

A PROFESSIONAL GUIDE TO
BUYING & SELLING
YOUR HOME



THE **CANIGLIA GROUP** **COMPASS**
EST. 1983

IMPORTANT CONTACTS

REALTOR®

Agent: _____
Company: _____
Phone #: _____
Mobile #: _____
Fax #: _____
Email: _____

MAGNUS TITLE AGENCY

Escrow Officer: _____
Phone #: _____
Fax #: _____
Email: _____
Branch Location: _____
Escrow #: _____

LENDER

Loan Officer: _____
Company: _____
Phone #: _____
Mobile #: _____
Fax #: _____
Email: _____

HOME INSURANCE

Agent: _____
Company: _____
Phone #: _____
Email: _____
Policy #: _____
Policy Date: _____

HOME WARRANTY

Company: _____
Phone #: _____
Email: _____
Policy #: _____

HOME INSPECTION

Company: _____
Phone #: _____
Email: _____
Inspection Date/Time: _____



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THE BASICS



Who and What You Need to Know

Real Estate Terminology

THE BASICS

Who and What You Need to Know for the Home Purchasing Process



REALTOR®

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



REAL ESTATE AGENT

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



MULTIPLE LISTING SERVICE (MLS)

The **MLS** is a database of properties listed for sale by **REALTORS®** who are members of the local **ASSOCIATION OF REALTORS®**. Information on an **MLS** property is available to thousands of **REALTORS®**.



LISTING AGENT (FOR SELLER)

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



BUYER'S AGENT

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



ESCROW OFFICER

A disinterested 3rd party that handles funds, title insurance and signing of loan documents.



LENDER

The lender works with the buyer to arrange financing for the purchase of a home.



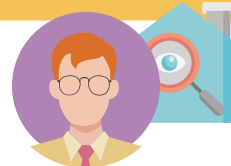
APPRAISER

Inspects the property and determines the comparable price of the home.



HOME INSPECTOR

Inspects the property and works directly for the buyer.



COMMITMENT IS A TWO-WAY STREET

Your **REALTOR®** will make a commitment to spend valuable hours finding the right home for you: researching listings, previewing properties, visiting homes with you, and negotiating your contract. Honor that commitment by staying with the **REALTOR®** you've selected until you purchase your home. Be sure your **REALTOR®** accompanies you on your first visit to all new homes and open houses, too.

R TERMINOLOGY



Common Terms

ADJUSTABLE RATE MORTGAGE (ARM)

The interest rate is tied to a financial index making the monthly mortgage payment go up or down over time.

ANNUAL PERCENTAGE RATE (APR)

The percent of interest that will be charged on a home loan.

APPRAISAL

A report highlighting the estimated value of the property completed by a qualified 3rd party. This is typically done for the benefit of the buyer or the buyer's lender to ensure the property is worth the purchase price.

ASSOCIATION FEE/HOA FEE

In addition to a mortgage, certain housing communities such as town homes have a monthly fee associated with maintaining the common areas and amenities.

BALLOON MORTGAGE

A long-term mortgage loan that starts small but has a large payment due at maturity.

CLOSING

When the new title to the property is officially recorded by the County Recorder's Office and ownership of the property transfers to the new buyer.

CLOSING COSTS

The buyer and seller have expenses associated with the transaction other than that of the actual cost of the home. For example, the buyer has a variety of fees due for obtaining a new loan.

CLOSING DISCLOSURE

A form that provides the final details about the mortgage loan. It includes loan terms, projected monthly payments, and how much the extra fees will be.

COLLATERAL

Something of value (in this case your home) that is held to ensure repayment of a mortgage or loan.

COMPENSATION

A percent of the sale price of the home that is paid to agents. Seller and Buyer agent compensation are negotiable.

COMPARABLES

Homes in the area of interest that have recently sold that have similar features.

CONTINGENCIES

Conditions which must be met in order to close. Contingencies are typically tied to a date, referred to as a deadline. If the contingency is not satisfied the contract may be canceled.

COUNTEROFFER

The response from the seller in regard to an offer.

DEBT TO INCOME RATIO

A lender will evaluate whether a borrower's income is large enough to handle their payments on existing debts plus their new mortgage payments.

DOWN PAYMENT

A percent of the cost of the property that is paid up front as a part of the mortgage.

EARNEST MONEY

The deposit made from the buyer to the seller when submitting an offer. This deposit is typically held in trust by a third party. Upon closing, the money will generally be applied to the down payment or closing costs.

ESCROW

This term has multiple meanings; earnest money is typically held by a third party until closing in "escrow." It can also be referred to as the time period from when the contract is written and accepted by the seller to when the home sale actually closes.

EQUITY

The difference in the market value of a home versus what is owed on the home.

FHA

A mortgage that is financed through a private lender and insured by the Federal Housing Administration, often requiring a lower down payment and income to qualify.

FIXED RATE

The interest rate will remain the same for the entire life of the mortgage.

HOME EQUITY LINE OF CREDIT

A loan or line of credit that your lender may offer using the equity in your home as collateral.

HOME INSPECTION

The process in which a professional inspects the seller's home for issues that may not be readily apparent, and then creates a report for the buyer to review.

HOME PROTECTION PLAN

A one-year service that covers the cost of repairs or replacements to items covered in the plan (such as stoves, dishwashers, A/C, heaters, etc.).

HYBRID

A loan that starts with a fixed rate period, then converts to an adjustable rate.

MORTGAGE INSURANCE

Insurance written in connection with a mortgage loan that protects the lender in the event the borrower cannot repay their loan. This is usually not required if the borrower has 20% or more for the down payment.

MORTGAGE NOTE	A promise to pay a sum of money at a standard interest rate during a specific term that is secured by a mortgage.
MULTIPLE LISTING SERVICE (MLS)	The national list of real estate properties that are available for sale. These are the most reliable sources to receive up-to-date listing information.
PRE-APPROVAL	The process in which a lender makes an initial evaluation of how much money a buyer might be qualified to borrow based on the preliminary financial information provided. This gives the seller more confidence in the buyer's ability to close escrow, but is not a guarantee that the loan will be approved.
PRINCIPAL	The underlying amount of the loan which is actually borrowed.
PROPERTY TAXES	These are the taxes that are enforced by the city, town, county, and state government entities. Sometimes they are included in the total monthly mortgage payment paid to the lender and sometimes they are paid directly by the home owner.
REO	Real estate owned properties or foreclosed properties currently owned by a financial institution such as the bank that made the loan to the previous owner.
REVERSE MORTGAGE	This is specifically for seniors and it allows them to convert the equity in their home to cash.
SHORT SALE	A situation when the seller's lender is willing to accept an offer and allows the sale to be completed for an amount less than the mortgage amount owed by the seller.
TITLE	A legal document proving current and proper ownership of the property. Also referred to as a Title Deed, this document highlights the history of property ownership and transfers.
UNDERWRITING	The process in which the potential home buyer is evaluated for their financial ability to obtain and repay a loan. This normally includes a credit check and an appraisal of the property.
VA LOAN	Special no down payment loans that are available to Americans who have served in the Armed Forces. These loans are issued by private lenders and are guaranteed by the Department of Veterans Affairs.

ESSENTIALS FOR **SELLERS**



Advantages of Selling with a REALTOR®

The Home Selling Process

Contract Timeline

ADVANTAGES OF SELLING WITH A REALTOR®



PRICING

By providing valuable information on local market conditions, your **REALTOR®** will help you price your property realistically and fairly. You will also be informed of changes in the market that may affect the sale of your property.



ADVERTISING

Exposure of your property is key to obtaining a quick sale in today's market. When you use an agent, he OR she will aggressively market your home through highly targeted advertising, aiming to reach as many potential buyers as possible.

By utilizing a variety of marketing tools, including Multiple Listing Services, advertisement in trade magazines, internet, and national referral networks, your **REALTOR®** will ensure that your home is sold expediently.



