage. Property owners may request a five year claims history from their insurance agent or purchase a C.L.U.E. report online at <https://personalreports.lexisnexis.com/index.jsp> or by calling 866-527-2600. For additional insurance information, visit the Arizona Department of Insurance website at www.id.state.az.us/consumer.html and read "*The New Reality of Property Insurance - What You Should Know*" at www.aaronline.com/documents/insurance.pdf.

Other Property Conditions

Plumbing: Check functionality. Also, a national class action suit has been settled, providing relief for qualifying leaks in polybutylene pipes (PB). For more information, see www.pbpipe.com/ or www.aaronline.com/documents/polyb.asp

Cooling/Heating: Make sure the cooling and heating systems are adequate. Arizona State Chapter affiliate of the Air Conditioning Contractors of America: www.acca-az.org/.

Electrical systems: Check for function and safety.

CONDITIONS AFFECTING THE AREA SURROUNDING THE PROPERTY THE BUYER SHOULD INVESTIGATE

Every property is unique; therefore, important conditions vary.

Environmental Concerns

It is often very difficult to identify environmental hazards. For environmental information, search the ADEQ website at www.adeq.state.az.us. The ADEQ website contains information regarding the locations of open and closed landfills (Solid Waste Facilities) at www.azdeq.gov/environ/waste/solid/map.html and wildfire information at www.azdeq.gov/function/programs/wildfire.html, as well as air quality information, water quality information and more.

Environmentally Sensitive Land Ordinance: Approximately two-thirds of the City of Scottsdale is affected by the Environmentally Sensitive Land Ordinance (ESLO), which requires some areas on private property be retained in their natural state and designated as National Area Open Space (NAOS). For more information about how the ESLO and NAOS may impact affected property, go to www.scottsdaleaz.gov/codes/ESLO.

Electromagnetic Fields

For information on electromagnetic fields, and whether they pose a health risk to you or your family, visit the following websites: www.niehs.nih.gov/health/topics/agents/emf/

Superfund Sites

There are numerous sites in Arizona where the soil and groundwater have been contaminated by improper disposal of contaminants. To check if a property is in an area designated by the ADEQ as requiring cleanup, see www.azdeq.gov/environ/waste/sps/phx.html for available maps to view. The EPA also has information on Federal sites at www.epa.gov/superfund/spanish/index.htm (Spanish).

Freeway Construction and Traffic Conditions

Although the existence of a freeway near the property may provide highly desirable access, sometimes it contributes to undesirable noise. To search for roadway construction and planning, go to the Arizona Department of Transportation ("ADOT") website at www.azdot.gov/Highways/. Check ADOT maps to find the nearest future freeway routes and roads in the area slated for widening. For traffic conditions, visit www.az511.com/.

Crime Statistics

Crime statistics, an imperfect measurement at best, provide some indication of the level of criminal activity in an area. To check the crime statistics for the cities of Phoenix, Tempe, Glendale, Mesa, Scottsdale, Chandler, Gilbert and Peoria, go to www.faxnet1.org or the city of Phoenix website <http://phoenix.gov/POLICE/crista1.html>. A visit or phone call to other law enforcement agencies may be required.

Tucson: <http://tpdinternet.tucsonaz.gov/Stats/>.

For crime statistics in **all Arizona cities** go to www.azleague.org/index.cfm?fuseaction=about.cities click on the city/town and search for “crime statistics.”

Sex Offenders

Since June 1996, Arizona has had a registry and community notification program for convicted sex offenders. This information may be accessed at <https://az.gov/webapp/offender/main.do>. Prior to June 1996, registration was not required, and only the higher-risk sex offenders are on the website. The presence of a sex offender in the vicinity of the property is not a fact that the seller or real estate agent is required to disclose.

City of Glendale: For more information go to www.glendaleaz.com/police/sexoffenderinfocenter.cfm.

