

"YOUR HOMETOWN TITLE AGENCY"

# HOME BUYER'S GUIDE



**PRESCOTT MAIN**  
**THE JUNCTION**  
**PRESCOTT VALLEY**  
**CHINO VALLEY**  
**PRESCOTT LAKES**  
**CAMP VERDE**  
**COTTONWOOD**  
**SEDONA**



VISIT US ONLINE AT [WWW.YAVAPAITITLE.COM](http://WWW.YAVAPAITITLE.COM)

Dear Home Buyer,



Yavapai Title Agency congratulates you in your pursuit of the “American Dream”!

Enclosed are sample documents that you will encounter, as well as some general information that we hope will be helpful to you as you enter into the home buying process.

Buying a home should be a happy, exciting time! One of the best ways to ensure that you have a positive and smooth home buying experience is to surround yourself with experts who can educate and guide you each step of the way.

There are many considerations to keep in mind when choosing your team of experts. Of course, you want to work with individuals that you like and who understand your unique needs. In addition, there are levels of expertise that you will want to look for, such as choosing a real estate agent who is a member of the National Association of Realtors. These experts are extensively trained in their field and are held to a strict code of ethics.

When it comes to choosing your title company, we hope that you will choose Yavapai Title Agency, “Your Hometown Title Agency”. Here are some important facts that we believe set us apart in Yavapai County and make us the best choice for your title agency.

- As an agency, we have many underwriters to choose from which can translate into better insurance rates for our customers.
- Yavapai Title Agency has been doing business in Yavapai County since 1963. We remain the only locally owned and operated title facility in the county.
- We own property in the communities where we do business, so we pay our fair share of property taxes.
- In a world of more and more outsourcing, Yavapai Title is committed to maintaining our complete title operations here in Yavapai County. Our title experts have local knowledge of the area, which assures the ultimate in expertise. Their salaries are paid locally which is a benefit to our local economy.
- Yavapai Title contributes to many local events and programs that enrich our communities such as the Prescott Frontier Days Rodeo, Prescott Valley Parade of Lights, Prescott Courthouse Lighting, Verde Valley programs and many more.
- We provide our staff with ongoing, up to date industry training, encourage an attitude of teamwork and support, and consistently strive to meet the high standards set forth in our motto~

## **Yavapai Title Agency**

### **“Where Excellence is Tradition”**

Visit our website for information on local utility companies and other important links!

**[www.yavapaititle.com](http://www.yavapaititle.com)**

# *Important Home Buyer Questions*

**Your real estate agent can assist you in finding qualified inspectors and direct you to resources to obtain vital information about a prospective property. Here are some items to discuss with your real estate agent to help you make an informed and educated decision.**

- Neighborhood Information
- Incorporated or Non Incorporated Area
- Homeowner's Associations (HOA) and Dues
- Covenants, Conditions, and Restrictions (CC&R's)
- Road Access, Road Material, and Maintenance
- Taxes
- Utility Services
  - Water Source      City or Well
  - Waste Water      Sewer, Alternative or Septic
  - Heating            Propane, Gas, Electric
  - Cable Source      High Speed Internet Availability
- Schools
- Insurance Costs for Fire and/or Flood
- Inspections (Home, Termite, etc.)
- Zoning (Residential, Multifamily, Commercial)
- Topography, Washes, and Soil
- Airports and Flight Paths
- Pests and Wild Animals





# Steps to Purchasing a Home

1. Choose your Real Estate Agent-  
Purchasing a new home can be a great experience. Choosing a professional to help you find the right property, negotiate the terms for you and assist you step by step, will help you to understand the process better.
2. Find the home for you-  
Your agent will assist you in finding the right home by researching properties based on the information you provide. From these properties you can select the one that's best for you.
3. Prepare your offer-  
Once you find the home of your choice, your agent will provide you with market information and contract tips to help in determining a fair price and terms to include in your offer. This offer will be based on many factors, i.e. how long the property has been on the market, how motivated the sellers are, and prices paid in comparable sales in the neighborhood. Conditions, called contingencies, will be included in the offer based on your wishes, such as length of escrow and any personal property you want as part of the sale.
4. Earnest money deposit-  
Included with your offer will be your Earnest money deposit. Your agent will hold your check until your offer has been accepted. At that time, it will be deposited into Yavapai Title's Escrow Trust account..
5. Present your offer-  
Your agent will present your offer to the seller or the seller's real estate agent. Your agent will inform you of the response which could be acceptance of your offer, a counter offer or rejection of your offer.
6. Open Escrow-  
After negotiating an acceptable offer, and upon acceptance, your agent will open escrow on your new home, and your earnest money check will be deposited into the Yavapai Title escrow trust account.
7. Contingencies in escrow-  
This is the time allowed in escrow to obtain financing, perform inspections and satisfy any other contingencies to which the purchase is subject. The contingencies may include:
  - Approval of commitment for title insurance
  - Loan approval by lender of your choice
  - Physical inspection of property
  - Termite inspection of property
8. Homeowner's Insurance-  
If you're obtaining a new loan, you must purchase and submit into escrow a homeowner's insurance policy naming yourself and the new lender as the loss payee.
9. Remainder of down payment money-  
Prior to the close of escrow, you will be required to deposit in escrow, by way of cashier's check or wire transfer, the remainder of your down payment. (Arizona Good Funds Law)
10. Close escrow-  
As soon as all conditions of the purchase agreement have been met, you will be asked to sign loan documents and closing papers. The lender will deposit with Yavapai Title your loaned funds. The deed conveying the property to you will be recorded in the office of the county recorder and you will take ownership of your new home. Congratulations on your new home!



# Why Work with a Local Realtor?

## **ACCESS TO MLS—The Multiple Listing Service**

Local Realtors have access to the MLS system, which is the most comprehensive and accurate home finding site. This is important when selling a home in a competitive market.

## **PROPERTY COMPS—Comparables**

Local Realtors know the market and will provide you with information about comparable properties that have recently sold. This helps you determine your listing price so you don't over price your property.

## **AREA KNOWLEDGE**

Local Realtors know the area, the neighborhoods, the community and its resources. This saves you time as they can direct you to areas based on your needs and wants.

## **SELLER REPRESENTATION**

A Seller's representative will assist you in reviewing your property and setting the right listing price for your home. The Realtor will know how to market and sell to the right prospective buyer for your home. When you receive an offer, the agent will assist you with the contract and negotiations.

## **REALTOR CODE OF ETHICS**

Each Realtor must abide by a Code of Ethics. Here are the Basic Principles:

- Protect and promote their client's interests, but be honest with all parties.
- Avoid exaggeration, misrepresentation, and concealment of pertinent facts.
- Do not reveal facts that are confidential under the scope of their agency relationship.
- Cooperate with other real estate professionals to advance their client's best interests.
- When buying or selling, they will make their position in the transaction or interest known.
- Disclose their present or contemplated interest in any property to all parties.
- Avoid side deals without their client's informed consent.
- Accept compensation from only one party, except with full disclosure and informed consent.
- Keep the funds of clients and customers in escrow.
- Assure, whenever possible, that transactional details are in writing.
- Provide equal service to all clients and customers.
- Be knowledgeable and competent in the fields of practice in which they ordinarily engage.
- Obtain assistance or disclose lack of experience, if necessary.
- Present a true picture in their advertising and other public representations.
- Do not engage in the unauthorized practice of law.
- Be a willing participant in Code enforcement procedures.
- Ensure that their comments about other real estate professionals are truthful, and not misleading.
- Respect the exclusive representation or exclusive brokerage relationship agreements that other Realtors have with their clients
- Arbitrate contractual and specific non-contractual disputes with other Realtors and with their clients.

For full text, refer to Code of Ethics and Standards of Practice of the NATIONAL ASSOCIATION OF REALTORS.

# Helpful Moving Tips

- **Banks**—Close accounts if they are not transferable and establish new accounts at your new location.
- **Insurance**—Notify your agent of your new address and discuss how your insurance needs may change with your new move.
- **Utilities**—Establish cutoff date and give your forwarding address to all utilities and services. Arrange for utilities to be started in your new home prior to arrival.
- **Medical Records**—Obtain records for all members in the family, including pets. If you've selected new providers, arrange to have records sent directly to them.
- **Change of address**—Fill out a forwarding address form at the post office and pick up a stack of change-of-address forms to send to the following.
  - Family and friends
  - Magazines
  - Credit card companies
  - Pension funds and investment firms
  - Professionals such as your lawyer, accountant, and realtor
  - The IRS, Social Security office and government or military pension offices
  - Your workplace, schools and alma mater
  - National associations or clubs
  - The voter registration office and motor vehicle bureau

## Items to carry with you on Move Day

- Phone number of the moving company
- Cash or traveler's checks
- Papers related to the sale of your home
- Insurance policies and agent's phone number
- Your current phone book
- Medications
- Enough clothing to get by if the movers are late
- Important personal records and documents
- Sheets and towels for the first night in your new home
- Personal hygiene items
- Food and supplies for pets



# Common Ways to Hold Title to Real Property

Title to real property in Arizona, may be held by individuals, either in Sold Ownership or in Co-Ownership. Co-ownership of real property is where title is held by two or more persons. There are several variations as to how title may be held in each type of ownership. The following brief summaries are the more common examples of sole ownership and co-ownership. For a more comprehensive understanding of the legal and tax consequences, appropriate consultation is recommended.

**Sole and Separate:** Real property owned by a spouse before marriage or any acquired after marriage by gift, descent of specific intent. If a married person acquires title as sole and separate property, his/her spouse must execute a disclaimer deed.

**Tenancy in Common:** Two or more persons may hold title to real property as tenants in common. In Arizona, married couples must reject community property and specifically take title as tenants in common. Each owner has a distinct and proportionate interest without the right of survivorship. The only unity involved is possession. Their undivided interest need not be equal but in the aggregate cannot exceed 100% of the ownership interest. A tenant in common may transfer his undivided interest without destroying the co-tenancy estate.

**Joint Tenancy with the Right of Survivorship:** Two or more persons may hold title to real property as joint tenants with the right of survivorship. In the past, it was required that all joint tenants share the four unities of time, title, interest and possession. As of July 20, 1996, the Arizona legislature effectively abolished the requirement of the "straw deed" and the necessity of joint tenants to all take their interest at the same time. The advantage of joint tenancy with right of survivorship is that upon death of one of the joint tenants, their interest is transferred outside probate to the surviving tenant(s). NOTE: Evidence of the intent of a married couple to hold title to real property as joint tenants with right of survivorship must be in writing so as to avoid the presumption of community property.

**Community Property:** Only persons married to each other may own real property as community property. Each spouse owns equal interest in their community property. Each spouse may provide by will for the disposition of his or her community interest in the community real property. However, Arizona community property law requires both spouses to join in a conveyance or encumbrance of community real property. Property acquired by a spouse during marriage is presumed to be community property except that property acquired by gift, device or descent. A married couple seeking to hold title to real property located in Arizona in a form other than community property may do so by renouncing the community property form and specifically accepting another form of co-tenancy.

**Community Property with the Right of Survivorship:** Only persons married to each other may take title as community property with the right of survivorship. One spouse is entitled to the whole of the property upon the death of the other and both interests of the community property receive a new tax basis equal to the fair market value as of the date of death. Evidence of the intent of a married couple to hold title to real property as community property with right of survivorship must be in writing in order to avoid the presumption of community property. When parties that hold property as community property with the right of survivorship dissolve or annul their marriage, the property converts to tenancy in common.

**General Partnership:** Title may be taken in the name of a general partnership duly formed under the laws of the state of Arizona or the state of the formation of the partnership. A partnership is defined as a voluntary association of two or more persons as co-owners in a business for profit.

**Limited Partnership:** A partnership formed by two or more persons under the laws of Arizona or another state and having one or more general partners and one or more limited partners. A certificate of limited partnership must be filed in the Office of the Secretary of State.

**Limited Liability Company:** Title may be taken in the name of a Limited Liability Company by properly filing articles of Organization of a Limited Liability Company with the Arizona Corporation Commission or under the laws of the state of formation.

**Corporation:** Title may be taken in the name of a corporation provided that the corporation is duly formed and in good standing in the state of its incorporation.



# What is Escrow?

## **WHAT IS ESCROW?**

Escrow is a process whereby a seller and buyer, or borrower and lender, transfer title to, or place a mortgage lien on, real property. Your Escrow Officer is a disinterested third party, duty-bound to follow the instructions given by you and the other party to your escrow. The Escrow Officer receives and holds money and documents in carrying out your instructions. Because an escrow involves huge amounts of money and reams of paperwork, a professional is required to keep track of and manage the transaction. “In this fast-paced real estate market, the escrow process is an integral part of the real estate transaction, benefiting the consumer and the real estate professional.”

## **WANT A SMOOTH ESCROW?**

Be sure you understand each document before you sign it. If uncertain, ask your agent.  
Let your lender know of any problems, credit or otherwise, ahead of time.  
Let your Escrow Officer know of potential hurdles, such as judgments, liens or other.  
Be available—give all parties as many ways to contact you as possible.

## **WHAT YOUR ESCROW OFFICER DOES**

- Receives and holds all funds for disbursement upon closing.
- Serves as the communication link to all the parties involved in the escrow.
- Requests title insurance commitment to send to you for approval.
- Requests a statement from the existing lender in order to pay off the loan at closing.
- Prepares deeds and/or other documents required in the escrow and secures signatures.
- Secures releases and other contingencies of record.
- Closes escrow when all instructions have been carried out, which is accomplished by:
  - Recording of deeds and other documents as instructed.
  - Requesting issuance of title insurance to the buyer and/or lender.
  - Disbursing funds as authorized such as recording fees, proceeds to seller, etc.
  - Preparing final statements for the parties accounting for all of the funds deposited.

## **WHAT YOUR ESCROW OFFICER DOES NOT DO**

- Provide legal advice.
- Negotiate the transaction.
- Provide investment advice.

To see our ‘Six Steps to a Successful Escrow’, go to:  
[www.yavapaititle.com/buyers-sellers/six-steps-to-a-successful-escrow](http://www.yavapaititle.com/buyers-sellers/six-steps-to-a-successful-escrow)





# Do You Really Need Title Insurance?

***Do You Really Need Title Insurance? Without it, you could lose your most valuable asset—your home!***

If you have recently purchased or refinanced a home, chances are you have had to get title insurance. What exactly does title insurance cover, and who does it protect—the homeowner or the lender? Do you need title insurance on refinance if you bought title insurance when you purchased your home? Here are answers to those important questions, as well as helpful advice on title insurance, and whether or not you need it.

Basically, title insurance protects you against problems affecting the title to your home. There are two types of title insurance—a Loan Policy, and an Owner's Policy. A Loan Policy protects the lender for the amount of the loan. While the Owner's Policy protects you, the homeowner, for your investment in the property—your equity. In both cases, the title process covers an exhaustive search of public records to make certain the title to the subject property is clear, and covers against future loss if a claim against the property is made.

While discovering an issue with your title can seem rather remote, one out of every four title searches reveals a problem with the title. Examples include tax liens, forged signatures in the chain of title, recording errors, title search errors, undisclosed easements and title claims by missing heirs and/or ex-spouses. These problems would be uncovered in a title search before you even close on your home.

Even after an exhaustive title search is performed and a title policy issued, sometimes a problem may surface that can threaten your home. If you only have a lender's policy, where the outstanding loan is covered, your equity is not protected. A separate Owner's Policy would protect you—for as long as you or your heirs have an interest in the property.

In regards to refinancing your home, some homeowners have questioned whether or not they need a new title policy when they refinance. The answer is, you won't need a new Owner's Policy, but a lender will require a new Loan Policy because a title search must be performed covering the time since the last policy was issued. It is interesting to note that, even after a title search has been completed, a second search is done just before recording the deed to make sure nothing has affected the title since the initial search, even if it's only been a few weeks.

Although somewhat remote, there is the chance that unforeseen problems might exist such as a mechanic's lien from a contractor who claims he/she has not been paid, or a judgment placed on your house for unpaid taxes. The lender will understandably want to make sure the title to the property they are financing is clear.

Rates sometimes vary, and you can certainly shop around for the best rates. With the advent of the practice of "bundling" fees into one loan and settlement package, you should be sure to ask if Owner's title insurance is included.

In some states, the seller actually pays for Owner's coverage. Be sure to ask about an Owner's Policy at the time you obtain a Loan Policy.

Remember, title insurance protects you against the potential loss of your most valuable asset—your home.

For more information on the title insurance industry, please visit the American Land Title Association website at [www.alta.org](http://www.alta.org).



# Customary Closing Costs for Arizona

For an Escrow or Title quote, please reference our Office Directory to contact us.

	<b>Conventional</b>	<b>FHA</b>	<b>VA</b>	<b>Cash</b>
<b>Escrow Fee</b>	Each pay 1/2	Each pay 1/2	Each pay 1/2	Each pay 1/2
<b>Recording and Affidavit Fees</b>	Seller & Buyer	Seller & Buyer	Seller & Buyer	Seller & Buyer
<b>HOA Assoc. Transfer Fee/Dues</b>	Per Contract	Per Contract	Per Contract	Per Contract
<b>Real Estate Commission</b>	Seller	Seller	Seller	Seller
<b>Existing Loan Payoff</b>	Seller	Seller	Seller	Seller
<b>Accrued Interest on Existing Loan</b>	Seller	Seller	Seller	Seller
<b>Owners Title Policy</b>	Seller	Seller	Seller	Seller
<b>Release/Reconveyance Fee</b>	Seller	Seller	Seller	Seller
<b>Home Warranty Premium</b>	Per Contract	Per Contract	Per Contract	Per Contract
<b>Discount Points</b>	Buyer	Buyer	Buyer	
<b>Appraisal Fee</b>	Buyer	Buyer	Buyer	
<b>Down Payment</b>	Buyer	Buyer	Buyer	Buyer
<b>Property Inspection</b>	Buyer	Buyer	Buyer	Buyer
<b>Termite Inspection</b>	Buyer	Buyer	Seller	Buyer
<b>1st Year Insurance Premium</b>	Buyer	Buyer	Buyer	Buyer
<b>Tax and Insurance Impounds</b>	Buyer	Buyer	Buyer	
<b>Prepaid Interest</b>	Buyer	Buyer	Buyer	
<b>Credit Report Fee</b>	Buyer	Buyer	Buyer	
<b>Loan Origination Fee</b>	Buyer	Buyer	Buyer	
<b>Next Months PITI Payment</b>	Buyer	Buyer	Buyer	
<b>Lender's ALTA Title Policy</b>	Buyer	Buyer	Buyer	
<b>FHA—MIP</b>	Buyer			
<b>VA Funding Fee</b>			Buyer	
<b>Lenders Document Prep. Fee</b>	Buyer	Buyer	Seller	
<b>Tax Service Contract Fee</b>	Buyer	Seller	Seller	
<b>Lenders Misc. Fees</b>	Buyer	Buyer	Seller	
<b>PMI</b>	Buyer			

◆ This form represents “Customary” costs only, Some of which may be negotiable.



# Area Service Providers

## Banking Facilities

Arizona State Savings CU	(800) 671-1098
Bank of America	(800) 432-1000
Chase	(877) 68CHASE
Compass Bank	(800) 239-4357
National Bank of Arizona (Sedona)	(928) 204-1060
(Camp Verde)	(928) 567-2404
(Cottonwood)	(928) 634-1222
Country Bank	(928) 639-0020
M&I	(928) 282-2277
Wells Fargo	(928) 634-4221
Yavapai Federal CU	(928) 634-8502

## Cable

Cable	(928) 445-4511
Comcast	(888) 817-4869
Cox	(855) 286-2097
Direct TV	(800) 769-7389
Suddenlink Communications	(877) 612-5036

## City

Camp Verde	(928) 554-0000
Cottonwood	(928) 634-5526
Sedona	(928) 282-3113

## Chamber of Commerce

Camp Verde	(928) 567-9294
Cottonwood	(928) 634-7593
Sedona	(928) 282-7722

## County

Yavapai County	(928) 771-3100
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## Department of Motor Vehicle

MVD	(800) 251-5866
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## Electric

Arizona Public Services (APS)	(800) 253-9405
ww.aps.com	

## Fire Departments (non-emergency)

Sedona Fire District	(928) 282-6800
Cottonwood Fire District	(928) 634-2741
Camp Verde Fire District	(928) 567-6335

## Libraries

Camp Verde	(928) 567-3414
Cottonwood	(928) 634-7559
Sedona	(928) 284-1603

## Medical Facilities

Camp Verde Medical Center	(928) 634-2251
Yavapai Regional Medical Center	(928) 445-2700

## Natural Gas

Unisource Energy Services	(877) 837-4968
www.uesaz.com	

## Propane

AmeriGas	(800) 263-7442
www.amerigas.com	
Flame Propane	(928) 567-4099

## Police (non-emergency)

Animal Control	(928) 282-3100
Administration	(928) 282-3102
Road Conditions	511
Sedona Police	(928) 282-3100
Cottonwood Police	(928) 634-4246
Camp Verde Police	(928) 000-0000

## Post Office

Main Office (86336)	(928) 282-3511
West (86340)	(928) 282-3482
Village of Oak Creek (86351)	(928) 284-3506
Cottonwood	(928) 634-9526
Camp Verde	(928) 567-3175

## Social Security Administration

US Social Security	(800) 772-1213
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## Telephone

Century Link	(509) 381-0903
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## Trash Removal

Waste Management	(928) 925-6249
Taylor Waste	(928) 649-2662

## Voters Registration

Yavapai County	(928) 771-3248
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## Water/Sewer Services (Utilities)

Arizona Water Company	(928) 282-5555
Big Park Water Co	(928) 284-2298
Oak Creek Water Co	(928) 282-3404
Pine Valley Water Co	(928) 284-1819

# PRE-QUALIFICATION FORM

Document updated:  
February 2017



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



Your actual rate, payment, and costs could be higher. Get an official Loan Estimate before choosing a loan.

## PRE-QUALIFICATION INFORMATION

1. **Purpose:** This Pre-Qualification Form is to be used in conjunction with an AAR Residential Resale Real Estate Purchase Contract or
2. Vacant Land/Lot Purchase Contract ("Contract").
3.  Buyer **HAS NOT** consulted with a lender. (If Buyer marks the box on line 3, Buyer is to complete only lines 4 and 5.)
4. PRINT BUYER'S NAME \_\_\_\_\_ PRINT BUYER'S NAME \_\_\_\_\_
5. ^BUYER'S SIGNATURE \_\_\_\_\_ MO/DA/YR \_\_\_\_\_ ^BUYER'S SIGNATURE \_\_\_\_\_ MO/DA/YR \_\_\_\_\_
6.  Lender indicated on lines 36 and 37 has consulted with \_\_\_\_\_ ("Buyer") and submits the following:
7. **Buyer is:**  Married  Unmarried  Legally Separated
8. **Buyer:**  is  is not relying on the sale or lease of a property to qualify for this loan.
9. **Buyer:**  is  is not relying on Seller Concessions for Buyer's loan costs, impounds, Title/Escrow Company costs,
10. recording fees, and, if applicable, VA loan costs not permitted to be paid by Buyer. (Note: The amount Seller
11. agrees to contribute, if any, shall be established in the Contract.)
12. **Buyer:**  is  is not relying on down payment assistance to qualify for this loan.
13. **Type of Loan:**  Conventional  FHA  VA  USDA  Other: \_\_\_\_\_
14. **Occupancy Type:**  Primary  Secondary  Non-Owner Occupied
15. **Property Type:**  Single Family Residence  Condominium  Planned Unit Development  Manufactured Home
16.  Mobile Home  Vacant Land/Lot  Other: \_\_\_\_\_
17. YES NO N/A  
   Lender provided Buyer with the HUD form "For Your Protection: Get a Home Inspection" (FHA loans only).
18.    Lender completed a verbal discussion with Buyer including a discussion of income, assets and debts.
19.    Lender obtained a Tri-Merged Residential Credit Report.
20. **Based on the information provided, Buyer can pre-qualify for a loan amount of: \$ \_\_\_\_\_**, assuming a monthly principal
21. and interest loan payment of \$ \_\_\_\_\_, **provided that the total monthly payment** (which includes principal, interest, mortgage
22. insurance, property taxes, insurance, HOA fees, and flood insurance, if applicable) **does not exceed: \$ \_\_\_\_\_**
23. **Interest rate not to exceed:** \_\_\_\_\_%,  Fixed Interest Rate  Adjustable Interest Rate  Pre-Payment Penalty
24. **Initial Documentation Received:** Lender received the following information from Buyer (additional documentation may be requested):
25. YES NO N/A YES NO N/A  
   Paystubs    Down Payment/Reserves Documentation
26.    W-2s    Gift Documentation
27.    Personal Tax Returns    Credit/Liability Documentation
28.    Corporate Tax Returns    Other: \_\_\_\_\_
29. Additional comments: \_\_\_\_\_
30. Buyer has instructed, and Lender agrees to provide loan status updates on the AAR Loan Status Update form to Seller and Broker(s)
31. within ten (10) days of Contract acceptance pursuant to Section 2e of the Contract and upon request thereafter.

## LENDER INFORMATION

32. The Lender identified below has prepared the information listed above with Buyer(s) and has completed the above action points noted.
33. This information does not constitute loan approval. All information provided must be approved by an underwriter, and any material change
34. in Buyer's credit or financial profile will render this pre-qualification null and void.
35. The above pre-qualification expires on: \_\_\_\_\_ DATE \_\_\_\_\_
36. **Lender:** \_\_\_\_\_ ARIZONA LICENSE # \_\_\_\_\_ NMLS # \_\_\_\_\_  
COMPANY
37. \_\_\_\_\_ ARIZONA LICENSE # \_\_\_\_\_ NMLS # \_\_\_\_\_  
LOAN OFFICER
38. \_\_\_\_\_ ADDRESS \_\_\_\_\_ CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_
39. \_\_\_\_\_ EMAIL \_\_\_\_\_ PHONE \_\_\_\_\_ FAX \_\_\_\_\_
40. ^LOAN OFFICER'S SIGNATURE \_\_\_\_\_ MO/DA/YR \_\_\_\_\_
41. **Buyer acknowledges receipt of a copy hereof and grants permission to Broker to submit this Pre-Qualification Form with Contract.**
42. ^BUYER'S SIGNATURE \_\_\_\_\_ MO/DA/YR \_\_\_\_\_ ^BUYER'S SIGNATURE \_\_\_\_\_ MO/DA/YR \_\_\_\_\_

# LOAN STATUS UPDATE (LSU)

Document updated:  
February 2017



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

4. **Lender:** \_\_\_\_\_ ARIZONA LICENSE # \_\_\_\_\_ NMLS # \_\_\_\_\_  
COMPANY

5. \_\_\_\_\_ ARIZONA LICENSE # \_\_\_\_\_ NMLS # \_\_\_\_\_  
LOAN OFFICER

6. \_\_\_\_\_ CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_  
ADDRESS

7. \_\_\_\_\_ PHONE \_\_\_\_\_ FAX \_\_\_\_\_  
EMAIL

8. **Close of Escrow Date:** \_\_\_\_\_

9. **Buyer(s):** \_\_\_\_\_

10. **Seller(s):** \_\_\_\_\_

11. **Premises/Property Address or Assessor's #(s):** \_\_\_\_\_

12. **City:** \_\_\_\_\_, **AZ** **ZIP Code:** \_\_\_\_\_

## PRE-QUALIFICATION INFORMATION

13. **Buyer is:**  Married  Unmarried  Legally Separated
  14. **Buyer:**  is  is not relying on the sale or lease of a property to qualify for this loan.
  15. **Buyer:**  is  is not relying on Seller Concessions for Buyer's loan costs, impounds, Title/Escrow Company
  16. costs, recording fees, and, if applicable, VA loan costs not permitted to be paid by Buyer. (Note: The amount that Seller agrees to
  17. contribute, if any, shall be established in the Contract.)
  18. **Buyer:**  is  is not relying on down payment assistance to qualify for this loan.
  19. **Type of Loan:**  Conventional  FHA  VA  USDA  Other: \_\_\_\_\_
  20. **Occupancy Type:**  Primary  Secondary  Non-Owner Occupied
  21. **Property Type:**  Single Family Residence  Condominium  Planned Unit Development  Manufactured Home
  22.  Mobile Home  Vacant Land/Lot  Other: \_\_\_\_\_
- |     |                          |                          |                          |  |
|-----|--------------------------|--------------------------|--------------------------|--|
| 23. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Lender has provided Buyer with the HUD form "For Your Protection: Get a Home Inspection" (FHA loans only). |
| 24. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Lender has completed a verbal discussion with Buyer including a discussion of income, assets and debts.    |
| 25. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Lender has obtained a Tri-Merged Residential Credit Report.  |
26. **Based on the information provided, Buyer can pre-qualify for a loan amount of:** \$ \_\_\_\_\_ ,
27. assuming a monthly principal and interest loan payment of \$ \_\_\_\_\_, **provided that the total monthly**
28. **payment** (which includes principal, interest, mortgage insurance, property taxes, insurance, HOA fees, and flood insurance,
29. if applicable) **does not exceed:** \$ \_\_\_\_\_
30. **Interest rate not to exceed:** \_\_\_\_\_ %,  Fixed Interest Rate  Adjustable Interest Rate  Pre-Payment Penalty
31. **Initial Documentation Received:** Lender received the following information from Buyer (Additional documentation may be requested.):
- |     |                          |                          |                          |                       |                          |                          |                          |                                     |
|-----|--------------------------|--------------------------|--------------------------|-----------------------|--------------------------|--------------------------|--------------------------|-------------------------------------|
| 32. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Paystubs              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Down Payment/Reserves Documentation |
| 33. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | W-2s                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Gift Documentation                  |
| 34. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Personal Tax Returns  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Credit/Liability Documentation      |
| 35. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Corporate Tax Returns | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Other: _____                        |
36. **Additional comments:** \_\_\_\_\_
37. Buyer has instructed, and Lender agrees to provide loan status updates on this AAR Loan Status Update form to Seller and Broker(s)
38. within ten (10) days of Contract acceptance pursuant to Section 2e of the Contract and upon request thereafter.
39. Buyer commits to work with the above referenced Lender on the terms described herein. Buyer acknowledges receipt of a copy hereof.

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



**Loan Status Update (LSU) >>**

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

**DOCUMENTATION**

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

**UNDERWRITING AND APPROVAL**

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

**CLOSING**

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

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

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

# BUYER ATTACHMENT

Document updated:  
February 2020



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



## ATTENTION BUYER!

*You are entering into a legally binding agreement.*

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

If important to you, hire a qualified:

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

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

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

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

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

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

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

**Buyer's Check List**

# RESIDENTIAL RESALE REAL ESTATE PURCHASE CONTRACT

Document updated:  
February 2020



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



## 1. PROPERTY

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

>>

SELLER SELLER

<Initials

Residential Resale Real Estate Purchase Contract • Updated: February 2020  
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Initials>

BUYER BUYER

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

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

**2. FINANCING**

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

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

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

**3. TITLE AND ESCROW**

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

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

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

**4. DISCLOSURE**

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

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

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

**5. WARRANTIES**

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

**6. DUE DILIGENCE**

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

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

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

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

- 6k. 290. **Home Warranty Plan:** Buyer and Seller are advised to investigate the various home warranty plans available for purchase. The  
 291. parties acknowledge that different home warranty plans have different coverage options, exclusions, limitations, service fees and  
 292. most plans exclude pre-existing conditions.
293.  A Home Warranty Plan will be ordered by  Buyer or  Seller with the following optional coverage  
 294. \_\_\_\_\_, to be issued by \_\_\_\_\_ at a cost  
 295. not to exceed \$ \_\_\_\_\_, to be paid for by  Buyer  Seller  Split evenly between Buyer and Seller  
 296.  Buyer declines the purchase of a Home Warranty Plan.

297. \_\_\_\_\_ (BUYER'S INITIALS REQUIRED) \_\_\_\_\_  
 BUYER BUYER

- 6l. 298. **Walkthrough(s):** Seller grants Buyer and Buyer's inspector(s) reasonable access to conduct walkthrough(s) of the Premises for  
 299. the purpose of satisfying Buyer that any corrections or repairs agreed to by Seller have been completed, and the Premises are  
 300. in substantially the same condition as of the date of Contract acceptance. If Buyer does not conduct such walkthrough(s), Buyer  
 301. releases Seller and Broker(s) from liability for any defects that could have been discovered.
- 6m. 302. **Seller's Responsibility Regarding Inspections and Walkthrough(s):** Seller shall make the Premises available for all inspections  
 303. and walkthrough(s) upon reasonable notice by Buyer. Seller shall, at Seller's expense, have all utilities on, including any propane,  
 304. until COE to enable Buyer to conduct these inspections and walkthrough(s).
- 6n. 305. **IRS and FIRPTA Reporting:** The Foreign Investment in Real Property Tax Act ("FIRPTA") provides that, if a seller is a Foreign  
 306. Person, a buyer of residential real property must withhold federal income taxes up to 15% of the purchase price, unless an exception  
 307. applies. If FIRPTA is applicable and Buyer fails to withhold, Buyer may be held liable for the tax. Buyer agrees to perform any acts  
 308. reasonable or necessary to comply with FIRPTA and IRS reporting requirements and Buyer is responsible for obtaining independent  
 309. legal and tax advice.

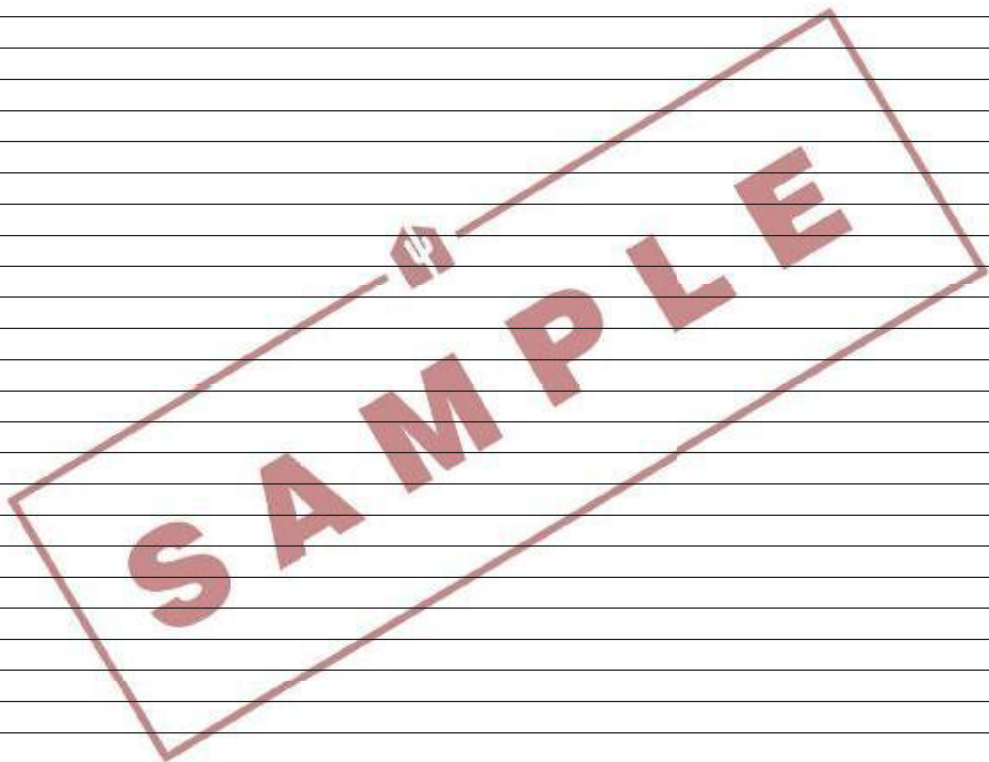
**7. REMEDIES**

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

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**8. ADDITIONAL TERMS AND CONDITIONS**

- 8a. 344. \_\_\_\_\_
- 345. \_\_\_\_\_
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**Residential Resale Real Estate Purchase Contract >>**

**8q. 443. Broker on behalf of Buyer:**

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

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

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

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

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

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

450.  Buyer;  Seller; or  both Buyer and Seller

**8s. 451. The undersigned agree to purchase the Premises on the terms and conditions herein stated and acknowledge receipt of 452. a copy hereof including the Buyer Attachment.**

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

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

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

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

**9. SELLER ACCEPTANCE**

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

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

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

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

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

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

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

464.  Seller; or  both Buyer and Seller

**9c. 465. The undersigned agree to sell the Premises on the terms and conditions herein stated, acknowledge receipt of a 466. copy hereof and grant permission to Broker named in Section 9a to deliver a copy to Buyer.**

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

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

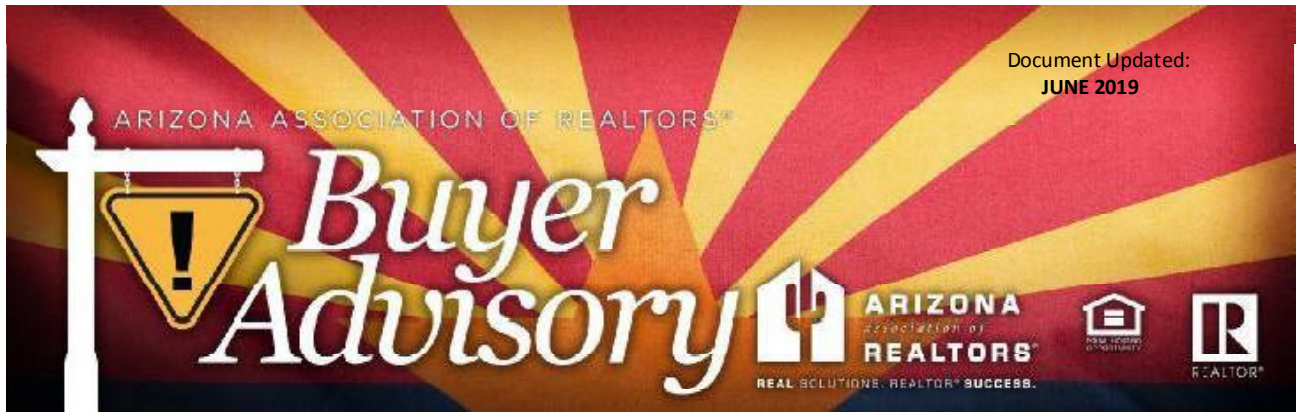
470. ^ \_\_\_\_\_ ^ \_\_\_\_\_  
 SELLER'S NAME PRINTED SELLER'S NAME PRINTED

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

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

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

**For Broker Use Only:**  
 Brokerage File/Log No. \_\_\_\_\_ Manager's Initials \_\_\_\_\_ Broker's Initials \_\_\_\_\_ Date \_\_\_\_\_  
 MO/DA/YR



## A Resource for Real Estate Consumers

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

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**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 buyers 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.

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### Reminder:

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

### Please Note:

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

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10 Superfund Sites	10 Sex Offenders	11 Schools
	10 Forested Areas	11 City Profile Report

### SECTION 4

#### OTHER METHODS TO GETTING INFORMATION ABOUT A PROPERTY

11 Talk to the Neighbors	11 Drive around the Neighborhood	11 Google Earth
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### SECTION 5

#### RESOURCES

12 Market Conditions Advisory	12 Additional Information Services: NATIONAL ASSOCIATION OF REALTORS®, Arizona Government, Arizona Department of Real Estate, and Arizona Association of REALTORS®
12 Fair Housing & Disability Laws	
12 Wire Fraud	

## BUYER

### ACKNOWLEDGMENT <sup>13</sup>

## Section 1

# COMMON DOCUMENTS A BUYER SHOULD REVIEW

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

### 1 Purchase Contract

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

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

(AAR Sample Residential Resale Purchase Contract)

### 2 MLS Printout

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

### 3 The Subdivision Disclosure Report (Public Report)

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

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

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

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

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

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

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

<http://bit.ly/2knrN0A> (AAR Sample SPDS)

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

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

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

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

#### ADRE ADVISES:

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

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



## 6 Homeowners Association (HOA) Governing Documents

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

<http://bit.ly/2ebBSLH> and <http://bit.ly/2e8idM3>  
(Chapter 16 and 18 of the Arizona Revised Statutes-Title 33)  
<http://bit.ly/1rCq9kd> (ADRE HOA Information)  
<http://www.re.state.az.us/HOA/HOA.aspx/>  
(Homeowners Association Dispute Process)

## 7 HOA Disclosures

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

<http://bit.ly/2ebBSLH> (A.R.S. §33-1260)  
<http://bit.ly/2e8idM3> (A.R.S. §33-1806)

## 8 Community Facilities District

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

## 9 Title Report or Title Commitment

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

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

[www.alta.org/consumer/questions.cfm](http://www.alta.org/consumer/questions.cfm)  
(American Land Title Association)

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

## 10 Loan Information and Documents

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

<https://www.consumerfinance.gov/consumer-tools/mortgages/> - (Getting a Mortgage - Consumer Financial Protection Bureau)

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

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

[https://www.namb.org/links\\_to\\_government\\_resources.php](https://www.namb.org/links_to_government_resources.php)  
(National Association of Mortgage Brokers - Consumer Info)

## 11 Home Warranty Policy

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

## 12 Affidavit of Disclosure

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

<http://bit.ly/1p6CtDO>

(AAR Sample Affidavit of Disclosure)

## 13 Lead-Based Paint Disclosure Form

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

<http://bit.ly/2O4pL4A> (EPA)

<http://bit.ly/2O69Llk> (ADRE Lead Based Paint Information)

## 14 Professional Inspection Report

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

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

<https://azashi.org/faq/> (General Questions)

## 15 County Assessors/Tax Records

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

Apache:  
<http://bit.ly/1FKUhh8>

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

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

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

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

Pima:  
<http://www.asr.pima.gov/>

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

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

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

Gila:  
<http://bit.ly/Yq3bV9>

Greenlee:  
<http://bit.ly/2SCTZu6>

Maricopa:  
<https://mcaassessor.maricopa.gov/>

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

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

Yavapai:  
<http://bit.ly/1AsANi5>

## 16 Termites and Other Wood Destroying Insects and Organisms

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

<https://agriculture.az.gov/pestspest-control/termites> (AZDA-Termite Information)

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

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

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

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

<https://www.irs.gov/individuals/international-taxpayers/definitions-of-terms-and-procedures-unique-to-firpta> (I.R.S. FIRPTA Definitions)

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

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

## Section 2

# COMMON PHYSICAL CONDITIONS IN THE PROPERTY A BUYER SHOULD INVESTIGATE

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

### 1 Repairs, Remodeling and New Construction

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

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

[www.greaterphoenixnari.org](http://www.greaterphoenixnari.org) (National Association of Remodeling Industry Greater Phoenix Chapter)

<https://www.nariofsouthernarizona.com/page-319328>  
(National Association of Remodeling Industry Southern Arizona)

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

### 2 Square Footage

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

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

### 3 Roof

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

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

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

### 4 Swimming Pools and Spas

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

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

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

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

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

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

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

(ADEQ AZ Statewide Inspection Program)

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

(File a Notice of Transfer Online)

## 6 SEWER

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

## 7 Water/Well Issues

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

<https://www.azcc.gov/utilities/water>

(Arizona Corporation Commission - Utilities-Water)

<http://bit.ly/1r4DFW><http://bit.ly/VAuDO8>

(Wells & Assured/Adequate Water Information)

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

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

<http://bit.ly/1AsX14w>

(Department of Water Resources - Adjudications)

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

[www.verdevalleywaterusers.org](http://www.verdevalleywaterusers.org) (Verde Valley Water Users Association)

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

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

(Central Arizona Ground Water Replenishment District)

## 8 Soil Problems

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

Other areas are subject to fissure, subsidence and other soil conditions. Properties built on such soils

may experience significant movement causing a major problem.

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

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

<http://bit.ly/2sXBHw>  
(Problem Soils)

<http://bit.ly/2MpcKNU>  
(Shrink/Swell Potential & FAQs)

<http://bit.ly/2vfzVHR>  
(Information on Land Subsidence & Earth Fissures)

[www.htr.state.az.us](http://www.htr.state.az.us) (State Certified Engineers & Firms)

## 9 Previous Fire/Flood

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

## 10 Pests

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

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

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

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

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

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

<http://bit.ly/1HLWwS5> (Information on Scorpions)

<http://bit.ly/1PFP9Y2> (Information on Bed Bugs)

<http://www2.epa.gov/bedbugs> (Bed Bugs: Get Them Out and Keep Them Out)

<http://www.maricopa.gov/FAQ.aspx?TID=104> (Maricopa County Roof Rats)

<https://agriculture.az.gov/pestspest-control/termites> (Termite Information)

<https://agriculture.az.gov/pestspest-control/agriculture-pests/bark-beetles> (Bark Beetle Information)

## 11 Endangered & Threatened Species

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

<https://www.fws.gov/southwest/es/arizona/> (Arizona Ecological Services)

<https://www.fws.gov/endangered/map/state/AZ.html> (Arizona Endangered Species)

## 12 Death and Felonies on the Properties

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

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

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

## 13 Indoor Environmental Concerns

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

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

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

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

<https://www.epa.gov/indoor-air-quality-iaq> (Indoor Air Quality)

<https://www.epa.gov/mold> (EPA -Mold)

<https://www.cdc.gov/mold/default.htm> (Mold Information)

<https://www.epa.gov/indoor-air-quality-iaq> (Publications &Resources)

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

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

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

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

[bit.ly/2kRk7im](http://bit.ly/2kRk7im) (Drywall Information Center)

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

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

<http://www2.epa.gov/asbestos> (Asbestos Information)

[bit.ly/2gUZcSt](http://bit.ly/2gUZcSt) (Voluntary Guidelines for Methamphetamine)

<https://www.epa.gov/formaldehyde> (EPA Formaldehyde)

## 14 Property Boundaries

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

<http://www.azpls.org/> (Professional Land Surveyors)

<https://btr.az.gov/laws-standards/standards/land-surveyors> (AZ BTR Land Surveyors)



## 15 Flood Insurance/Flood Plain Status

Your mortgage lender may require you to purchase flood insurance in connection with your purchase of the property. The National Flood Insurance Program provides for the availability of flood insurance and established flood insurance policy premiums based on the risk of flooding in the area where properties are located. Changes to the federal law (The Biggert-Waters Flood Insurance Reform Act of 2012 and the Homeowner Flood Insurance Affordability Act of 2014, in particular) will result in changes to flood insurance premiums that are likely to be higher, and in the future, may be substantially higher, than premiums paid for flood insurance prior to or at the time of sale of the property. As a result, purchasers of property should not rely on the premiums paid for flood insurance on the property previously as an indication of the premiums that will apply after completion of the purchase. In considering purchase of the property you should consult with one or more carriers of flood insurance for a better understanding of flood insurance coverage, current and anticipated future flood insurance premiums, whether the prior owner's policy may be assumed by a subsequent purchase of the property, and other matters related to the purchase of flood insurance for the property.

If community floodplain information is not available for a specific property, and in order to obtain flood insurance, it may be necessary to have an elevation survey and obtain an elevation certificate. This is necessary to determine a property's insurability and premium rate. You may also wish to contact the Federal Emergency Management Agency (FEMA) for

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

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

<https://msc.fema.gov/portal> (Flood Map Service Center)

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

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

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

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

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

## 16 Insurance (Claims History)

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

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

## 17 Other Property Conditions

**Plumbing:** Check functionality.

**Cooling/Heating:** Make sure the cooling and heating systems are adequate. If it is important to you, hire a qualified heating/cooling inspector. <https://www.epa.gov/ods-phaseout>

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

## Section 3

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

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

### Environmental Concerns

It is often very difficult to identify environmental hazards. The Arizona Department of Environmental Quality (ADEQ) website contains environmental information regarding the locations of open and

closed landfills (Solid Waste Facilities), wildfire information, as well as, air and water quality information (and more).

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

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

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

## 1 Environmentally Sensitive Land

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

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

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

## 2 Electromagnetic Fields

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

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

## 3 Superfund Sites

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

<http://www.azdeq.gov/emaps> (ADEQ-Maps)  
[www.epa.gov/superfund/](http://www.epa.gov/superfund/) (EPA), <http://espanol.epa.gov/> (Spanish)

## 4 Freeway Construction and Traffic Conditions

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

[www.azdot.gov](http://www.azdot.gov) (ADOT)  
[www.azdot.gov/Highways](http://www.azdot.gov/Highways) (Statewide Projects)  
[www.az511.com](http://www.az511.com) (Traffic Conditions Alerts)

## 5 Crime Statistics

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

<https://www.phoenix.gov/police/neighborhood-resources/crime-stats-maps> (Phoenix Crime Statistics)  
<http://www.tucsonaz.gov/police/statistics> (Tucson Crime Stats)  
[www.leagueaz.org/lgd](http://www.leagueaz.org/lgd) (Crime Statistics All Arizona Cities)

## 6 Sex Offenders

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

[www.azdps.gov/Services/Sex\\_Offender/](http://www.azdps.gov/Services/Sex_Offender/) (Registered Sex Offenders and Community Notification)  
<http://www.nsopw.gov/en> (National Sex Offender Public Site)

## 7 Forested Areas

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

<https://dffm.az.gov/fire/prevention/firewise>  
(Arizona Fire Wise Communities)  
<https://www.nfpa.org/Public-Education/By-topic/Wildfire/Firewise-USA>  
(Public Education/Fire Wise USA)

## 8 Military and Public Airports

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

Vacant land or lots may be for sale within areas of high noise or accident potential zones. Because the zoning of these lots may conflict with the buyer's ability to develop the property, the buyer should verify whether development is prohibited.

Zoning regulations for these areas, may be found at A.R.S. §28-8481.

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

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

## 9 Zoning/Planning/Neighborhood Services

Information may be found on community websites.

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

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

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

## 10 Schools

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

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

### ADRE ADVISES:

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

[www.azre.gov/PublicInfo/PropertyBuyerChecklist.aspx](http://www.azre.gov/PublicInfo/PropertyBuyerChecklist.aspx) (ADRE)

## 11 City Profile Report

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

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

## Section 4

# OTHER METHODS OF GETTING INFORMATION ABOUT A PROPERTY

### Talk to the Neighbors

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

### Drive around the Neighborhood

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

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

### Investigate your Surroundings:

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

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

## Section 5

# RESOURCES

### Market Conditions Advisory

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

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

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

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

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

(AAR - Sample Forms)

### Fair Housing and Disability Laws

The Fair Housing Act prohibits discrimination in the sale, rental, and financing of dwellings based on race, color, national origin, religion, sex,

familial status (including children under the age of 18 living with people securing custody of children under the age of 18), and disability.

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

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

### Wire Fraud

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

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

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

### Additional Information

NATIONAL ASSOCIATION OF REALTORS® (NAR)  
<https://www.nar.realtor/>

Ten Step Guide to Buying a Home  
<http://bit.ly/YweGug>

Home Closing 101  
[www.homeclosing101.org](http://www.homeclosing101.org)

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

Arizona Department of Real Estate  
Consumer Information  
[www.azre.gov/InfoFor/Consumers.aspx](http://www.azre.gov/InfoFor/Consumers.aspx)

Arizona Association of REALTORS®  
[www.aaronline.com](http://www.aaronline.com)

## BUYER ACKNOWLEDGMENT

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

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

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

\_\_\_\_\_  
^ BUYER SIGNATURE DATE

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^ BUYER SIGNATURE DATE



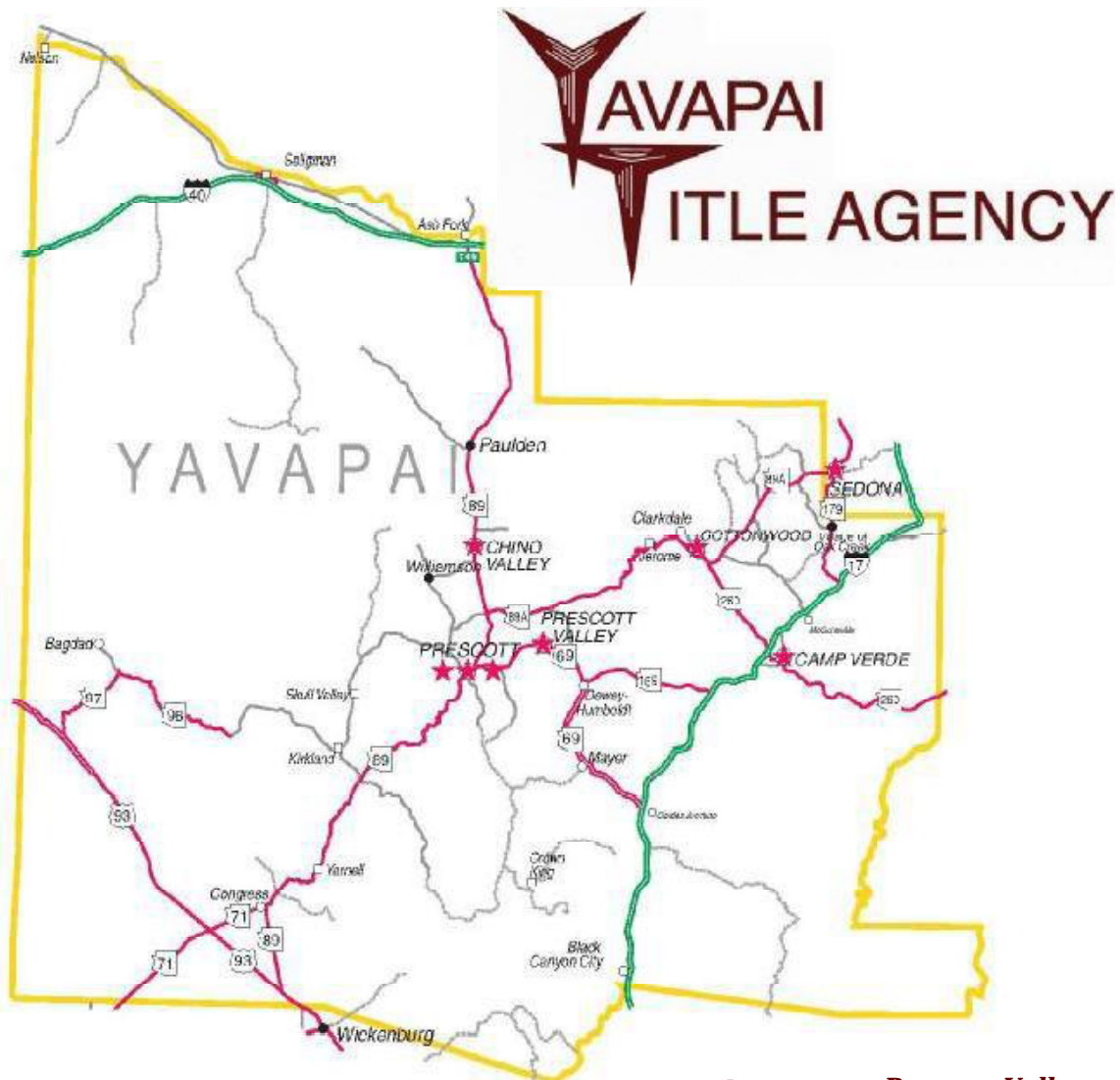




***Sedona***  
***2855 W. State Route 89A, #8***  
***(928)282-4141***

***Camp Verde***  
***527 S. Main St., Ste. 1***  
***(928)567-0590***

***Cottonwood***  
***716 S. Main St.***  
***(928)634-7591***



**Prescott—Main**  
 123 N. Montezuma  
 (928) 445-2528

**Prescott—Junction**  
 1235 E. Gurley  
 (928) 776-7070

**Prescott—Lakes**  
 3200 Lakeside Village Dr.  
 (928) 771-7555

**Prescott Valley**  
 8070 E. State Route 69  
 (928) 772-8546

**Chino Valley**  
 980 N. State Route 89  
 (928) 636-0899

**Sedona**  
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*Eight offices throughout Yavapai County to serve you!*

# Glossary of Terms

- AMORTIZED LOAN** A loan that is paid off—both interest and principal—by regular payments that are equal or nearly equal.
- AMENDMENT** A change—either to alter, add to, or correct—part of an agreement without changing the principal idea or essence.
- APPRAISAL** An estimate of value of property resulting from analysis of facts about the property; an opinion of value.
- ASSUMPTION** Taking over another person’s financial obligation; taking title to a property with the Buyer assuming liability for paying an existing lien against the property.
- BENEFICIARY** The recipient of benefits, often from a deed of trust; usually the lender.
- CLOSE OF ESCROW** The date the documents are recorded and title passes from Seller to Buyer. On this date, the Buyer becomes the legal owner, and title insurance becomes effective.
- CLOUD ON TITLE** A claim, encumbrance, or condition that impairs the title to real property until disproved or eliminated.
- COMPARABLE SALES** Sales that have similar characteristics as the subject property, used for analysis in the appraisal. Commonly called “comps”.
- CONVEYANCE** An instrument in writing, such as a deed or trust deed, used to transfer (convey) title to property from one person to another.
- DEED OF TRUST** An instrument used in many states in place of a mortgage.
- DEED RESTRICTIONS** Limitations in the deed to a property that dictate certain uses that may or may not be made of the property.
- EARNEST MONEY DEPOSIT** Down payment made by a purchaser of real estate as evidence of good faith; a deposit or partial payment.
- EASEMENT** A right, privilege or interest limited to a specific purpose that one property has in the land of another.
- HAZARD INSURANCE** Real estate insurance protecting against fire, some natural causes, vandalism, etc., depending upon the policy. Buyer often adds liability insurance and extended-coverage for personal property.
- HOMESTEAD EXEMPTION** Automatic in Arizona, it allows any resident of Arizona, 18 years of age or older, to exempt from attachment, execution or forced sale \$100,000.00 of equity in a single dwelling unit. Exceptions include (1) process and sale of a consensual lien, i.e. where a deed of trust or equity loan is foreclosed; (2) a forced sale resulting from a mechanic’s lien, and (3) any equity beyond the \$100,000.00 (You should consult an attorney to determine if this exemption offers you protection in the event of an attachment, execution or forced sale.)
- IMPOUNDS** A trust type of account established by lenders for the accumulation of borrower’s funds to meet periodic payments of taxes, mortgage insurance premiums and/or future insurance policy premiums, to name the most common, required to protect their security.
- LEGAL DESCRIPTION** A description of land recognized by law, based on government surveys, spelling out the exact boundaries of the entire piece of land. It should so thoroughly identify a parcel of land that it cannot be confused with any other.
- LIEN** A form of encumbrance that usually makes a specific property the security for the payment of a debt or discharge of an obligation. For example, judgments, taxes, mortgages, deeds of trust.
- MORTGAGE** The instrument by which real property is pledged as security for repayment of a loan.

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

**POWER OF ATTORNEY** A written instrument whereby a principal gives authority to an agent. The agent acting under such a grant is sometimes called an Attorney-in-Fact.

**PURCHASE AGREEMENT** The purchase contract between the Buyer and Seller. It is usually completed by the real estate agent and signed by the Buyer and Seller

**QUIT CLAIM DEED** A deed operating as a release, intending to pass any title, interest, or claim which the grantor may have in the property, but not containing any warranty of a valid interest or title by the grantor.

**RECORDING** Filing documents affecting real property with the County Recorder as a matter of public record.

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



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