SCREENING

Finding the right buyer is the ultimate goal of selling a property. Hence, the real estate professional will only show your property to serious, qualified buyers.

A **REALTOR®** has the expertise to research and investigate all potential buyers, exclusively managing the time-consuming aspects of selling a home like fielding constant telephone inquiries, setting up appointments, and holding open houses.



NEGOTIATION

A **REALTOR®** can help you get top dollar for your home because negotiating is one of their areas of expertise.

Negotiating for the best terms & price, acting as a mediator to smooth over any potential conflicts between the buyer and the seller, and drawing up a legally binding contract is what you can expect from your trained professional.



CLOSING OR SETTLEMENT

Not only will your **REALTOR®** guide you through the complexity of paperwork that ensues during a home sale, but they will also keep you informed of everything from the escrow process to inspection procedures.

Your agent can monitor your transaction while it is in escrow and handle any problems that may arise.



PROFESSIONALISM

Think of a **REALTOR®** as a trained professional who has the ability to sell your property quickly and cost-effectively.

THE HOME SELLING PROCESS

A Quick 12-Step Overview of the Entire Home Selling Process

1 MEET WITH A REAL ESTATE PROFESSIONAL

There's no commitment required on your part for the initial meeting. It will be educational and help you identify your next steps.



2 ESTABLISH A PRICE

Your agent will provide a market analysis, which will help you set an asking price.

3 STRATEGIC PRICING

As difficult as it may be, it's important to review the market analysis and consider your home price objectively.



4 PREPARE THE HOME FOR SALE

View your home through the eyes of the **Buyer** and ask yourself what you'd expect. Your agent will offer some useful suggestions.



MULTIPLE LISTING SERVICE
MLSTM

FOR SALE

5 LISTING THE HOUSE

When everything is in place your agent will put your home on the open market. It's critical you make it as easy as possible for potential Buyers to view your home.

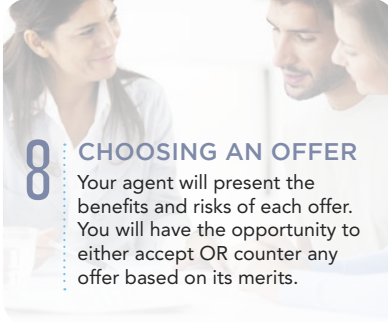
6 HOME SHOWINGS

Potential **Buyers** may ask to see your home on short notice. It's best to accommodate these requests, you never want to miss a potential sale.



7 OFFERS AND NEGOTIATION

If everything goes well, a Buyer and (most often the agent who represents them) will present your agent with an offer.



8 CHOOSING AN OFFER

Your agent will present the benefits and risks of each offer. You will have the opportunity to either accept OR counter any offer based on its merits.




9 UNDER CONTRACT

At this point, you and the Buyer have agreed to all of the terms of the offer and both parties have signed the agreements.

10 ESCROW OPENED

Earnest money is deposited by Buyer. Buyer will work with their mortgage provider to finalize the loan. **MAGNUS TITLE AGENCY** begins processing final purchase details.




11 HOME INSPECTION

Buyers usually perform a physical inspection and may ask you to make some repairs. Your agent will explain all of your inspection options. **See p.13**

12 CLOSING

This is the transfer of funds and ownership. Depending on when the Buyer moves into the home you will need to be all packed up and ready to move.



CONTRACT TIMELINE

Your Reference for Important Points During the Purchasing Contract Process

5 DAYS

10 DAYS

14 DAYS

18 DAYS

21 - 27 DAYS

28 - 30 DAYS

Lender Process



- **Buyers loan application** submitted to lender
- **Lender** orders **appraisal** and receives results of full-blown **credit report**
- **Buyers** to provide all requested information to **Lender**
- Appraisal complete
- **Lender** may request additional information
- **Lender** submits loan package to underwriting for approval
- **Loan Approved**
- Lender docs sent to escrow.

Home Inspection



- Arrange for **Home Inspection**
- Home Inspection **completed** per **Buyer** request
- Start to negotiate completion of home inspection items


Insurance Process



- Contact **Insurance Agent** regarding **homeowner's insurance options** for subject property
- Contact **Insurance Agent** to discuss policies
- Follow-up with **Insurance Agent** to ensure policy will be in effect on date of property possession

Title / Escrow Process



- **Contract** and **earnest money** received by **Escrow**
- **Title Search** completed by 
- **HOA** ordered if applicable
- **Magnus Title Agency** may require additional information from **Seller** and/or **Buyer** to clear title requirements
- HOA documents due back from **HOA** company if applicable
- **Escrow** completes and provides title request to lender if applicable
- **Escrow** prepares documents for closing
- Once all requirements are met **title is clear** and ready to move to the **closing**
- Finalize Settlement Statement/ Final balancing with **Lender**

Moving Process



- Research and schedule moving company
- Pick up moving boxes
- Begin packing items **not** needed in the next **30 days**
- Begin setting up telephone, cable, etc. at new property address
- **Change utilities**, water, etc. (after loan is approved) effective on date of possession

ESSENTIALS FOR **BUYERS**



The Home Buying Process

Buyer's Wish List

Comparison Checklist

Zip Code Map

Local Services Directory

THE HOME BUYING PROCESS

A Roadmap to Purchasing Your Home



START HERE

Meet with your Realtor for your buyer consultation
--- Hire your Realtor

You are Pre-Qualified by Lender

Your Realtor shows you homes fitting your criteria



Offer made on your favorite home!

Your Realtor will help you negotiate the best terms



Contract is accepted!

BUYER'S DUE DILIGENCE

Inspections: Home, Wood Infestation, Roof, Pool. Realtor helps Buyer review inspections and negotiate appropriate requests.

Inspections: Seller Disclosure, Title Commitment, CCRs, HOA Disclosures. Realtor reviews with Buyer and presents Buyer Responses.



Contract and Earnest Money deposited with Escrow Company: Escrow Opened / Title Search ordered

LOAN APPROVAL PROCESS

Mortgage Company

Underwriting
Property Appraisal

Approval

Rejection



LE - Loan Estimate is sent to borrower from the Lender

Buyer secures Homeowner's insurance

Escrow Company payoffs and collects other information

After approval of documents Lender wires funds and gives OK to record

Signed documents sent to Lender

Signing documents by both Buyer and Seller, Buyer brings closing funds

Lender send borrower final CD (hand delivered 3 day wait period, mailed out 6 day wait period)

Buyer conducts final walk-through

Documents recorded at County Recorder

You are given the keys to your new home!





BUYER WISHLIST

There are many important factors involved in finding the perfect home. It's hard to remember them all when you are put on the spot! This worksheet is designed to outline your important needs and desires in your new home.



Please take your time and fill it out before we begin our search. It will serve as a great reference tool!



PROPERTY SPECIFICATIONS

Square Feet: Min. _____ Max. _____ No. of Bedrooms: _____ Bathrooms: _____

Price Range: _____ Parking Type/Spaces: _____

Style of Home: _____ Roof Type: Tile Asphalt

Floor Type: Wood Tile Carpet Lot Size: _____

No. of Stories: _____ Landscape Style: _____

Home Age: _____ Preferred Zip Codes: _____



IMPORTANT FEATURES

- Formal Living Room
- Pool
- RV / Boat Parking
- Formal Dining Room
- Spa
- Alarm / Security System
- Great Room
- View
- Vaulted Ceilings
- Family Room
- Decks
- Fireplace
- Pantry
- Fenced Yard
- Large Closets
- Breakfast Area
- Guest House
- Solar
- Laundry Room
- Garage
- Extra Storage
- Appliances
- Extra Parking



BUYER NOTES

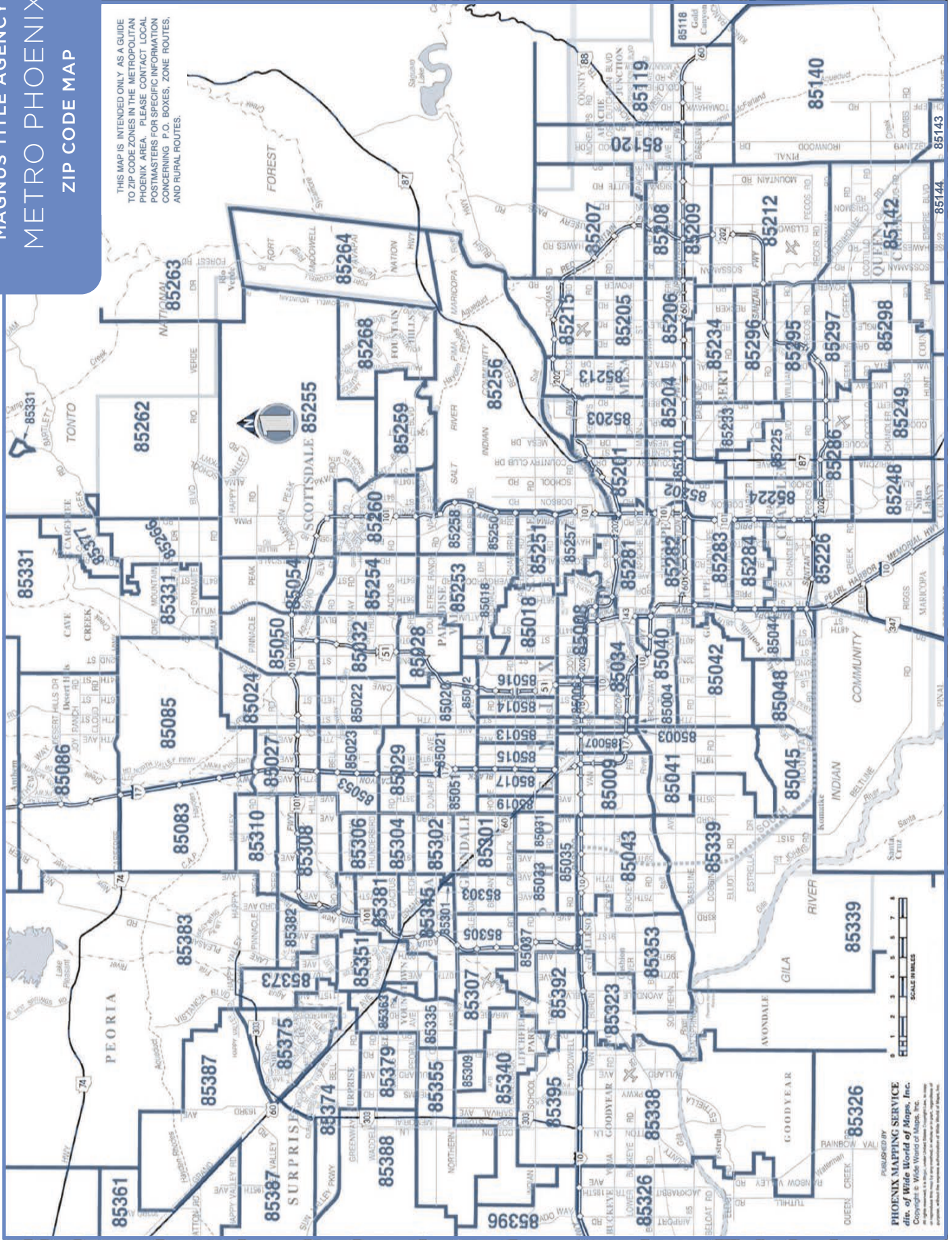
HOME COMPARISON CHECKLIST

PROPERTY	#1	#2	#3	#4
ADDRESS				
ASKING PRICE	\$ _____	\$ _____	\$ _____	\$ _____
FIRST IMPRESSION				
ROOF CONDITION				
EXTERIOR CONDITION				
GARAGE SIZE				
NO. OF BATHROOMS				
NO. OF BEDROOMS				
NO. OF CLOSETS				
CENTRAL A/C	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LIVING ROOM	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FIREPLACE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SEPARATE DINING ROOM	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FAMILY ROOM	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
KITCHEN EATING AREA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
REFRIGERATOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
STOVE/OVEN (Mark Type)	<input type="checkbox"/> _Electric <input type="checkbox"/> _Gas	<input type="checkbox"/> _Electric <input type="checkbox"/> _Gas	<input type="checkbox"/> _Electric <input type="checkbox"/> _Gas	<input type="checkbox"/> _Electric <input type="checkbox"/> _Gas

BUYER NOTES

MAGNUS TITLE AGENCY METRO PHOENIX ZIP CODE MAP

THIS MAP IS INTENDED ONLY AS A GUIDE TO ZIP CODE ZONES IN THE METROPOLITAN PHOENIX AREA. PLEASE CONTACT LOCAL POSTMASTERS FOR SPECIFIC INFORMATION CONCERNING P.O. BOXES, ZONE ROUTES, AND RURAL ROUTES.



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LOCAL SERVICES DIRECTORY

UTILITIES

(APS) Arizona Public Service 602.371.7171 OR 1.800.253.9405
■ www.aps.com

(SRP) Salt River Project 602.236.8888
■ www.srp.com

GAS

Southwest Gas 877.860.6020
■ www.swgas.com

Mesa Gas 480.644.2221

WATER

Apache Junction 480.982.6030

Avondale 623.333.2005

Buckeye 623.386.2196

Carefree 480.488.9100

Cave Creek 480.488.6617

Chandler 480.782.2280

El Mirage 623.933.1228

Fountain Hills 480.837.9522

Gilbert 480.503.6800

Glendale 623.930.3190

Global Water 520.568.4452

Goodyear 623.932.3910

Guadalupe 480.730.3080

Litchfield Park 623.935.9367

Maricopa Dom Water Improv. Dist 520.568.2239

Mesa 480.644.2221

Paradise Valley* (sewer) 480.348.3518

■ www.ci/paradise.valley.az.us/

Paradise Valley water service is through a private water company called: EPCOR 1.800.383.0834 www.epcor.com

Peoria 623.773.7160

Phoenix 602.262.6251

■ www.phoenix.gov/residents/

Queen Creek 480.358.3450

Scottsdale 480.312.3111

■ www.scottsdaleaz.gov/eservices

Surprise 623.222.7000

Tempe 480.350.8361

TELEPHONE

Century Link 1.866.209.3277

■ www.centurylink.com

Cox 866.961.0155

CABLE

Cox Communications 623.594.1000 OR 1.800.683.0084

■ www.cox.com/arizona

Direct TV 1.855.345.7002

AUTOMOBILE INFORMATION

Emissions Testing 602.771.2300

Motor Vehicle Division 602.255.0072

DOG LICENSING 602.506.7387

POST OFFICES

Valley Wide 1.800.275.8777

■ www.usps.com/

VOTER REGISTRATION

602.506.1511

THE ARIZONA REPUBLIC

602.444.1000

RECYCLING AND SOLID WASTE

Solid Waste MgMt. Dept. 623.974.4791 OR 480.373.0062

Waste Management 602.268.2222

Recycling Assoc. Maricopa. 520.568.9428

CONSUMER SERVICES

Better Business Bureau 602.264.1721

AZ Attorney General 602.542.5025

AZ Registrar of Contractors 602.542.1525

TRANSPORTATION

Bus Lines

Super Shuttle 602.244.9000

Phoenix Transit 602.253.5000

Dial.A.Ride 800.775.7295

Limousine

Carey 602.966.1955

Desert Rose 623.780.0159

Scottsdale 800.221.5065

Starlite 800.875.4104

Vincent 480.348.9990

Taxi Cab

AAA 480.966.8294

Courier 602.232.2222

Yellow 602.252.5252

LIBRARIES

Apache Junction 480.474.8555

Carefree 480.488.3686

Cave Creek 480.488.2286

Chandler 480.782.2814

El Mirage 602.652.3000

Fountain Hills 602.652.3000

Gilbert 602.652.3000

Glendale 623.930.3530

Litchfield Park 623.935.5053

Maricopa 520.316.6960

Mesa 480.644.3100

Peoria 623.773.7555

Phoenix 602.262.6372

Queen Creek 602.652.3000

Scottsdale 480.312.7323

Sun City 623.652.3000

Surprise 602.652.3000

Tempe 480.350.5555

Youngtown 623.974.3401

FIRE DEPARTMENT

Apache Junction 480.982.4440

Carefree 480.488.0347

Chandler 480.782.2120

El Mirage 623.583.7988

Fountain Hills 480.837.9820

Gilbert 480.503.6300

Glendale 623.931.5600

Goodyear 623.932.2300

Litchfield Park *see Goodyear*

Maricopa 520.568.3333

Mesa 480.644.2101

Paradise Valley 480.348.3631

Peoria 623.773.7279

Phoenix 602.253.1191

Queen Creek 480.644.2400

Scottsdale 480.945.6311

Sun City 623.974.2321

Sun City West 623.584.3500

Surprise 623.222.5000

Tempe 480.858.7230

Youngtown 623.974.3665

POLICE DEPARTMENT

Apache Junction 480.982.8260

Carefree 480.876.1000

Chandler 480.782.4130

El Mirage 623.933.1341

Fountain Hills 602.876.1869

Gilbert 480.503.6500

Glendale 623.930.3000

Litchfield Park 623.932.1220

Maricopa 520.568.3673 Dispatch

520.316.6800 Admin

Mesa 480.644.2211

Paradise Valley 480.948.7418

Peoria 623.773.8311

Phoenix 602.262.6151

Queen Creek 602.876.1011

Scottsdale 480.312.5000

Sun City 623.972.2555

Sun City West 623.584.5808

Surprise 623.222.4000

Tempe 480.966.6211

Youngtown 623.974.3665

**Paradise Valley also doesn't provide trash service owner must sign up with PV approved trash companies. Visit Town website and click on "How do I..." and sign-up for "Garbage Collection" for a list of approved collection companies.*

THE HOME INSPECTION



Contractual Rights

Professional Inspection

Wood Infestation Report

Inspection Notes

HOME INSPECTION OVERVIEW



CONTRACTUAL RIGHTS

The **AAR Residential Resale Real Estate Purchase Contract** gives the buyer the right to conduct physical, environmental, and other types of inspections, including tests, surveys, and other studies, of the premises at the buyer's expense to determine the value and condition of the premises. The Buyer must have any inspections, test, surveys, etc., and investigate any material matters that are a concern during the inspection period. The Contract also states that the buyer shall provide Seller, upon request and at no cost to the Seller, copies of all reports concerning the premises.



PROFESSIONAL HOME INSPECTION

In a home inspection, a qualified inspector takes an in-depth, unbiased look at the premises: (1) to evaluate the physical condition, i.e., structure, construction, and mechanical systems; (2) to identify items that need to be repaired OR replaced; and (3) to estimate the remaining useful life of the major systems, equipment, and structure. The inspection gives a detailed report on the condition of the structural components, exterior, roofing, plumbing, electrical, heating insulation and ventilation, air conditioning, and interiors.

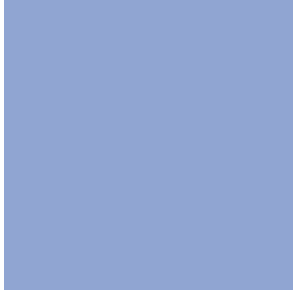
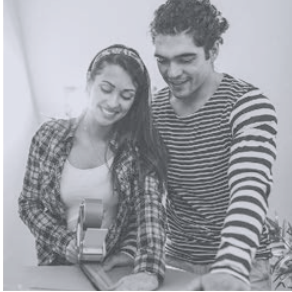


WOOD INFESTATION REPORT (WIR)

As a protective measure, lending institutions require that homes be inspected for damage from termites OR other wood-destroying insects before closing the sale of the home. A WIR is a document prepared by a licensed pest control company that informs the buyer and lending institution of the results of the inspection. For more information, contact the Arizona Structural Pest Control Commission (www.sb.state.az.us) at 602-255-3664.

INSPECTION NOTES

MOVING ESSENTIALS



Moving Checklist
and Weekly Planner

Moving

CHECKLIST



Your essential week-by-week preparation, packing and moving planner.

8 - 9 WEEKS PRIOR -

Create a realistic budget for moving expenses. If you're hiring professional movers, remember small things add up like tape boxes, transportation, storage, etc. Request time off work for moving day. Give yourself ample time to get everything moved and settled, without the stress of work responsibilities sitting in the back of your mind.

Get started on home renovations. If there is painting or major remodeling, you will want to get a head start on this sooner than later. Purge time! Go through every room of your house and begin getting rid of items you know you won't keep and identify any items that can be donated to charity.

If you have children, make sure you reach out to their new school(s) for information on registration and transfer records if necessary.

6 - 7 WEEKS PRIOR -

The worst kind of surprise is when your movers are at the door of your new home and you realize the couch just won't fit. Make sure to measure

rooms and doorways and confirm all furniture will fit correctly.

Create an excel spreadsheet of family members, friends, and colleagues who will need your new address and share it with them via email.

Contact your doctor, dentist, and veterinarian to get copies of all records and arrange to transfer files to new health care providers. You can do this online if you have access to a patient portal.

4 - 5 WEEKS PRIOR -

Pack items that you need easy access to in an "essentials" box, such as toilet paper, soap, trash bags, chargers, box cutters, tape, tools, paper plates, snacks, towels, etc.

Contact utility companies and transfer or cancel service. Make sure they're aware of your move date and arrange for service and installation as needed.

2 - 4 WEEKS PRIOR -

Change your address with important service providers, such as your bank(s), credit card companies, subscriptions, and others. Don't

forget to submit your address change to USPS.com.

Check insurance coverage in all areas. Update or transfer your homeowner, vehicle, or any other insurance you may have. Know the insurance your moving company provides will generally only cover the items they transport for you.

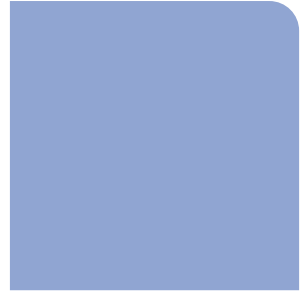
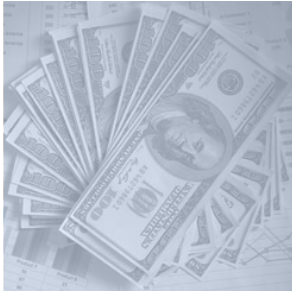
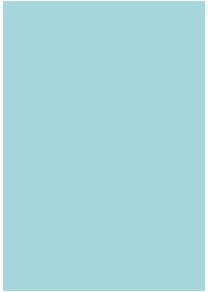
1 - 2 WEEKS PRIOR -

Unplug, disassemble, and clean out appliances. Ensure all essential utilities like gas, electricity, water, and internet services are ready at your new home. Empty your safe deposit box if you have one. Clean stovetop, oven and defrost freezer.

MOVING DAY -

Collect all keys, finish any touch-ups, and complete your walk-through. Do a final check of closets, cupboards, drawers, basement, and other areas where things may have been forgotten. Finalize any paperwork and ensure it's accessible. The cleaner the better. Remove all garbage and recycling.

ESSENTIALS FOR ESCROW & TITLE



What is Escrow?

What is Title Insurance?

Life of an Escrow

Closing Costs: Who Pays What

Taking Title

Closing 101

After the Closing

Why Choose Magnus Title?



LARGEST
LOCALLY OWNED
TITLE AGENCY



PROUDLY
WOMEN OWNED
TITLE AGENCY



12 OFFICES
ACROSS THE VALLEY



GAP INSURANCE
OFFERED AT NO
ADDITIONAL CHARGE



3
NATIONAL
UNDERWRITERS



First American Title™



TITLE
RESOURCES



OLD REPUBLIC
NATIONAL TITLE INSURANCE COMPANY

It's Simple.

With Magnus,
You Matter...

WWW.MAGNUSTITLE.COM

WHAT IS ESCROW?

As an escrow holder, **MAGNUS TITLE AGENCY'S** duty is to act as the neutral third party. We hold all documents and all funds, pursuant to the purchase contract and escrow instructions, until all terms have been met and the property is in insurable condition. We do not work for the seller **OR** for the buyer; rather, we are employed by **ALL** parties and act only upon **Mutual Written Instruction**.

OPENING ESCROW

Occurs when your **REALTOR®** brings in a fully executed contract with your earnest money deposit.

Your Escrow Officer reviews the contract, receipts in the earnest money, orders the commitment for title insurance, and prepares the documents required to close escrow (payoffs, HOAs, etc.) All of the documents are double checked by your Escrow Officer.



WHAT IS TITLE INSURANCE?

DEFINITION: A contract where by the Insurer, for valuable consideration, agrees to indemnify the Insured for a specified amount against loss through defect of title to real estate wherein the latter has an interest either as a purchaser OR otherwise.

PURPOSE: Title insurance services are designed to afford real property owners, lenders, and others with interest in real estate, the maximum degree of protection from adverse title claims OR risks. The financial assurance offered by a title insurance policy from the title company is, of course, the primary aspect of title protection. The policy affords protection both in satisfying valid claims against the title as insured and in defraying the expenses incurred in defending such claims.

THE TITLE SEARCH

Title companies work to eliminate risks by performing a search of the public records OR through the title company's plant. The search consists of public records, laws and court decisions pertaining to the property to determine the current recorded ownership, any recorded liens, encumbrances OR any other matters of record which could affect the title to the property. When a title search is complete, the title company issues a commitment for title insurance detailing the current status of title.

LIFE OF AN ESCROW

- 1 Opening the Escrow**

Items needed to open escrow:

 - Contact info for Buyer, Seller, Agents and Title Company
 - Fully executed Purchase Contract
 - Earnest money deposit
 - Copy of listing
 - New Lender information
 - Existing loan payoff information
 - HOA Information
- 2 Processing the Escrow**
 - Escrow deposits earnest money funds
 - Escrow orders preliminary title report from title department
 - Escrow requests payoff OR assumption information, homeowner's association information, etc.
- 3 Title Examination**
 - Property and parties are researched by the Title Examiner
 - Preliminary Title Report is typed and sent to Escrow Officer, Agents, Seller, Buyer and Lender

- 4 ESCROW CLOSING PREPARATION**
 - Preliminary title report received by Escrow Officer and is reviewed for any surprises, i.e. tax liens, judgments, unknown liens of record, discrepancies in legal description, delinquent taxes, access problems, etc.
 - Escrow informs Agents if additional information is needed to clear any surprises revealed by the Preliminary Title Report
 - Escrow follows-up on receipt of the following if needed, per purchase contract ▶
 - Termite Report
 - Buyer's Hazard Insurance
 - Payoff Information
 - HOA Documents
 - Home Protection Plan (Warranties)
 - New Loan Package
 - Repair Bills
 - Septic (if Applicable)



- Loan documents are received and the Escrow Officer processes the file to reflect closing and advises Agents of funds that are needed for closing
- Closing appointment times are set for Buyer and Seller with Escrow Officer
- Inform all parties executing documents to bring a valid government issued picture I.D. (drivers license, passport, etc.)
- Inform Buyer to bring in a cashier's check OR wired funds for closing

- 5 Execution of Documents**
 - Buyer and Seller meet with Escrow Officer+ and execute all documents
 - + Optional hired professional mobile notary upon request
- 6 Lenders Funds**
 - After all parties have executed the necessary documents, Escrow returns the loan package to the new Lender for review and funding
 - Lender funds the loan and Lenders' check OR wired funds are sent to Escrow for processing
- 7 Recordation**
 - After Escrow receives all funds needed and have ascertained that conditions are met, original documents are recorded
 - Once documents are recorded, Escrow notifies Agents
 - Agents will make arrangements for you to receive your keys
- 8 Disbursement of Funds**
 - All disbursements are made in accordance with the settlement statement
- 9 Policies Issued**
 - Purchaser receives Owner's Title Insurance Policy from **Magnus Title Agency**
 - New Lender receives ALTA Loan Policy from **Magnus Title Agency**



CLOSING COSTS: WHO PAYS WHAT

A Chart Indicating Who Customarily Pays What Costs

	CASH	FHA	VA	CONV
1. Down Payment	BUYER	BUYER	BUYER	BUYER
2. REALTORS® Compensation	NEGOTIABLE			
3. Existing Loan Payoff	SELLER	SELLER	SELLER	SELLER
4. Loan Pre-Payment Penalty <i>(If Any)</i>	SELLER	SELLER	SELLER	SELLER
5. Taxes	PRORATE	PRORATE	PRORATE	PRORATE
6. Termite/Wood Infestation Inspection	BUYER	BUYER	SELLER	BUYER
7. Property Inspection <i>(If Requested by Buyer)</i>	BUYER	BUYER	BUYER	BUYER
8. Property Repairs <i>(If Any)</i> 💰 Negotiable	SELLER	SELLER	SELLER	SELLER
9. Homeowner Assoc. (HOA) Transfer Fee 💰 Negotiable	NEGOTIABLE			
10. HOA Capital Improvement 💰 Negotiable	NEGOTIABLE			
11. HOA Disclosure Fee	SELLER	SELLER	SELLER	SELLER
12. Home Warranty Premium 💰 Negotiable	NEGOTIABLE			
13. New Loan Origination Fee		BUYER	BUYER	BUYER
14. Discount Points		BUYER	BUYER	BUYER
15. Documents Preparation / Lending Fee		BUYER	BUYER	BUYER
16. Credit Report		BUYER	BUYER	BUYER
17. Appraisal 💰 Negotiable		BUYER	BUYER	BUYER
18. Tax Transcripts		BUYER	BUYER	BUYER
19. Pre-Paid Interest <i>(Approx. 30 Days)</i>		BUYER	BUYER	BUYER
20. Impound Account		BUYER	BUYER	BUYER
21. FHA/MIP/VA, Funding Fee, PMG Premium		BUYER	BUYER	BUYER
22. Fire/Hazard Insurance <i>(If Any)</i>	BUYER	BUYER	BUYER	BUYER
23. Flood Insurance <i>(If Any)</i>		BUYER	BUYER	BUYER
24. Escrow Fee	SPLIT	SPLIT	SPLIT	SPLIT
25. Homeowners Title Policy	SELLER	SELLER	SELLER	SELLER
26. Lenders Title Policy and Endorsements		BUYER	BUYER	BUYER
27. Processing Fee	SPLIT	SPLIT	SPLIT	SPLIT



LOAN TYPES ▶

Federal Housing Administration

U.S. Department of Veterans Affairs

Conventional

TAKING TITLE

Common Ways of Holding Title to Real Property in Arizona

COMMUNITY PROPERTY

Arizona is a community property state. This is a statutory presumption that all property acquired by a married couple is community property. Community property is a method of co-ownership for married persons only. Upon death of one of the spouses, the deceased spouse's interest will pass by either a will OR intestate succession.

COMMUNITY PROPERTY WITH RIGHT OF SURVIVORSHIP

A version of holding title between married persons that vests the title to real property in the surviving spouse when it is expressly declared in the Deed. This vesting has the tax benefits of holding title as "community property" and the probate avoidance features of "survivorship rights".

JOINT TENANTS WITH RIGHT OF SURVIVORSHIP

Joint tenancy with right of survivorship is a method of co-ownership that gives title to the real property to the last survivor. Title to real property can be acquired by two OR more individuals either married OR unmarried. If a married couple acquires title as joint tenants with right of survivorship, they must specifically accept the joint tenancy to avoid the presumption of community property.

TENANTS IN COMMON

A method of co-ownership where parties do not have survivorship rights and each owns a specific undivided interest in the entire title.

SOLE AND SEPARATE

Real property owned by a spouse before marriage OR any acquired after marriage by gift, descent OR specific intent. If a married person acquires title as sole and separate property, his/her spouse must execute a Disclaimer Deed.

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.

GENERAL PARTNERSHIP

Title may be taken in the name of a general partnership duly formed under the laws of 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, a certified copy of which must be recorded.

TRUST

A trust is a fiduciary arrangement that allows a third party, or trustee, to hold assets on behalf of a beneficiary or beneficiaries. You must provide us with the name of the trust, date of the trust, and Trustee names as referenced in your Trust Agreement.

This guide is provided by [Magnus Title Agency](#) as a complimentary resource for real estate consumers. The Escrow Agent is not in a position to give legal advice. If you have questions OR would like opinions on which way to hold title would best benefit you, then you should obtain the assistance of an Attorney OR other qualified professional.

CLOSING 101: Tips for a Stress Free Signing

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

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



Valid Photo Identification

- Valid driver's license OR non-driver I.D. issued by any state
- Current United States OR Foreign Passport (with accompanying visa and/or other valid documentation)
- Valid United States Military I.D.



Cashier's Check OR Wire Transfer Payable to: **MAGNUS TITLE AGENCY**

In the event you are required to bring funds to close escrow, we cannot accept personal checks OR cash. If you prefer to wire your funds, please contact us for bank routing instructions. If you will be bringing a proceeds check from another settlement, please contact us to verify acceptance of those funds -- we do not automatically accept checks from all title companies and attorneys.



All Persons Who Hold Title to the Property OR Who Will Be Purchasing the Property Must Attend Closing to Sign Documents

State-specific laws may require the spouse of the parties in title, even though their name does not appear on the deed, to sign certain documents when obtaining a mortgage. If anyone is unable to attend signing, please contact your local **MAGNUS TITLE AGENCY** office to arrange a Power of Attorney OR signing by mail. We also offer mobile notary and Remote Online Notary (RON) options.

CLOSING NOTES

AFTER THE CLOSING

We recommend you keep all records pertaining to your home together in a safe place, including all purchase documents, insurance, maintenance and improvements.

LOAN PAYMENTS AND IMPOUNDS

You should receive your loan coupon book before your first payment is due. If you don't receive your book, OR if you have questions about your tax and insurance impounds, contact your mortgage company.

HOME WARRANTY REPAIRS

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

RECORDED DEED

MAGNUS TITLE AGENCY will mail the original deed to you after closing.

TITLE INSURANCE POLICY

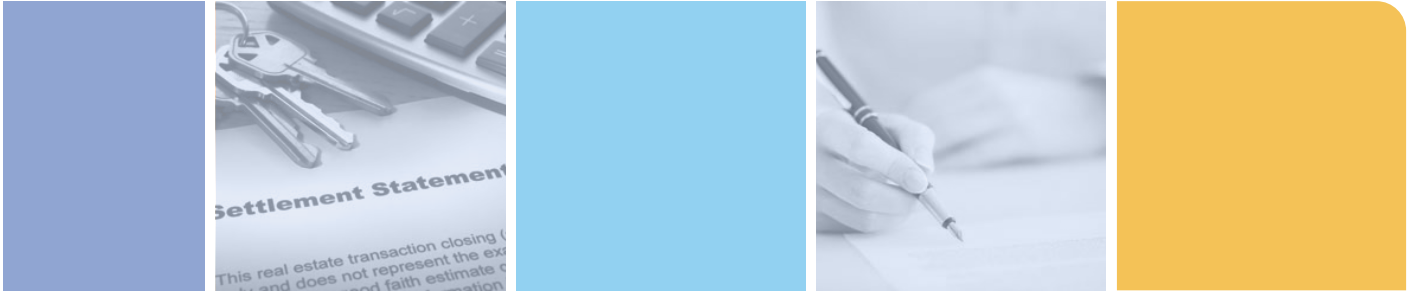
MAGNUS TITLE AGENCY will mail your policy to you after closing.

PROPERTY TAXES

You may not receive a tax statement for the current year on the home you buy. However, it is your obligation to make sure the taxes are paid when due. Check with your mortgage company to find out if taxes are included with your payment. For more information on your Maricopa County property taxes, contact:

- Maricopa County Tax Assessor 602-506-3406
- Maricopa County Treasurer 602-506-8511

CONTRACTS AND FORMS



Residential Real Estate Purchase Contract

Buyer Advisory

BUYER ATTACHMENT

Document updated:
August 2024



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



ATTENTION BUYER!

You are entering into a legally binding agreement.

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

If important to you, hire a qualified:

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

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

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

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

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

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:
August 2024



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



1. PROPERTY

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

>>

SELLER SELLER

<Initials

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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 unpotted plants)
 - shutters and awnings
 - smart home devices, access to which shall be transferred (i.e., video doorbell, automated thermostat)
 - speakers (flush-mounted)
 - storage sheds
 - storm windows and doors
 - stoves: gas-log, pellet, wood-burning
 - timers (affixed)
 - towel, curtain and drapery rods
 - wall mounted TV brackets and hardware (excluding TVs)
 - water-misting systems
 - window and door screens, sun shades
51. If owned by Seller, the following items also are included in this sale:
- 52. • affixed alternate power systems serving the Premises (i.e., solar)
 - in-ground pool and spa/hot tub equipment and covers (including any mechanical or other cleaning systems)
 - security and/or fire systems and/or alarms
 - water purification systems
 - water softeners
53. 54.
55. **Additional existing personal property included in this sale** (if checked):
56. refrigerator (description): _____
57. washer (description): _____
58. dryer (description): _____
59. above-ground spa/hot tub including equipment, covers, and any mechanical or other cleaning systems (description): _____
60. _____
61. other personal property not otherwise addressed (description): _____
62. other personal property not otherwise addressed (description): _____
63. **Additional existing personal property included shall not be considered part of the Premises and shall be transferred with no**
64. **monetary value, and free and clear of all liens or encumbrances.**
65. Leased items shall **NOT** be included in this sale. Seller shall deliver notice of all leased items within three (3) days after Contract
66. acceptance. Buyer shall provide notice of any leased items disapproved within the Inspection Period or five (5) days after receipt of the
67. notice, whichever is later.
68. **IF THIS IS AN ALL CASH SALE:** Section 2 does not apply - go to Section 3.

2. FINANCING

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

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SELLER SELLER	<Initials	Initials>	BUYER BUYER

Residential Resale Real Estate Purchase Contract >>

- 2f. 90. **Loan Application:** Unless previously completed, within three (3) days after Contract acceptance Buyer shall (i) provide lender with Buyer's name, income, social security number, Premises address, estimate of value of the Premises, and mortgage loan 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 notice of intent to proceed with the loan transaction in a manner satisfactory to lender; and (ii) provide to lender all requested signed disclosures and the documentation listed in the LSU at lines 32-35. Buyer agrees to diligently work to obtain the loan and 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 _____% of the Purchase Price **OR** \$ _____ (Seller Concessions). The Seller Concessions may be used for any Buyer fee, cost, 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 Pre-Qualification Form attached hereto or LSU provided within ten (10) days after Contract acceptance and shall only make any such changes without the prior written consent of Seller if such changes do not adversely affect Buyer's ability to obtain loan 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 lender for at least the purchase price. If the Premises fail to appraise for the purchase price in any appraisal required by lender, Buyer has five (5) days after notice of the appraised value to cancel this Contract and receive a return of the Earnest Money or 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 be applied against Seller's Concessions at COE, if applicable. If Buyer's lender requires an updated appraisal prior to COE, it will be 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 terms of this Contract shall be:
117. _____
ESCROW/TITLE COMPANY
118. ADDRESS _____ CITY _____ STATE _____ ZIP _____
119. EMAIL _____ PHONE _____ FAX _____
- 3b. 120. **Title and Vesting:** Buyer will take title as determined before COE. If Buyer is married and intends to take title as his/her sole and separate property, a disclaimer deed may be required. Taking title may have significant legal, estate planning and tax 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, addressed pursuant to 8s and 9c or as otherwise provided, a Commitment for Title Insurance together with complete and legible copies of all documents that will remain as exceptions to Buyer's policy of Title Insurance ("Title Commitment"), including but not limited to Conditions, Covenants and Restrictions ("CC&Rs"); deed restrictions; and easements. Buyer shall have five (5) days after receipt of the Title Commitment and after receipt of notice of any subsequent exceptions to provide notice to Seller of any items disapproved. Seller shall convey title by warranty deed, subject to existing taxes, assessments, covenants, conditions, restrictions, rights of way, easements and all other matters of record. Buyer shall be provided at Seller's expense an American Land Title Association ("ALTA") Homeowner's Title Insurance Policy or, if not available, a Standard Owner's Title Insurance Policy, showing title vested in Buyer. Buyer may acquire extended coverage at Buyer's own additional expense. If applicable, Buyer shall pay the cost of obtaining the ALTA Lender Title 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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SELLER SELLER

<Initials

Initials>

BUYER BUYER

Residential Resale Real Estate Purchase Contract >>

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

5. WARRANTIES

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

6. DUE DILIGENCE

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

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Residential Resale Real Estate Purchase Contract >>

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

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

242. sewer system conventional septic system alternative system

243. **IF A SEWER CONNECTION IS A MATERIAL MATTER TO BUYER, IT MUST BE INVESTIGATED DURING THE INSPECTION**
 244. **PERIOD.** If the Premises are served by a conventional septic or alternative system, the AAR On-site Wastewater Treatment Facility
 245. Addendum is incorporated herein by reference.

246. (BUYER'S INITIALS REQUIRED) _____ BUYER BUYER

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

251. (BUYER'S INITIALS REQUIRED) _____ BUYER BUYER

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

259. (BUYER'S INITIALS REQUIRED) _____ BUYER BUYER

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

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

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

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

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

273. **OR**

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

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

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

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

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

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

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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.

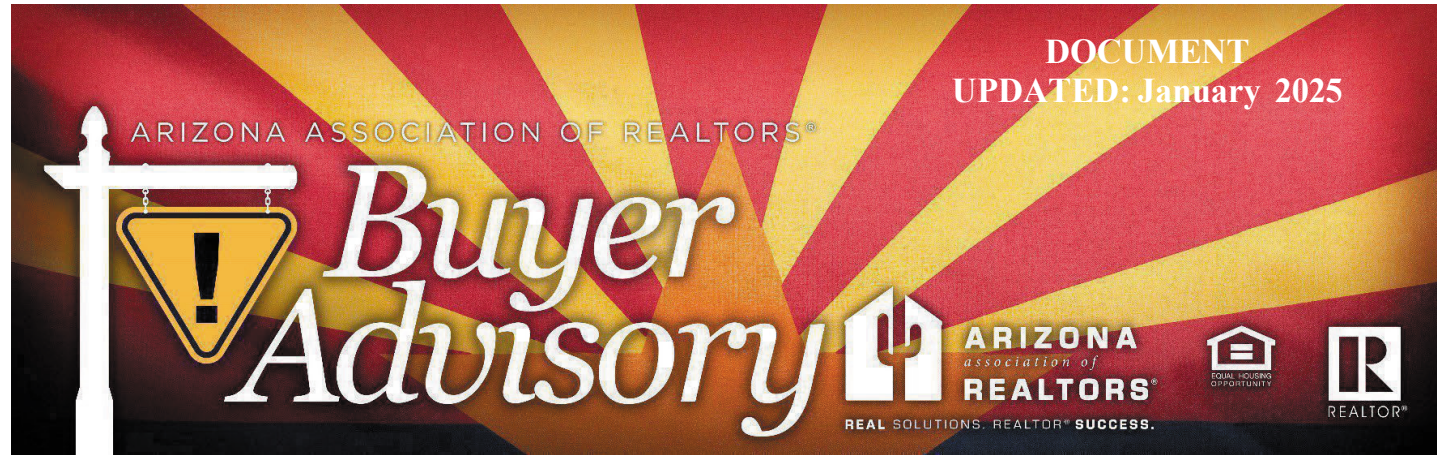
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8. ADDITIONAL TERMS AND CONDITIONS

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DOCUMENT
UPDATED: January 2025

A Resource for Real Estate Consumers

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

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

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

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

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

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

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

Reminder:

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

Please Note:

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

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Section 1

COMMON DOCUMENTS A BUYER SHOULD REVIEW

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

1 Purchase Contract

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

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

Contingency Waivers

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

2 MLS Printout

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

3 The Subdivision Disclosure Report (Public Report)

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

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

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

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

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

4 Seller's Property Disclosure Statement (SPDS)

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

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

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

5 Covenants, Conditions and Restrictions (CC&Rs)

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

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

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

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

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

6 Homeowners Association (HOA) Governing Documents

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

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

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

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

7 HOA Disclosures

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

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

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

8 Community Facilities District

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

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

9 Title Report or Title Commitment

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

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

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

10 Loan Information and Documents

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

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

(Buying a house: Tools & Resources for Homebuyers)

https://www.hud.gov/topics/buying_a_home (HUD.gov)

11 Home Warranty Policy

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

12 Affidavit of Disclosure

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

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

(AAR Sample Affidavit of Disclosure)

13 Lead-Based Paint Disclosure Form

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

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

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

14 Professional Inspection Report

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

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

[Consumer Guide: Home Inspections](#)

(NAR Consumer Guide -Home Inspections)

15 County Assessors/Tax Records

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

Apache:

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

Coconino:

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

Graham:

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

La Paz:

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

Mohave:

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

Pima:

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

Santa Cruz

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

Cochise:

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

Gila:

<http://bit.ly/Yq3bV9>

Greenlee:

<https://bit.ly/40vI7P7>

Maricopa:

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

Navajo:

<https://bit.ly/4hbczDC>

Pinal:

<https://bit.ly/40gwL0b>

Yavapai

<https://bit.ly/40v2MC6>

Yuma

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

16 Termites and Other Wood Destroying Insects and Organisms

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

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

(AZDA-Termite Information)

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

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

17 Foreign Investment in Real Property Tax Act (FIRPTA)

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

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

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

Section 2

COMMON PHYSICAL CONDITIONS IN THE PROPERTY A BUYER SHOULD INVESTIGATE

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

1 Repairs, Remodeling and New Construction

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

USE OF LICENSED CONTRACTORS

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

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

<https://roc.az.gov/before-hire> (Before you Hire a Contractor-Tips)
<https://remodelingdoneright.nari.org/> (National Association of the Remodeling Industry)
<https://apps-secure.phoenix.gov/PDD/Search/Permits> (Phoenix Building Permit Search)
<https://www.tucsonaz.gov/Departments/Planning-Development-Services/Permits> (Tucson Building permit records)
Other cities- search Planning & Development

2 Square Footage

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

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

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

3 Roof

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

www.azroofing.org (Arizona Roofing Contractors Association)
<https://roc.az.gov/before-hire> (Before you Hire a Contractor)

4 Swimming Pools and Spas

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

<https://www.aaronline.com/2010/10/27/pool-barrier-law-contact-information/> (AAR-Pool Barrier Laws & Information)
[36-1681 - Pool enclosures; requirements; exceptions; enforcement \(azleg.gov\)](https://www.azleg.gov) (A.R.S. 36-1681 Swimming Pool Enclosures)

5 Septic and Other On-Site Wastewater Treatment Facilities

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

[ADEQ - Notice of Transfer Filing Information](#) (Notice of Transfer and Inspection Information)

6 SEWER

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

7 Water/Well Issues

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

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

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

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

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

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

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.”

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

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

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

9 Previous Fire/Flood

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

10 Pests

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

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

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

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

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

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

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

11 Endangered & Threatened Species

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

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

12 Death and Felonies on the Properties

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

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

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

13 Indoor Environmental Concerns

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

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

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

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

Epa.gov/indoor-air-quality-iaq
(EPA-Indoor Air Quality)

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

<https://www.cdc.gov/mold-health/about/index.html>
(CDC-Mold Information)

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

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

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

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

bit.ly/2kRk7jm (Drywall Information Center)

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

<https://bit.ly/4j9kROJ> (EPA-Carbon Monoxide Indoors)

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

<http://bit.ly/2qUZcSt> (Voluntary Guidelines -Laboratory Cleanup - Methamphetamine & Fentanyl

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

14 Property Boundaries

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

https://www.azpls.org/secure/find_surveyor.asp
(AZ BTR Land Surveyors)

15 Flood Insurance/Flood Plain Status

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

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

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

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

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

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

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

Other Arizona Counties: Consult County Websites.

16 Insurance (Claims History)

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

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

17 Other Property Conditions

Plumbing: Check functionality.

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

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

Electrical Systems: Check for functionality and safety.

Section 3

CONDITIONS AFFECTING THE AREA SURROUNDING THE PROPERTY THE BUYER SHOULD INVESTIGATE

Every property is unique; therefore, important conditions vary.

Environmental Concerns

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

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

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

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

<https://wildlandfire.az.gov/> (Wildfire FAQs and Resources)

1 Environmentally Sensitive Land Ordinance

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

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

2 Electric and Magnetic Fields (EMFs)

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

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

3 Superfund Sites

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

<https://azdeq.gov/superfund-sites> (AZ ADEQ-Superfund Sites)
<https://www.epa.gov/superfund> (EPA Superfund)

4 Freeway Construction and Traffic Conditions

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

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

5 Crime Statistics

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

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

6 Sex Offenders

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

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

(Registered Sex Offender and Community Notification)

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

(National Sex Offender Public Site)

7 Forested Areas

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

www.wildfirerisk.org

(Search - Community Wildfire Risk)

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

(Arizona Fire Wise Communities)

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

(Public Education/Fire Wise USA)

8 Military and Public Airports

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

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

<https://azre.gov/military-airports>
(ADRE- Maps of Military Airports Boundaries)

<http://azre.gov/public-airports>
(ADRE - Maps of Public Airports & Boundaries)
<https://www.skyharbor.com/FlightPaths>
(Phoenix Skyharbor Airport - General Information)

9 Zoning/Planning/Neighborhood Services

Information may be found on community websites.

<http://phoenix.gov/business/zoning> (Phoenix)
<https://www.tucsonaz.gov/Departments/Planning-Development-Services> (Tucson)

10 Schools

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

Visit the Arizona Department of Education website for more information.

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

11 City Profile Report

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

<https://www.moving.com/real-estate/city-profile/>
(Find City Stats & Information)

12 ADRE: Topics to Research Before Purchasing Real Estate

The Arizona Department of Real Estate provides online resources, links, and Information on various topics a consumer may wish to research before purchasing real estate. The topics span many opportunities for education ranging from Airport Disclosure Information and Resources on Environmental Hazards to Title Insurance And Water Availability.

<http://azre.gov/consumers/topics-research-purchasing-real-estate>
(ADRE-Topics to Research Before Purchasing Real Estate)

Section 4

OTHER METHODS OF GETTING INFORMATION ABOUT A PROPERTY

Drive Around the Neighborhood

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

Talk to the Neighbors

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

Investigate Your Surroundings

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

[Google Earth](https://www.google.com/earth/)

Section 5

RESOURCES

Market Conditions Advisory

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

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

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

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

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

Fair Housing and Disability Laws

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

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

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

(Arizona REALTORS® Fair Housing Advisory)

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

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

Wire Fraud

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

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

(Arizona REALTORS® Wire Fraud Advisory)

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

Additional Information

NATIONAL ASSOCIATION OF REALTORS® (NAR)

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

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

<http://bit.ly/3pQqXX7>

Home Closing 101

www.homeclosing101.org

Information about Arizona Government, State Agencies and Arizona REALTORS®

Arizona Department of Real Estate Consumer Information

<https://azre.gov/persona/consumers>

Arizona Association of REALTORS®

www.aaronline.com

BUYER ACKNOWLEDGMENT

Buyer acknowledges receipt of all 13 pages of this Advisory.

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

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

^BUYER SIGNATURE DATE

^BUYER SIGNATURE DATE





MAGNUS TITLE AGENCY
MARICOPA COUNTY
OFFICE LOCATION MAP



LOCATIONS ACROSS THE VALLEY

1 | CORPORATE HEADQUARTERS

13845 N. Northsight Blvd, Suite #200
Scottsdale, AZ 85260
602.792.7300 PHONE
602.748.2750 FAX

2 | TITLE DEPARTMENT

2077 E. Warner Road, Suite #103
Tempe, AZ 85284
602.792.7310 PHONE
602.748.2700 FAX

3 | NORTHSIGHT

13845 N. Northsight Blvd, Suite #100
Scottsdale, AZ 85260
Phoenician Branch
480.682.0200 PHONE
480.385.6862 FAX
Scottsdale Branch
480.682.0230 PHONE
480.682.0231 FAX
Scottsdale Kierland Branch
480.748.2100 PHONE
480.682.3330 FAX

4 | AHWATUKEE

3930 E. Chandler Blvd., Suite #2
Phoenix, AZ 85048
Escrow
480.385.4300 PHONE
480.682.3345 FAX
Marketing
602.792.7320 PHONE
480.682.3345 FAX

5 | CHANDLER

2450 S. Gilbert Rd., Suite #200
Chandler, AZ 85286
480.339.7000 PHONE
480.682.3350 FAX

6 | ARROWHEAD

19420 N. 59th Ave., Suite B233
Glendale, AZ 85308
623.385.3500 PHONE
623.792.1855 FAX

7 | POWER ROAD

7400 S. Power Rd., Bldg. 1, Suite #102
Gilbert, AZ 85297
480.339.7010 PHONE
480.682.3340 FAX

8 | TEMPE

2077 E. Warner Rd., Suite #103
Tempe, AZ 85284
480.455.3700 PHONE
480.682.3377 FAX

9 | WARNER

2077 E. Warner Road, Suite #103
Tempe, AZ 85284
480.339.7030 PHONE
480.682.3395 FAX

10 | EAST VALLEY

7400 S. Power Rd., Bldg. 1, Suite #102
Gilbert, AZ 85297
480.682.0220 PHONE
480.682.3380 FAX

11 | QUEEN CREEK

20852 E. Ocotillo Rd., Suite #101
Queen Creek, AZ 85142
480.339.7050 PHONE
480.682.3335 FAX

12 | GILBERT

7400 S. Power Rd., Bldg. 1, Suite #102
Gilbert, AZ 85297
480.339.7020 PHONE
480.682.7703 FAX

13 | METRO CENTER

11022 N 28th Drive, Suite #255
Phoenix, AZ 85029
480.339.7040 PHONE
480.914.1440 FAX

14 | TOLLESON

9870 W. Lower Buckeye Rd, Ste A-180
Tolleson, AZ 85353
623.385.3520 PHONE
623.385.3525 FAX



MAGNUS TITLE AGENCY

WWW.MAGNUSTITLE.COM

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Magnus Title Agency has been serving Maricopa County since 2004. Our Company was built on a philosophy of integrity, a focus on innovation, and a compassion for our clients and our employees.

Our experienced senior management team leads our organization of outstanding title and escrow professionals. Our commitment is to consistently deliver solutions that make sense for each client, in every transaction.



LOCALLY OWNED, OPERATED & TRUSTED.

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