Forested Areas

Life in a forested area has unique benefits and concerns. For information on protecting your property from wildfire, go to www.azsf.az.gov/ or www.firewise.org/. See also, Arizona Firewise Communities, <http://cals.arizona.edu/firewise/>. Contact county/city fire authority for information on issues particular to your community.

Zoning/Planning/Neighborhood Services

Phoenix: www.phoenix.gov/PLANNING/index.html

Scottsdale: www.scottsdaleaz.gov/Topics/Planning.asp

Tucson: www.ci.tucson.az.us/planning.html

Other cities and towns: www.azleague.org

Military and Public Airports

The legislature has mandated the identification of areas in the immediate vicinity of military and public airports that are susceptible to a certain level of noise from aircraft. The boundaries of these areas have been plotted on maps that are useful in determining if a property falls within one of these areas.

The maps for military airports may be accessed at www.re.state.az.us/AirportMaps/MilitaryAirports.aspx ; view maps for many of the public airports at www.re.state.az.us/AirportMaps/PublicAirports.aspx. These maps are intended to show the areas subject to the preponderance of airport-related noise from a given airport. Periodic over-flights that may contribute to noise cannot usually be determined from these maps.

Schools

Although there is no substitute for an on-site visit to the school to talk with principals and teachers, there is a significant amount of information about Arizona’s schools on the Internet. Visit www.ade.state.az.us for more information. The ADRE advises: “Call the school district serving the subdivision to determine whether nearby schools are accepting new students. Some school districts, especially in the northwest part of the greater Phoenix area, have placed a cap on enrollment. You may find that your children cannot attend the school nearest you and may even be transported to another community.” www.azre.gov/PublicInfo/PropertyBuyerChecklist.aspx

City Profile Report

Information on demographics, finances and other factors drawn from an array of sources, such as U.S. Census Bureau, Bureau of Labor, Internal Revenue Service, Federal Bureau of Investigation, and the National Oceanic and Atmospheric Administration. www.homefair.com/find_a_place/cityprofile/

OTHER METHODS OF GETTING INFORMATION ABOUT A PROPERTY

Talk to the Neighbors

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

Drive around the Neighborhood

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

MARKET CONDITIONS ADVISORY

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

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

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

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

FAIR HOUSING AND DISABILITY LAWS

The Fair Housing Act prohibits discrimination in the sale, rental, and financing of dwellings based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and handicap (disability). Visit HUD's Fair Housing/Equal Opportunity website at

http://portal.hud.gov/portal/page/portal/HUD/program_offices/fair_housing_equal_opp. For information on the Americans with Disabilities Act, visit www.usdoj.gov/crt/ada/adahom1.htm.

ADDITIONAL INFORMATION

NATIONAL ASSOCIATION OF REALTORS® (NAR): www.realtor.com

NAR's Ten Steps to Homeownership:

<http://finance.move.com/homefinance/guides/buyers/default.asp?lnksrc=FINHPGDS002&poe=move&tran=vud>

Home Closing 101: www.homeclosing101.org/

INFORMATION ABOUT ARIZONA GOVERNMENT

Links to state agencies, city and county websites: www.az.gov

Geographic Information System (GIS) - Maps and information based on a specific address: www.az.gov/webapp/govinfo/main.do

ARIZONA DEPARTMENT OF REAL ESTATE

Consumer Information: www.azre.gov/InfoFor/Consumers.aspx

ARIZONA ASSOCIATION OF REALTORS®

Consumer Assistance:

www.aaronline.com/ConsumerAssistance/Default.aspx

Find a REALTOR®:

www.aaronline.com/ConsumerAssistance/FindARealtor/

Arizona Department of Real Estate

BUYER ADVISORY

A Resource for real estate consumers provided by the
Arizona Association of REALTORS®



BUYER ACKNOWLEDGMENT

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

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



Buyer's Signature

DATE

Buyer's Signature

DATE

COURTESY OF:

