



**Seller's Guide  
to selling a home in Arizona**

**480.624.8600 • [www.greystonetitle.com](http://www.greystonetitle.com)**



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# our escrow office *locations*

GREYSTONE  
TITLE AGENCY



## Corporate Office

6710 N Scottsdale Rd  
Suite 180  
Scottsdale, AZ 85253  
480-624-8600 Main

**1 Spectrum Scottsdale  
Escrow Office**  
6710 N Scottsdale Rd  
Suite 180  
Scottsdale, AZ 85253  
480-624-4370 Phone  
480-624-3336 E-Fax  
\*Spanish-Speaking Location

**2 Perimeter Office**  
17207 N Perimeter Dr  
Suite 120  
Scottsdale, AZ 85255  
480-624-4385 Phone  
480-624-3497 E-Fax

**3 Peoria -West Valley**  
8715 W Union Hills Dr  
Suite 101  
Peoria, AZ 85382  
480-624-4376 Phone  
480-624-4377 Phone  
623-574-3905 E-Fax

**4 Chandler—Southeast Valley**  
1035 W. Queen Creek Rd  
Suite 101  
Chandler, AZ 85248  
480-624-8610 Phone  
480-624-3327 E-Fax  
\*Spanish-Speaking Location

**4 Corporate Counsel**  
Mike Abel  
1035 W. Queen Creek Rd  
Suite 101  
Chandler, AZ 85248  
480-624-4369 Phone

### Satellite/TC Branches

**A Sedona**  
1370 W. State Route 89A  
Suite 9  
Sedona, AZ 85336  
928-282-5966 Phone

**B Pinnacle Peak**  
8852 E Pinnacle Peak Rd  
Suite J-3  
Scottsdale, AZ 85255  
480-206-6650 Phone

At Greystone Title Agency

*We promise...*



**To achieve excellence in every transaction.**

At Greystone Title Agency, we are committed to quick turn times on title commitments, pre-audits, and marketing requests. Our highly experienced staff is here to professionally service your Commercial, Construction, Purchase, and Refinance needs.

Locally owned and operated, we understand the changing needs of Arizona's real estate market and strive to earn you and your REALTOR®'s highest recommendations.

**To build and maintain lasting relationships.**

With seasoned title experts to service your needs, Greystone Title Agency has a strong presence in the Valley. Affiliated in the real estate, mortgage and insurance businesses, we have the stability and staying power to build relationships with our customers for years to come.

**To offer services for all your real estate needs.**

Greystone Title Agency specializes in title and escrow services, but offers much more. From builder services and property research, there are many ways we can expertly serve your real estate needs.

**To have more convenient office locations across the Valley.**

Locally owned and operated, Greystone Title Agency offers four offices across the Valley. To find the branch nearest you, see our office map on the opposite page or visit our Web site at [www.grystn.com](http://www.grystn.com).

# reference guide

YOUR **ESCROW NUMBER** \_\_\_\_\_  
 YOUR **NEW ADDRESS** \_\_\_\_\_  
**CITY-STATE-ZIP** \_\_\_\_\_

The following is a guide for important information during the escrow process. You can complete the following information as it becomes available. Be sure not to cancel your current home insurance or utilities prior to the close of escrow.

## Realtor

## Escrow

NAME \_\_\_\_\_  
 ASSISTANT \_\_\_\_\_  
 COMPANY \_\_\_\_\_  
 ADDRESS \_\_\_\_\_  
 CITY-STATE-ZIP \_\_\_\_\_  
 PHONE \_\_\_\_\_  
 CELL \_\_\_\_\_  
 FAX \_\_\_\_\_  
 EMAIL ADDRESS \_\_\_\_\_

ESCROW OFFICER \_\_\_\_\_  
 ESCROW OFFICER EMAIL \_\_\_\_\_  
 ESCROW ASSISTANT \_\_\_\_\_  
 ESCROW ASSISTANT EMAIL \_\_\_\_\_  
 ADDRESS \_\_\_\_\_  
 CITY-STATE-ZIP \_\_\_\_\_  
 PHONE \_\_\_\_\_  
 FAX \_\_\_\_\_

				STOP	START
insurance	AGENT _____	POLICY# _____	PHONE ( ) _____		
	NEW AGENT _____	POLICY# _____	PHONE ( ) _____	___/___/___	___/___/___
gas	<b>UNISOURCE ENERGY SERVICES</b>	1-877-937-4968	*COCONINO COUNTY		
	NEW GAS COMPANY _____			___/___/___	___/___/___
cable	<b>DIRECT TV</b>	1-800-448-3136 / 1-800-747-9294	*COCONINO COUNTY		
	NEW CABLE COMPANY _____			___/___/___	___/___/___
electric	<b>SALT RIVER PROJECT</b>	602-236-8888	<b>ARIZONA PUBLIC SERVICES</b> 1-800-253-9405		
	NEW ELECTRIC COMPANY _____		*COCONINO COUNTY	___/___/___	___/___/___
communications	<b>COX</b> 602-277-1000	<b>AT&amp;T</b> 1-800-222-0300	<b>MCI</b> 1-800-444-3333	<b>CENTURY LINK</b> 1-800-244-1111	
	NEW CABLE COMPANY _____				
	YOUR NEW PHONE ( ) _____			YOUR FAX ( ) _____	___/___/___
	CELL PHONE ( ) _____		INTERNET SERVICE _____		
water	<b>APACHE JUNCTION</b> 480-982-2201	<b>ARCADIA</b> 480-945-8363	<b>CAVE CREEK</b> 623-580-9600		
	<b>CHANDLER</b> 480-782-2280	<b>CHANDLER HEIGHTS</b> 480-988-2731	<b>FOUNTAIN HILLS</b> 480-837-9522		
	<b>GILBERT</b> 480-53-6800	<b>GLENDALE</b> 623-930-3190	<b>GOODYEAR</b> 623-932-3015		
	<b>MESA</b> 480-644-2221	<b>PARADISE VALLEY</b> 480-948-5410	<b>PEORIA</b> 623-773-7160		
	<b>PHOENIX</b> 602-262-6251	<b>QUEEN CREEK</b> 480-987-3240	<b>SCOTTSDALE</b> 480-312-2461		___/___/___
	<b>SUN CITIES</b> 623-974-2521	<b>SUN LAKES</b> 480-895-1366	<b>TEMPE</b> 480-350-8361		___/___/___
	NEW WATER COMPANY _____				
	FOR INFORMATION ON A WATER PROVIDER: <a href="http://WWW.AZWATER.GOV">WWW.AZWATER.GOV</a>		*COCONINO COUNTY		
other	NEWSPAPERS	<b>ARIZONA REPUBLIC</b> 602-444-1000	<b>THE TRIBUNE</b> 1-888-887-4286		
	OTHER _____				
	MAGAZINES _____		PEST CONTROL _____		
	LAWN SERVICE _____		POST OFFICE _____		

# Selecting a REALTOR®

## REALTORS®

A REALTOR® is defined as a service mark used for a licensed real estate agent affiliated with the National Association of REALTORS® as well as members of their state and local Boards of REALTORS®. A REALTOR® is a professional who abides by a strict code of ethics in rendering the highest level of real estate services to home buyers and sellers. Real estate agents are thoroughly educated in the principles, practices and legal aspects of real estate services and experienced in negotiating the purchase or sale of real estate, market research, ever changing legislation and the previewing of homes. Not every real estate agent is a REALTOR®.

## Listing Agent

A homeowner hires a listing agent to sell their property and a legal relationship is formed. The listing agent is also responsible for putting the property into the Multiple Listing Service (MLS), a database of properties for sale by licensed REALTORS®.

## Buyer's Agent

A homebuyer hires a buyer's agent to assist in the search and transaction of buying a new home. The agent's commission is paid in a fee agreed to by the seller.

## How a REALTOR® is Compensated

After you your home has sold, your REALTOR® will get compensated for his/her services from the proceeds of the sale. Your REALTOR® should commit to the substantial time necessary for the sale of your home and his/her efforts should be of the highest quality and rendered with integrity.

## What a REALTOR® Provides

A REALTOR® will represent you throughout the entire process of selling your home, from researching the market in order to properly price your home to negotiating on your behalf with qualified prospective buyers. You can expect your REALTOR® to assess your home's marketability, create demand by actively marketing your house and to protect your rights and money when dealing with the escrow and title companies.

## Your Commitment to Your REALTOR®

Your REALTOR® will expect your loyalty and commitment to work exclusively with them in selling your home. The advantages of working with one agent include increased rapport, better communication and a more thorough understanding of your individual wants and needs.



## advantages of using a REALTOR®

Here are a few of the many benefits of using a professional REALTOR® to guide you through the home-buying process:

### KNOWLEDGE

Not only is a real estate agent's market knowledge priceless, but they also have information on new home subdivisions, homes for sale by owner, builders and communities. If you are interested in a new home, be sure to take your REALTOR® on your first visit.

### PROTECTION

As real estate transactions become more complicated, you can rest assured knowing a REALTOR® will help protect you from financial liability. These trained experts will negotiate and prepare the contract on your behalf.

### SUCCESSFUL CLOSING

The likelihood of a transaction closing successfully increases dramatically when a REALTOR® is involved. They prevent "fall-outs" and other issues from arising.

### CHOICES

A REALTOR® has privileges through the Multiple Listing Service that puts thousands of homes in front of you to choose from. This allows you to find your perfect home, and usually quicker!

### IT'S FREE

The Realtor® you select is traditionally paid by seller.

GREYSTONE  
TITLE AGENCY

# Benefits

## from a professional REALTOR®

Before you make the decision to try and sell your home alone, consider the benefits a REALTOR® can provide that you may not be aware of:

A REALTOR® understands market conditions and has access to information not available to the average homeowner.

A REALTOR® knows how to price your home realistically, to get you the highest price possible within your time frame.

A REALTOR® knows how to screen potential buyers and eliminate those who can't qualify or are looking for bargain-basement prices.

A REALTOR® knows how to go toe-to-toe in negotiations.

A REALTOR® can remain objective when presenting offers and counter-offers on your behalf.

A REALTOR® is always "on call," answering the phone at all hours and showing homes evenings and weekends.

A REALTOR® can advertise effectively for the best results.

A REALTOR® can help protect your rights, which is particularly important with the increasingly complicated real estate laws and regulations.

A REALTOR® maintains Errors and Omissions insurance.

A REALTOR® will listen to your needs, respect your opinions and allow you to make your own decisions.

A REALTOR® is experienced in creating demand for homes and how to show them to advantage.

A REALTOR® is experienced with resolving problems to ensure a successful closing on your home.

Only you can determine whether you should attempt to sell your home — probably your largest investment — all alone. Talk with a REALTOR® before you decide. You may find working with a professional is a lot less expensive and much more beneficial than you ever imagined!

# For Sale by owner

Many people believe they can save a considerable amount of money by selling their homes themselves. It may seem like a good idea at the time, but while you may be willing to take on the task, are you qualified?

Following are some questions to help you realistically assess what's involved:

- « Do you know how to determine the current market value of your home?
- « Do you have the knowledge, patience and sales skills needed to sell your home?
- « Do you know how to determine whether or not a buyer can qualify for a loan?
- « Are you concerned about having strangers walking through your home?
- « Are you aware that every time you leave your home, you are taking it off the market until you return?
- « Are you aware that prospective buyers and bargain hunters will expect you to lower your cost because there's no REALTOR® involved?
- « Do you understand the various types of loans buyers may choose and the advantages and disadvantages for the seller?
- « Are you aware of conditions in the marketplace today that affect value and the length of time to sell?
- « If your buyer is aggressive, can you negotiate a successful outcome for yourself?
- « Do you understand the steps of an escrow and what's required of you and the buyer?
- « Do you need to hire a real estate attorney? If so do you know what the cost will be and how much liability they will assume in the transaction?
- « Are you familiar enough with real estate regulations to prepare a binding sales contract? Counter offers?
- « Have you made arrangements with an escrow and title company, home warranty company, pest control service and lender to assist you with the transaction?
- « Do you know how to advertise effectively and what the costs will be?
- « Are you prepared to give up your evenings and weekends to show your home to potential buyers and those "just looking?"



# *Steps* to selling your home



Select a REALTOR® ▶ Prepare Home for Viewing by Prospective Buyers ▶ REALTOR® Markets Property ▶ Inspections Submitted to Escrow Officer ▶ Home Inspections Ordered ▶ Escrow Opens and Title Report is Ordered ▶ Review and Accept Contract from Buyer ▶ Appraisal Ordered ▶ Documents are Compiled ▶ If Applicable, Loan Documents are Drawn by Lender ▶ Documents Are Signed at Greystone Title Agency ▶ Documents Recorded and Escrow Closes ▶ Final Closing Deposits Made ▶ Funding By Lender

*Congratulations  
on the sale of  
Your Home!*

# property condition

## Checklist

### Entry

- Doorbell operates
- Door hardware works smoothly
- Entry lights operate
- Floors clean and clear

### Landscaping

- Lawn in good condition
- Grass trimmed and edged
- Sprinkler system working
- Planters look appealing
- Trees and bushes trimmed

### Kitchen

- Sink free of stains
- No dripping faucets
- Appliances clean and operable
- Walls clean
- Cabinets clean
- Countertops cleared and clean
- Floors swept and mopped
- Pantry neatly arranged

### Bedrooms

- Beds made
- Closets neat and tidy
- Furniture dusted
- Carpet and rugs vacuumed

### Bathrooms

- Sinks clean
- No dripping faucets
- Shower, toilet and bathtub clean
- Counters cleared of personal items
- Floors cleaned
- Cabinets organized

### Living room/Family room

- Walls clean
- Furniture and televisions dusted
- Drapes open
- Walkways clear and open
- Floors vacuumed and mopped

### Exterior

- Lights are operating
- Roof in good condition
- Windows clean and operable
- Driveway and sidewalks clean
- Doors clean

### Garage

- Swept and organized
- Door operates smoothly

## Getting your home

# Ready to sell

## INSIDE

- Clean all windows.
- Leave kitchen countertops as clear as possible.
- Clean out all closets. Make them look as spacious as possible.
- Arrange rooms neatly and clutter-free to display maximum floor space.
- Organize the garage so that it seems spacious, neat and as clean as possible.
- Launder and clean all draperies and window coverings.
- Make sure walls are clean and unmarked. Brighten walls with fresh paint if necessary. White, off-white or beige walls will make the rooms seem bigger and lighter.
- Put higher intensity light bulbs in every room. This will make your home seem warmer and brighter.
- Make sure all plumbing is in good working order. Repair leaky faucets and remove any mildew from sinks and tubs.
- Shampoo carpets and wax floors. Consider replacing carpet if it looks really worn. Make sure to choose a neutral color.
- Bathrooms help sell homes so make them sparkle.
- Clean the oven and all kitchen appliances. Polish the chrome on the sinks.
- Tighten loose doorknobs and handles on drawers and cabinets. Oil any squeaky hinges on doors.



## OUTSIDE

- Wash all windows and screens.
- Wash off driveway and sidewalks.
- Replace faded house numbers with shiny new ones.
- Repaint or replace the mailbox if necessary.
- Check that sprinklers and watering system are functioning properly.
- Plant extra flowers for color or place potted flowers outside the front door.
- Put away all lawn equipment. Arrange outdoor items such as patio furniture neatly.
- Check siding, window trim and shutters. Touch up paint if needed.
- Paint or stain the front door if necessary.
- Make sure the entry light, doorbell and all outdoor lighting are working properly.
- Make any repairs needed to the screen door.
- Check the roof for missing tiles or shingles and replace.
- Keep your lawn well-trimmed and edged. Trim shrubs and trees.

## *Who selects* the title company

Often the question is asked by both the Broker and Agent whether or not a seller can require the Buyer to use a certain title company if the seller is agreeing to pay for the buyer's title insurance. HUD has been contacted on many occasions relating to that specific question by the Arizona Association of REALTORS®. AAR contacted HUD again in July of 2000 for more clarity on this issue. On that particular occasion in 2000, AAR forwarded a copy of their Residential Resale Purchase Contract to HUD.

“RESPA: The Real Estate Settlement Procedures Act (“RESPA”) requires that no seller of property that will be purchased with the assistance of a federally related mortgage loan shall require, directly or indirectly, as a condition of selling the property, that the title insurance covering the property be purchased by the Buyer from any particular title company.”

The Contract also requires the seller to pay for the buyer's title insurance policy. The Contract at line 109-111 states:

“Buyer shall be provided at seller's expense an American Land Title Association (“ALTA”) Homeowner's Title Insurance Policy, or if not available, an ALTA Residential Title Insurance Policy (“Plain Language”) 1 4 units”) or, if not available, a Standard Owner's Title Insurance Policy, showing the title vested in Buyer...”

Pursuant to the Contract lines 111-112, the buyer may, and usually does, pay for the costs of the lender's title insurance policy.

AAR requested that William G. Christie of the RESPA/Interstate Land Sales Division provide written confirmation that under the above contractual terms, the seller can require as a condition of selling the property, that the title insurance covering the property be purchased (by the seller) from a particular title company, without violating RESPA, 12 USC §2608.

### Per the RESPA guidelines:

“...The Department will not enforce Section 9 of RESPA against a seller who selects the title insurance company if the seller is paying for the owner's title insurance policy. HUD would take action under Section 9, however, in situations where a seller required a buyer to pay the seller an amount towards closing costs and the seller used a portion of the buyer's paid closing costs for the owner's title insurance without providing the buyer with a choice of that title company.”

*Permission for reproduction was obtained from the author and Arizona Association of REALTORS®. These are the opinions of HUD as of August 2000.*

## do I need a *Home* *Warranty?*

A home warranty is an insurance policy that covers a variety of mechanical, electrical, and plumbing items as well as some appliances inside the home. Optional coverage is available for more expensive systems such as air conditioners, refrigerators, pools and spas.

The seller may purchase a home warranty plan prior to selling to protect against repairs needed during the listing period, and the Buyer may be able to assume the policy at the close of escrow or the seller may offer to purchase a home warranty policy for the Buyer. Offering a home warranty plan may provide these benefits:

- Increase the marketability of your home by reassuring potential Buyers.
- Help sell your home faster and at a higher price.
- Ward off potential disputes after the sale for repair and/or replacement of covered items.
- Most home warranty plans can be paid for at the close of escrow. A copy of the invoice is presented to Grey-stone Title Agency, and it becomes part of the seller's closing costs.

# The Life of an *Escrow*

Buyer and Seller Select a REALTOR®

-

Buyer is Pre-Approved by Lender  
if New Loan is Needed

-

Seller Prepares House for  
Showing and Selling

-

Buyer Views homes with REALTOR®

-

Buyer Selects Home and Submits  
Contract with Loan Status Report (LSR)

-

Seller Reviews and Accepts  
Contract from Buyer

-

Escrow Opened at Greystone Title  
Agency and Title Commitment  
Ordered

-

Various Inspections Ordered

-

Inspection Reports Sent to Applicable  
Parties and Reviewed. Notification  
Sent.

-

Title Commitment Received and  
Approved by Buyer

-

Appraisal Ordered By and  
Completed for Lender

-

Buyer Advises Greystone Title Agency of  
Home Insurance Company

-

Buyer Received Final Loan Approval  
from Lender

-

Loan Documents Prepared by Lender  
and Sent to Escrow

-



Closing Documents Compiled by  
Greystone Title Agency

-

Separate Appointments set;  
Buyer and Seller Sign Documents

-

Buyer Deposits Required Funds

-

Loan Documents Returned to  
Lender for Review

-

Greystone Title Agency Ensures  
All Contract Conditions Are Met

-

Lender "Funds Loan" (Sends Funds to  
Escrow)

-

Documents Recorded and  
Escrow Closed

-

After Recording is Confirmed,  
Greystone Title Agency Disburses Funds

-

Buyer Receives Keys from REALTOR®

-

Final Documents Sent to  
Interested Parties

-

# Our escrow process

## What is an Escrow?

An escrow is created after you sign the contract to purchase your new home. It is a process where the buyer and the seller deposit funds and documents with an escrow agent that acts as a neutral third party. Using the escrow agent as a common depository, the buyer and seller can proceed simultaneously in providing funds, deeds, inspection reports, insurance information and other required documents. Both parties give written instructions, the requirements of which must be met before the transaction is complete, to an experienced escrow officer.

## How an Escrow is opened?

Once the Seller has agreed to your offer and a contract has been completed, your REALTOR® will open the escrow. At this time, any earnest money and the contract are placed in escrow. Greystone Title Agency, as a neutral party, can only respond to written instructions mutually agreed on by both interested parties and cannot alter the contract or create instructions.



## What happens during the Escrow process?

Greystone Title Agency will begin by researching records on the property for any unusual circumstance. After this, a commitment for title insurance is issued, indicating a clear title or the description of items that needs to be cleared prior to closing. Your escrow officer will then follow the instructions on your contract to coordinate deadlines and gather necessary paperwork.

## Closing the Escrow

Once all terms and conditions are met, the escrow holder causes the necessary documents to be recorded and disburses funds according to the real estate purchase contract or instructions. Escrow fees are included in these costs, and are based on the sale price of the property, the loan amount and services required.

## Security in the escrow process

The State of Arizona licenses and regulates all escrow companies. The stability, reliability and performance of your title and escrow company are vital to protect the interests of all parties involved in the transaction.

The authority given to an escrow agent is strictly limited by terms and conditions agreed to on the real estate purchase contract or instructions to allocate funds during the escrow period, such as real estate commissions, title insurance, liens, recording fees and other closing costs. The real estate purchase contracts also specify the method of collecting funds, proration of insurance and taxes and time limitations on settling the transaction.

Confidentiality is another important aspect of escrow. The agent will discuss escrow matters only with the parties directly involved in the transaction, specifically the buyer, seller, lender and real estate agent. No one else has access to this information, except through the proper legal procedures. The escrow officer retains impartiality and confidentiality concerning the real estate process.

# *Title insurance*

*The sale of a home is one of the most important decisions you will ever make. You and your mortgage lender will want to make sure the property is indeed yours and that no one else has any lien, claim or encumbrance on your property*

## *What is title insurance?*

Title insurance is issued to a buyer and/or a lender to guarantee "Free and Clear" title to the property being insured. It is designed to eliminate risk caused by defects in the title such as prior fraud or forgery that might go undetected until after closing and possibly jeopardize your ownership and investment. Title insurance protects the interest of the mortgage lender as well as the equity of the buyer for as long as they or their heirs own the property. Title companies post financial guarantees to ensure your home ownership.

## *Why do you need title insurance?*

There are many title issues that can arise to cause the loss of your property or your mortgage investment. Title defects such as loans, liens, encumbrances, back taxes, easements or covenants, conditions or restrictions against the property, may not be discovered when you buy real estate, but may resurface months or years later. Without title insurance, your title could be useless but with proper insurance, your rights will be defended legally.

## *What are some possible title defects?*

- Deeds by minors, foreign parties, defunct corporations, or persons of unsound mind
- Defective acknowledgements (notary)
- Discovery or will of paramount rights (right-of-ways/easements).
- Erroneous reports furnished by tax officials
- Mistakes in recording legal documents
- Surviving children omitted from will, or birth or adoption of children after the creation of a will
- Claims of creditors against property sold by heirs or devisees
- Deed of community property recited to be separate property
- Deeds by persons supposedly single, but secretly married
- Deeds delivered after death of grantor/grantee, without consent of grantor
- False impersonation of the true owner
- Forged deeds, releases, etc.
- Deeds in lieu of foreclosure given under duress
- Marital rights of spouse purportedly, but not legally, divorced

## *When is the fee due?*

The policy is issued for a one-time fee and will remain in effect as long as the buyer retains interest in the property. The fee is paid at the close of escrow. Customarily, the seller pays for the Owner's Policy and if there is a new loan, the buyer pays for the Lender's Policy.

# *Commitment* for title insurance

---

The protection offered by a Policy of Title Insurance from Greystone Title Agency can only be achieved as a result of a thorough search and examination of the public records affecting title, and, in some instances, an examination of other items such as surveys and the physical inspection of the property.

This search is conducted prior to the closing of a transaction and the issuance of a policy. The Underwriter stands behind its title search by issuing a Commitment for Title Insurance which not only reflects the condition of the title and sets forth requirements which will eliminate the risk of future attacks on the title by reason of defects discovered in it, but further, commits to the proposed insured that Greystone Title Agency will issue a policy based on this search — for a six month period — provided no changes in the title occur prior to closing and the above mentioned requirements have been satisfied.

## *Owner's title insurance*

### **1. A.L.T.A.**

#### **Standard Coverage Owner's Policy**

With this policy, Greystone Title Agency ensures the purchaser, based upon a search of the public records only, that:

- a. The insured is the record owner of the estate or interest purchased.
- b. There are no recorded defects, liens or encumbrances on the title that the insured was unaware of or that are not shown as an exception from coverage.
- c. There is a right of access to and from the property.
- d. There is marketable title to the property.

However, a standard coverage owner's policy does not insure against items not of record, such as:

1. Taxes or assessments not shown on the records of the taxing authority or by the public records.
2. Defects that are not shown by the public records but would be discovered by an inspection of the land or by making an inquiry of persons in possession thereof.
3. Easements, liens or encumbrances that are not shown by the public records.
4. Problems that a correct survey would disclose and are not shown by public records.
5. Unpatented mining claims, patent reservations and water rights.
6. Labor or Mechanics liens that are not shown by the public records.

# *Owner's title insurance*

## **2. A.L.T.A**

### **Extended Coverage Owner's Policy**

With this policy, Greystone Title Agency affords the purchaser the same assurances as "a" through "d" under the Standard Coverage Owner's Policy above; however, this coverage also protects against both matters that are shown by the public records and certain matters that are not disclosed by the public records. (An A.L.T.A survey may be required when this policy is issued.)



## **3. A.L.T.A.**

### **Homeowner's Policy of Title Insurance**

With this policy, Greystone Title Agency affords the purchaser of residential real property the same coverage as the ALTA Plain Language Residential Owner's Policy, but adds numerous additional coverages, including protection against certain Post-Policy risks such as forgery and encroachment. Further, in order to provide the homeowner with protection for the increased value of their home, the amount of insurance is increased 10 percent each of the first five years of the policy.



## *Other products* related to title insurance

### Letter Report (no insurance)

This report is issued to institutional lenders who do not require a complete examination of records or any type of insurance. Based upon an examination of the property index, the report reflects the indicated owner; legal description, encumbrances, taxes and assessments. If desired, a General Index (GI) search on the borrower may be conducted which would reflect any tax liens and/or judgment of record at an additional fee.

*This section contains information regarding title insurance. Your Greystone Title Agency representative is happy to answer any questions you have about this subject.*

### Limited Policy

This limited form of title insurance is used primarily by lenders granting equity loans or lines to their clients. The core information provided in this policy mirrors that which is provided in our letter report but also provides the following important coverage:

- Insurance that reflects the last recorded document purporting to vest title.
- Insurance against any lien or mortgage of record not excepted in Schedule B.
- Insurance against errors in information provided in policy for taxes and assessment data from the office of the treasurer and/or assessor of the county where the land is situated.
- Insurance against monetary loss up to the face amount of the policy (maximum of \$200,000.00) plus legal costs including attorney's fees and expenses.
- FA12 (date down) and FA44 (revolving line) endorsements are included with premium if requested within six months of recording.

### Products Offered to Your Attorney, Trustee or Account Servicing Agent:

- Trustee Sale Guarantee
- Litigation Guarantee
- Forfeiture Guarantee
- Other various examinations and reports
- Deed in Lieu of Foreclosure/Forfeiture Guarantee

For additional information, contact your local Greystone Title Agency Title Department at 480-624-8600. Information contained herein is subject to change without notice.

The above explanations are general in nature and are not to be construed as a statement of insurance. All policies are issued subject to the exclusions from coverage, the exceptions contained in Schedule B and the provisions of the Conditions and Stipulations contained in the policy as filed with the Arizona Department of Insurance.

# Who pays what?

## Guide to Closing Costs

### The SELLER

can generally be expected to pay for:

- Owner's Title Insurance Premium
- Escrow Fees (50 percent)
- Real Estate Commission
- Termite Inspection (according to contract)
- Termite Work (according to contract)
- Home Warranty
- Any Judgments, Liens, Taxes, etc. Against the Seller
- Recording Charges to Clear All Documents of Record Against the Seller
- Tax Proration (for any unpaid taxes at time of transfer of title)
- Any Unpaid Homeowners Association Dues
- Any Bonds; or Assessments (according to contract)
- Any and All Delinquent Taxes

### The BUYER

can generally be expected to pay for:

- Lender's Title Policy Premium
- Escrow Fees (50 percent)
- Document Preparation
- Recording Charges for All Documents in Buyer's Name
- Homeowners Association Transfer Fee
- All New Loan Charges (except those required by seller to pay)
- Interest on New Loan from Date of Funding to 30 Days Prior to First Payment Date
- Assumption/Change of Records Fees for Takeover of Existing Loan
- Beneficiary Statement Fee for Assumption of Existing Loan
- Home Warranty (according to contract)
- Termite Inspection (according to contract)
- Fire Insurance Premium for First Year



## MANDATORY COSTS

FHA regulations require the BUYER to pay reserves (impounds) for property taxes and hazard insurance plus adjusted interest. Both FHA and VA require that the SELLER must pay the following fees if applicable: assignment, flood certification, recording to clear title, bringdown endorsements, document preparation, photo/inspection, tax service and warehouseing. In addition, VA requires the SELLER to pay all escrow fees. Any additional costs not otherwise agreed upon by SELLER shall be paid by BUYER.

# Estimated Cost Sheet

		Cash	CTM	FHA/ VA	Conv.	Seller	Buyer
1	Down Payment	X	X	X	X		\$
2	Escrow Fee (charge seller on VA)	X	X	X	X	\$ 1/2	\$ 1/2
3	Owners Title Policy	X	X	X	X	\$	
4	ALTA Loan Policy (combo rate based on loan amount)			X	X		\$
4a	Standard Loan Policy		X				\$ 1/2
5	Recording/Affidavit Filing Fees	X	X	X	X	\$ 1/2	\$ 1/2
6	Home Protection Plan					\$ NEGOTIABLE	\$ NEGOTIABLE
7	Real Estate Commission	X	X	X	X	\$	
8	Termite Inspection	X	X	X	X		\$
9	Home Owners Association Transfer Fees					\$ 1/2	\$ 1/2
10	Tax Pro-Rations	X	X	X	X	\$ OR PRORATE	
11	Home Owner's Insurance (fire/flood)	X	X	X	X		\$
12	Assessments - Sewer, etc. (payoff or pro-rate)					\$ OR PRORATE	
13	Discount Points - negotiable			X	X	\$ NEGOTIABLE	\$ NEGOTIABLE
14	Origination Fee - negotiable			X	X	\$ NEGOTIABLE	\$ NEGOTIABLE
15	Appraisal Fee	X	X			\$	\$
16	Lender's Document Preparation Fee			X	X	\$ FHA/VA	\$ NEGOTIABLE
17	Credit Report Fee			X	X		\$
18	Tax Service Contract			X	X	\$ FHA/VA	\$ CONV
19	Bring down Endorsement/Underwriting					\$ FHA/VA	\$ CONV
20	VA Funding Fee			X		\$	\$
21	FHA MIP or PMI Premium			X	X		\$
22	Existing Loan Payoff (including unpaid interest)	X	X	X	X	\$	
23	Payoff Demand Fee	X	X	X	X	\$	
24	Reconveyance Fee	X		X	X	\$	
25	Impound/Reserve Account		X				\$
26	Insurance Impound			X	X		\$
27	Tax Impounds			X	X		\$
28	MIP/PMI Impounds			X	X		\$
29	Prepaid Interest			X	X		\$
30	Loan Transfer Fee		X			\$ NEGOTIABLE	\$ NEGOTIABLE
31	Pre-Payment Penalty	X		X	X	\$	
32	Pro-Rated Interest (existing loans)		X			\$	
33	Account Servicing Set-Up Fee					\$ NEGOTIABLE	\$ NEGOTIABLE
34	Repairs					\$	
35	Home Inspection Fee						\$

Note: Other costs may be incurred

# *The Appraisal Process*



When you sell your home and the buyer is securing a new loan in order to purchase the property, the buyer's lender requires a licensed appraiser to estimate the market value of the property. This shows the lender they are making a prudent decision lending the buyer the money to buy your house.

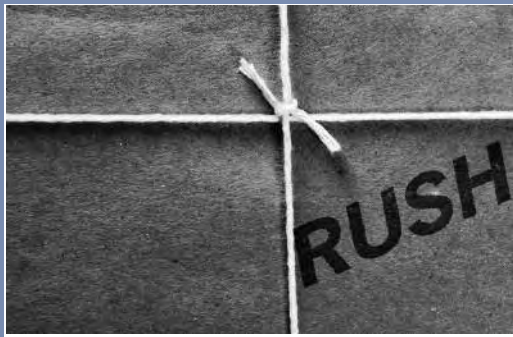
Once the buyer begins the new loan application process, the lender will order the appraisal. In order to estimate the market value of your house, the appraiser will research houses that have sold in your subdivision and/or immediate area. Appraisers prefer to use sales that have occurred within the past six months and are similar to yours in regard to square footage, year built and amenities (i.e., swimming pool, garage, multi-level, etc.).

The appraiser should be at your house approximately 30-60 minutes. They will measure your home, take photographs and examine your home's current condition, note specific improvements and remodeling that has been done, and include the approximate amounts spent for each improvement. Some appraisers will appreciate this information while others may not; however, if you had the information prepared for buyers looking at your home, then providing it for the appraisers will be easy.

If the buyers of your home are obtaining an FHA or VA loan, a few special requirements will be placed on your house. You must scrape and paint all chipping or peeling paint on your house or any structures on your property. You should also replace any missing or damaged shingles and missing slats or blocks in your fence.

The lender will receive a copy of the appraisal a few days after the appraiser has been to your home. You will probably only hear that the house appraised and may never see the actual appraisal. You may be told the appraiser has some repair requirements before the lender can loan the buyer any money on your house. In that case, you must repair these problems and the appraiser will return for a re-inspection for an additional fee.

If you maintain your property and price it right, you probably won't have any problems obtaining the appraisal.



# *Packing tips* to make your move easier

## 2 months prior to move

- Start cleaning closets and storage areas. Decide what you will be taking, what will be donated or sold at a garage sale, and what will be discarded.
- Talk with your accountant or an IRS advisor about any moving expenses that might be tax deductible.
- Contact moving companies (and the Better Business Bureau) for services and estimates.
- Start a list for who to notify about your move and keep it updated. Be sure to include friends, relatives, schools, doctors, dentists, creditors, attorney, accountant, broker and any services such as maid, lawn, pest control, water softener, internet provider, magazine subscriptions, etc.

## 1 month out

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

## 2 weeks before you go

- Remember to close your existing accounts.
- Have your car serviced if needed.
- Transfer records for doctors, dentists, veterinarians, etc. Be sure to get permanent records from schools, not copies. Get prescriptions for new pharmacies.

## 1 week left

- Dispose of all flammable products, paint, gasoline, etc. Contact your cities trash department about proper disposal.
- Gather odds and ends: dry cleaning, safe-deposit box items, prescriptions and anything you've borrowed.
- Drain gas and oil from equipment you're taking, such as lawn mowers, gas weed-trimmers, etc.

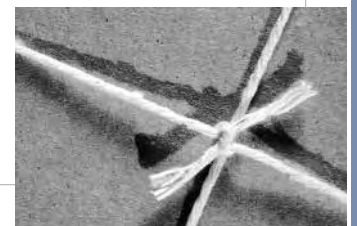
## a couple of days...

- Give away plants you are not taking.
- Write out clear instructions and/or a map of your new home and include your itinerary and emergency numbers. Keep a copy yourself and give copies to the moving company and your family or friends.
- Complete packing. Set aside the items you want to take with you so the mover doesn't put them on the truck.
- Take local phone books.
- Call the utility companies to verify connect and disconnect dates after escrow closes.
- Contact your REALTOR® and verify when and where keys to your new house will be available.
- Pick up beverages and snacks for moving day.
- Disconnect major appliances.

## the big day

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

**GOOD LUCK!**  
and enjoy your  
new home.



# Change of address checklist

Here is a list of the people and companies you should inform of your move. Letting everyone know your new address and phone number in advance will make your move much easier.

## Business Accounts

- Bank
- Credit Cards
- Auto Loan Company
- Dry Cleaner
- Other Loans

## Utilities

- Telephone
- Electric
- Gas
- Cable
- Water
- Other: \_\_\_\_\_

## Insurance

- Life
- Rental Homes
- Auto
- Health
- Disability

## Family Services

- Schools
- Daycare
- Babysitter

## Professional Services

- Doctor
- Dentist
- Lawyer
- Accountant
- Stock Broker

## Government

- Post Office
- Library
- VA
- Motor Vehicle Department
- Voter Registration

## Publications

- Newspapers
- Professional Organizations
- Magazine Subscriptions

## Personal

- Clubs & Organizations
- Relatives
- Friends
- Other: \_\_\_\_\_

**GREYSTONE  
TITLE AGENCY**

# Your confidential information for escrow

**GREYSTONE  
TITLE AGENCY**

TO **Greystone Title Agency**

ESCROW NUMBER \_\_\_\_\_

ESCROW OFFICER'S NAME \_\_\_\_\_

BRANCH \_\_\_\_\_

FAX \_\_\_\_\_

This page requests information that you need to provide to your Escrow Officer as it's needed to complete the sale of your home. Please fill as much as you can have available by this time. Make a copy and mail or fax it to your Greystone Title Agency Escrow Officer.

## seller(s)

## loan payoff(s)

### SELLER 1

### 1ST. LOAN

NAME \_\_\_\_\_

SOCIAL SECURITY NO. \_\_\_\_\_

MARITAL STATUS SINGLE / MARRIED / DIVORCED

ADDRESS \_\_\_\_\_

CITY-STATE-ZIP \_\_\_\_\_

MAIN PHONE \_\_\_\_\_

OFFICE PHONE \_\_\_\_\_

FAX \_\_\_\_\_

EMAIL ADDRESS \_\_\_\_\_

LENDER'S NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY-STATE-ZIP \_\_\_\_\_

PHONE \_\_\_\_\_

FAX \_\_\_\_\_

LOAN NO. \_\_\_\_\_

ESTIMATED BALANCE \_\_\_\_\_

PRE-PAYMENT PENALTY YES / NO / DON'T KNOW

### SELLER 2

### 2ND. LOAN / EQUITY

NAME \_\_\_\_\_

SOCIAL SECURITY NO. \_\_\_\_\_

MARITAL STATUS SINGLE / MARRIED / DIVORCED

ADDRESS \_\_\_\_\_

CITY-STATE-ZIP \_\_\_\_\_

MAIN PHONE \_\_\_\_\_

OFFICE PHONE \_\_\_\_\_

FAX \_\_\_\_\_

EMAIL ADDRESS \_\_\_\_\_

LENDER'S NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY-STATE-ZIP \_\_\_\_\_

PHONE \_\_\_\_\_

FAX \_\_\_\_\_

LOAN NO. \_\_\_\_\_

ESTIMATED BALANCE \_\_\_\_\_

PRE-PAYMENT PENALTY YES / NO / DON'T KNOW

## property

## homeowners association

ADDRESS (IF DIFFERENT FROM ABOVE) \_\_\_\_\_

TAX PARCEL NO. \_\_\_\_\_

LOT NO. \_\_\_\_\_

MCR NO. \_\_\_\_\_

LEGAL DESCRIPTION \_\_\_\_\_

ASSOCIATION NAME \_\_\_\_\_

MANAGEMENT CONTACT \_\_\_\_\_

CONTACT PERSON \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY-STATE-ZIP \_\_\_\_\_

MAIN PHONE \_\_\_\_\_

OFFICE PHONE \_\_\_\_\_

FAX \_\_\_\_\_

EMAIL ADDRESS \_\_\_\_\_

*Providing Greystone Title Agency with your HOA information will help expedite your title paperwork.*

# Maricopa County

For additional information, visit: [www.maricopa.gov](http://www.maricopa.gov)

## general directory

### school districts

Agua Fria Union District	623-932-7000
Alhambra Elementary District	602-336-2920
Avondale Elementary District	623-772-5000
Balsz Elementary District	602-629-6400
Buckeye Elementary District	623-386-4487
Buckeye Union District	623-386-9701
Cartwright Elementary District	623-691-4000
Cave Creek Unified District	480-575-2000
Chandler Unified District	480-812-7000
Creighton Elementary District	602-381-6000
DeerValley Unified District	623-445-5000
Dysart Unified District	623-876-7000
East Valley Institute of Technology	480-461-4101
Fountain Hills Unified District	480-664-5000
Fowler Elementary District	623-707-4500
Gilbert Unified District	480-497-3300
Glendale Elementary District	623-842-8100
Glendale Union District	623-435-6000
Higley Unified District	480-279-7000
Isaac Elementary District	602-455-6700
Kyrene Elementary District	480-783-4000
Laveen Elementary District	602-237-9100
Liberty Elementary District	623-474-6600
Litchfield Elementary District	623-535-6000
Littleton Elementary District	623-478-5600
Madison Elementary District	602-664-7900
Maricopa Regional	602-452-4700
Mesa Unified District	480-472-0000
Mobile Elementary District	520-568-2280
Murphy Elementary District	602-353-5000
Osborn Elementary District	602-707-2000
Paradise Valley Unified District	602-867-5100
Pendergast Elementary District	623-772-2200
Peoria Unified District	623-486-6000
Phoenix Elementary District	602-257-3755
Phoenix Union District	602-764-1100
Queen Creek Unified District	480-987-5935
Riverside Elementary District	602-477-8900
Roosevelt Elementary District	602-243-4800
Scottsdale Unified School District	480-484-6100
Tempe Elementary District	480-730-7100
Tempe Union District	480-839-0292
Tolleson Elementary District	623-936-9740
Tolleson Union District	623-478-4000
Union Elementary District	623-478-5005
Washington Elementary District	602-347-2802
West-MEC	623-873-1860
Wilson Elementary District	602-681-2200

### services & utilities

Maricopa County General Information	602-506-3011
Maricopa County Library District	602-652-3000
Housing Authority of Maricopa County	602-257-1113
Maricopa County Community Development	602-240-2210
Maricopa County Public Fiduciary	602-506-5801

# Pinal County

For additional information, visit: [www.pinalcountyz.gov](http://www.pinalcountyz.gov)

### police & fire services

Pinal County Sheriff	480-987-3492
Rural Fire Department	480-945-6311

### services & utilities

US Post Office	800-275-8777
Salt River Project	602-236-8888
City of Mesa Utilities	480-644-2221
H2O INC.	480-491-6971
Cable America	602-463-1818
Johnson Utilities (water)	480-987-9870
Apache Junction (waste)	480-982-1961

### public schools districts

Apache Junction Unified	480-982-1110
Casa Grande Elementary	520-836-2111
Casa Grande Union High School	520-836-8500
Coolidge Unified	520-723-2040
Eloy Elementary	520-466-2100
Florence Unified	520-866-3500
JO Combs Elementary	480-987-5300
Mammoth/San Manuel Unified	520-385-2337
Maricopa Unified	520-568-5100
Mary C O'Brien Accommodation District	520-723-9700

### private schools

East Valley Community Christian	480-983-1724
St Anthony of Padua Catholic School	520-836-7247

### charter schools

Academy of Excellence-Central AZ	520-723-4773
Apex Academy Middle School	480-288-0337
Apache Trail High School	480-288-0337
Akimel O'Otham Pee Posh Charter	520-215-5859
Casa Verde High School	520-316-3372
Coolidge High School Success Center	520-876-4462
Excalibur Charter School	480-373-9575
Avalon Academy for Performing Arts at San Marcos	480-671-4584
Morningstar Academy	480-671-5673
Pinnacle Education-Casa Grande	520-423-2380
PPEP TEC-Alice S Paul Learning Center	520-836-6549



# Yavapai County

For additional Information, visit: [www.co.yavapai.az.us.gov](http://www.co.yavapai.az.us.gov)

## general directory

### police & fire services

Yavapai County Sheriff	928-771-3260
Sedona Fire District	928-282-6800
Prescott Fire Department	928-777-1700

### services & utilities

US Post Office	800-275-8777
Sedona Chamber of Commerce	928-204-1123
Prescott Chamber of Commerce	928-445-2000
APS (Electric)	928-556-1234
Citizens Utilities	800-352-3010
Citizens Arizona Gas	928-729-5721
CenturyLink	800-244-1111
Table Top Telephone	800-560-8101



### school districts

Clarkdale-Jerome Elementary District	928-634-5035
Cottonwood-Oak Creek Elementary District	928-634-2288
Prescott Unified District	928-445-5400
Sedona-Oak Creek JUSD. #9	928-204-6800

# Coconino County

For additional Information, visit: [www.co.yavapai.az.us.gov](http://www.co.yavapai.az.us.gov)

### police & fire services

Coconino County Sheriff	928-226-5012
Flagstaff Fire Department	928-779-7688

### services & utilities

US Post Office	800-275-8777
Flagstaff Chamber of Commerce	928-774-4505
Flagstaff-Pulliam Airport	928-556-1234
APS (Electric)	800-253-9405
Navajo Tribal Utility Authority	928-729-5721
Citizens Arizona Gas	928-774-4591
Graves Propane Co.	928-526-3147
Southern Union Gas Co.	928-445-2210
City of Flagstaff Water	928-779-7637
Navajo Communication Co.	928-871-5581
CenturyLink	800-244-1111
Flagstaff Medical Center	928-779-3366

### school districts

Chevelton Butte School District	928-535-4729
Flagstaff Unified District	928-527-6000
Fredonia-Moccasin Unified District	928-643-7333
Grand Canyon Unified District	928-638-2461
Maine Consolidated Unified District	928-635-2115
Page Unified District	928-608-4157
Tuba City Unified District	928-283-1001
Williams Unified District	928-635-4473
Coconino County Superintendent of Schools	928-774-5011 / 800-559-9289



# Glossary of terms

## **Amendment**

A change: to alter, add to or correct-part of an agreement without changing the principle idea or essence.

## **Amortized Loan**

A loan where the principal of the loan is paid down over the life of the loan according to an amortization schedule, typically through equal payments.

## **Appraisal**

An estimated value of property resulting from analysis of facts about the property; an opinion of value.

## **Appreciation**

An increase in the value of real estate.

## **Assignment**

An assignment of the beneficial interest under the deed of trust from one beneficiary to another.

## **Assumption of Mortgage**

The purchase of mortgaged property whereby the buyer accepts liability for the debt that continues to exist. The seller remains liable to the mortgage lender unless the lender agrees to release him.

## **Beneficiary**

The lender on a deed of trust.

## **CC&R's**

Covenants, Conditions and Restrictions. Limitations sometimes put on the use and enjoyment of real property, such as limiting the property to single family or to a one-story dwelling.

## **Closing**

The final settlement of a real estate transaction between buyer and seller.

## **Cloud on Title**

A deed (title to real property) that has been recorded but includes an unusual characteristic that would give a reasonable person pause before accepting title. Often, the presence of a cloud on title provides the grantee the option to back out of a contract.

## **Comparable Sales**

A real estate appraisal term referring to properties with characteristics that are similar to a subject property whose value is being sought. Commonly called "comps" for shorthand.

## **Conventional Mortgage**

A mortgage securing a loan made by investors without governmental underwriting (i.e. not FHA or VA insured.)

## **Conveyance**

The transfer of a title of property from one person to another, or the granting of an encumbrance such as a mortgage or a lien.

## **Counter Offer**

A rejection of an offer by a seller along with an agreement to sell the property to the potential buyer on terms differing from the original offer.

## **Deed**

Written instrument, which when properly executed and delivered, conveys title to real property.

## **Deed of Trust**

An instrument used in many states in place of a mortgage.

## **Deed Restrictions**

Limitations placed on a deed that can restrict property usage.

## **Earnest Money**

Down payment made by a purchaser as evidence of good faith.

## **Easement**

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

## **Equity**

The interest or value which an owner has in real estate over and above the liens against the real property.

## **Escrow**

Deposit of instruments and funds with instructions to a neutral third party (Escrow Agent) to carry out the provisions of an agreement or contract.

## **FHA Loan**

(Federal Housing Administration) A loan that has been insured by the Federal Government guaranteeing its payment in case of default by the owner.

## **Hazard Insurance**

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

## **Homestead Exemption**

A legal regime designed to protect the value of the homes of residents from property taxes, creditors and circumstances arising from the death of the homeowner spouse. In Arizona, a person age 18 or over, married or single, who resides in the state may hold as a homestead exempt from attachment, execution and forced sale, not exceeding \$150,000 in value, certain property.

## **Impound Account**

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

## **Legal Description**

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

## **Lien**

A form of encumbrance that usually makes property security for the payment of a debt or discharge of an obligation (i.e., judgments, mortgages, etc.).

## **Mortgage**

The pledging of a property to a lender as a security for a mortgage loan.

## **Mortgage Insurance**

Insurance written by an independent mortgage insurance company protecting the mortgage lender against loss incurred by a mortgage default, thus enabling the lender to lend a higher percentage of the sales price.

## **PITI**

A payment that combines Principle, Interest, Taxes and Insurance.

## **Power of Attorney**

Authorization to act on someone else's behalf in a legal or business matter.

## **Mortgage Insurance**

Insurance written by an independent mortgage insurance company protecting the mortgage lender against loss incurred by a mortgage default, thus enabling the lender to lend a higher percentage of the sales price.

## **VA Loan**

A loan guaranteed by the Veterans Administration.

## **Warranty Deed**

A deed used to convey real property that contains warranties of title and quiet possession, and the grantor agrees to defend the premises against the lawful claims of third persons.



# *Listing Contract*



## **Listing Contract**

The Listing Contract is an important document. It includes the terms, conditions and the authorization for your real estate agents to sell your home.

Let your REALTOR® guide you through the Listing Contract as it's important you fully understand this document.

**GREYSTONE  
TITLE AGENCY**

Type



EXCLUSIVE RIGHT TO SELL/RENT LISTING CONTRACT LEGAL LANGUAGE

THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT. NO REPRESENTATION IS MADE AS TO THE LEGAL OR TAX CONSEQUENCES OF THIS CONTRACT. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT YOUR ATTORNEY OR TAX ADVISOR.

1. EXCLUSIVE RIGHT TO SELL AND/OR RENT. In consideration of the acceptance by the undersigned licensed Arizona real estate broker ("Broker") of the terms of this Listing Contract and Broker's promise to endeavor to effect a; [ ] sale, [ ] rental, [ ] sale and/or rental, of the property described below ("Premises"), I or we, as owner(s) ("Owner"), employ and grant Broker the exclusive and irrevocable right commencing on \_\_\_\_\_, \_\_\_\_\_ and expiring at 11:59 p.m. \_\_\_\_\_, \_\_\_\_\_, to sell, rent, exchange, or option the Premises described in Paragraph 3.

NOTE: Owner acknowledges that signing more than one Exclusive Right to Sell/Rent or other form of listing contract for the same term could expose the Owner to liability for additional commissions.

2. PRICE. The listing price shall be: Sale \$ [ ] Rental \$ [ ] per month, plus (in the case of a rental) all applicable lease or rental (transaction privilege) taxes, to be paid as described in the Owner's Profile Sheet ("Data Entry Form"), or such other price and terms as are accepted by Owner.

3. THE PREMISES.

a. Location Information.

Street Address City/Town County

Legal Description Assessor #

b. Fixtures and Personal Property. Except as excluded in Section 3(c) below, any sale or rental of the Premises shall include all existing fixtures on the Premises, any existing personal property specified in Section 3(c) below, and all of the following items of personal property, to the extent located on the Premises:

- free standing range/oven • flush-mounted speakers • landscaping, fountains and lighting
• built in appliances • attached fireplace equipment • water-misting systems
• light fixtures • window/door screens, sun screens • solar systems
• ceiling fans • storm windows and doors • pellet, wood-burning or gas-log stoves
• towel, curtain/drapery rods • shutters and awnings • timers
• draperies/other window coverings • garage door opener(s) and control(s) • mailbox
• attached floor coverings • attached media antennas/satellite dishes • storage sheds
• pool/spa equipment (including all mechanical and cleaning systems) • security and/or fire systems and/or alarms • water softeners
• central vacuum hoses, and attachments • water purification system

c. Appliances and Additional Existing Personal Property. The Premises shall include the following appliances which are presently located in or upon the Premises: [ ] Refrigerator [ ] Washer [ ] Dryer

[ ] Other \_\_\_\_\_

Additional items of personal property included in sale: \_\_\_\_\_

Fixtures and leased items NOT included in sale: \_\_\_\_\_

4. ACCESS AND LOCKBOX. Owner acknowledges that a lockbox and any other keys left with or available to Broker will permit access to the Premises by Broker or any other broker, with or without potential purchasers or tenants ("Prospects"), even when Owner or occupant is absent. Owner further acknowledges that, from time to time, unauthorized persons may have gained access to properties using lockboxes. Owner acknowledges that neither the Arizona Regional Multiple Listing Service ("ARMLS"), nor any Board or Association of REALTORS®, nor any broker (including Broker), is insuring Owner or occupant against theft, loss or vandalism resulting from any such access. Owner is responsible for taking such steps as may be necessary to secure and protect the Premises during any time that a lockbox is being used and obtaining appropriate insurance.

[ ] (Owner's Initials). Owner [ ] does / [ ] does not authorize Broker to install and use, on the Premises, a lockbox containing the key to the Premises. If the Premises is occupied by someone other than Owner, Owner will provide to the

54 Broker the occupant's written permission for the installation of the lockbox and the publication and dissemination of the  
55 occupant's name and telephone number.  
56

57 5. **AGENCY RELATIONSHIPS.** Owner understands that Broker is Owner's agent with respect to this Listing. Owner understands  
58 that Broker, either acting directly or through one or more licensees within the same brokerage firm, may represent a Prospect  
59 interested in the purchase or rental of the Premises. Owner authorizes the Premises to be shown to any such Prospect and  
60 understands that Broker may legally represent both Owner and Prospect in a transaction with the knowledge and informed  
61 consent of both parties.  
62

63 6. **COMPENSATION TO BROKER.** Owner agrees to compensate Broker as follows:

64 a. **RETAINER.** Broker acknowledges receipt of a non-refundable retainer fee of \$  payable to Broker for initial  
65 consultation, research and other services.

66 b. **COMMISSIONS.** If Broker produces a ready, willing and able purchaser or tenant in accordance with this Listing Contract, or  
67 if a sale, rental, option or exchange of the Premises is made by Owner or through any other broker, or otherwise, during the  
68 exclusive term of this Listing Contract, Owner agrees to pay Broker a commission of:

69 **For a: Sale:**  **Rental:**

70 of the Purchase/Lease Price or a commission of a substantially similar allocable amount if the transaction is structured as  
71 other than a purchase or lease.

72 With respect to any holdovers or renewals of rental, regardless of whether this Listing Contract has expired, Owner agrees  
73 to pay a commission of

74 The same amount of sale or rental commission shall be due and payable to Broker if, without the consent of Broker, the  
75 Premises is withdrawn from this Listing Contract, otherwise withdrawn from sale or rental, or is rented, transferred, or  
76 conveyed by Owner through any other broker or otherwise.

77 c. **COOPERATION WITH AND COMPENSATION TO OTHER BROKERS.** With regard to this Listing Contract, Broker intends  
78 to cooperate with all other brokers except when not in Owner's best interest:

79  and, in the case of a purchase, to offer compensation in the amount of  % of the gross purchase price or  
80 \$  to a buyer's broker, who represents the interest of the buyer(s), and not the interest of Owner in a  
81 transaction;

82  or, in the case of a lease, to offer compensation in the amount of  % of the gross lease price as calculated for  
83 the entire term of the initial lease, or

84 \$  to a tenant's broker, who represents the interest of the tenant(s), and not the interest of Owner in a  
85 transaction.

86 Furthermore, Broker may offer referral compensation to a referring broker who has no broker relationship with the  
87 buyer/tenant or Owner. If not specified above, Owner authorizes Broker to share all such compensation with other brokers  
88 in any manner acceptable to Broker.

89 d. **PAYMENT FROM ESCROW OR RENT.** Owner instructs the escrow company, if any, to pay all such compensation to  
90 Broker in cash or certified funds as a condition to closing or upon cancellation of the escrow, and irrevocably assigns to  
91 Broker, to the extent necessary, money payable to Owner at the closing or cancellation of escrow. Broker is authorized to  
92 deduct compensation from any rent or other monies received on behalf of Owner.

93 e. **PURCHASE BY TENANT.** If during the terms of any rental of the Premises, including any renewals or holdovers, or within  
94  days after its termination, any tenant, or his heirs, executors, or assigns shall buy the Premises from Owner, the  
95 sale commission described in Paragraph 6(b) shall be deemed earned by and payable to Broker.

96 f. **AFTER EXPIRATION.** After the expiration of this Listing Contract, the same commissions, as appropriate, shall be payable if  
97 a sale, rental, exchange, or option is made by Owner to any person to whom the Premises has been shown or with whom  
98 Owner or any broker has negotiated concerning the Premises during the term of this Listing Contract, (1) within

99  days after the expiration of this Listing Contract, unless the Premises has been listed on an exclusive basis with  
100 another broker, or (2) during the pendency, including the closing, of any purchase contract or escrow relating to the  
101 Premises that was executed or opened during the term of this Listing Contract, or (3) as contemplated by Paragraph 6(e).

102 g. **FAILURE TO COMPLETE.** If completion of a sale or rental is prevented by default of Owner, or with the consent of Owner,  
103 the entire sale or rental commission, as appropriate, shall be paid to Broker by Owner. If any earnest deposit is forfeited for  
104 any other reason, Owner shall pay a brokerage fee equal to the lesser of one-half of the earnest deposit or the full amount of  
105 the commission.

106 h. **CONSTRUCTION.** Listing Contract shall be construed as limiting applicable provisions of law relating to when commissions  
107 are earned or payable. In the event of any express disagreement between any provision of this Listing Contract and the

terms of applicable law, the applicable provision of this Listing Contract shall be deemed as modified to the minimum extent necessary to ensure compliance with applicable law.

**7. LISTING BROKER OBLIGATIONS AND AUTHORITY.** Broker agrees to make diligent and continued efforts to sell/lease the Premises.

- a. Owner authorizes Broker to place appropriate transaction signs on the Premises, including "For Sale" signs and "Sold" signs OR "For Lease" and "Leased" signs.
- b. Owner authorizes Broker to obtain information relating to the present mortgage(s) on the Premises.
- c. Owner authorizes Broker to provide the information on the Listing/Data Entry Form, and any photographs of the Premises, to ARMLS for publishing and dissemination, in whole or in part, in printed or electronic form, including via the Internet, to ARMLS participants and the general public, even after the cancellation or expiration of the Listing. Broker is authorized to report the sale, exchange, option or rental of the Premises, and its price, terms and financing, for dissemination through ARMLS or otherwise to authorized ARMLS participants and to the public and for use by companies engaged in selling information for various purposes, including but not limited to, appraisals or evaluations of tax assessments.
- d. Owner authorizes Broker to market the Premises as Broker deems advisable, including marketing the Premises on the Internet unless limited in (7)(d)(i) or (7)(d)(ii) below.

**(Owner opt-out) (Check one if applicable)**

- (i) Owner does not authorize Broker to display the Listing on the Internet.
- (ii) Display the Listing on the Internet except the street address of the Premises shall not be displayed on the Internet.

Owner understands and acknowledges that if Owner selects option (ii), consumers who conduct searches for listings on the Internet will not see information about the listed Premises in response to their search.

- e. Virtual Office Websites: Some real estate brokerages offer real estate brokerage services online. These websites are referred to as Virtual Office Websites ("VOW"). An automated estimate of market value or reviews and comments about a Premises may be displayed in conjunction with a Premises on some VOWs. Anyone who registers on a Virtual Office Website may gain access to such automated valuations or comments and reviews about any Premises displayed on a VOW. Unless limited below, a VOW may display automated valuations or comments/reviews (blogs) about the Premises.

**(Owner opt-out) (Check if applicable)**

- (i) Owner does not authorize an automated estimate of the market value of the Premises (or hyperlink to such estimate) to be displayed in immediate conjunction with any listing information relating to Premises.
- (ii) Owner does not authorize third parties to write online comments or reviews about the Premises or the listing of the Premises (or display a hyperlink to such comments or reviews) in immediate conjunction with any listing information relating to the Premises.

- f. Broker reserves the right to cancel this Listing Contract unilaterally for cause, which shall include, but is not limited to, Broker's good faith belief that any service requested of Broker or any action undertaken by anyone other than Broker is (or could be determined to be) in violation of any applicable law.

**8. ROLE OF BROKER.** Owner acknowledges that Broker is not responsible for the custody or condition of the Premises or for its management (except under separate contract), maintenance, upkeep or repair.

**9. DOCUMENTS.** In connection with any sale or rental of the Premises, Owner consents to the use of the standard form of purchase or rental contract used by Broker and all other standard documents used by Broker and the escrow and title companies.

**10. REALTOR® STATUS.**  This agent is a REALTOR® member of the \_\_\_\_\_ Association/Board of REALTORS® and subscribes to the REALTOR® Code of Ethics.  This agent is not a member of any REALTOR® Association/Board, but as a Subscriber to the Arizona Regional Multiple Listing Service, Inc., has agreed to abide by the Standards of Conduct of MLS Subscribers.

**11. OWNER OBLIGATIONS.** In consideration of Broker's obligations, Owner agrees to:

- a. Cooperate with Broker in carrying out the purpose of this Listing Contract, including referring immediately to Broker all inquiries regarding the Premises' transfer, whether by purchase or any means of transfer.
- b. Provide Broker with keys to the Premises and make the Premises available for Broker to show during reasonable times.
- c. Inform Broker prior to leasing, mortgaging or otherwise encumbering the Premises.
- d. Inform Broker of any past due HOA, tax or other Premises related fees. During the term of this Listing Contract, Owner agrees to continue disclosing to Broker all additional information of the type required by the preceding sentence promptly after Owner becomes aware of any such information.
- e. **Complete and return to Broker a Seller Property Disclosure Statement ("SPDS") form if the premises is to be sold, and/or any disclosures required by the Arizona Residential Landlord and Tenant Act if the premises is to be leased. These disclosures are designed to disclose pertinent property information. Broker shall have no responsibility, in whole or part, for the preparation of the SPDS form nor any disclosures required in the Arizona Residential Landlord and Tenant Act.**

- 168 f. If applicable, sign and deliver to the escrow company a certificate indicating whether Owner is a foreign person or non-  
169 resident alien pursuant to the **Foreign Investment in Real Property Tax Act (FIRPTA)**.
- 170 g. Provide a **Disclosure of Lead-Based Paint and Lead-Based Paint Hazards** as required by the U.S. Department of  
171 Housing and Urban Development, if any Premises structure was built before 1978.
- 172 h. Deliver a completed **Affidavit of Disclosure** in the form required by law to a buyer within (5) days after purchase contract  
173 acceptance, if the Premises is located in an unincorporated area of the county, and five or fewer parcels of property other  
174 than subdivided property are being transferred.
- 175
- 176 12. **INSURANCE.** Owner acknowledges that Owner's or occupant's property could be damaged or stolen or persons visiting the  
177 Premises could be injured. Owner shall be responsible for obtaining appropriate insurance to cover such possible events.
- 178
- 179 13. **GENERAL WARRANTIES BY OWNER.** Owner represents and warrants:
- 180 a. **CAPACITY.** Owner has the legal capacity, full power and authority to enter into this Listing Contract, deliver marketable  
181 title to the Premises and consummate the transactions contemplated hereby on Owner's own behalf or on behalf of the  
182 party Owner represents, as appropriate.
- 183 b. **ADVERSE INFORMATION.** Owner has disclosed to Broker all material latent defects and information concerning the  
184 Premises known to Owner, including all material information relating to: connection to a public sewer system, septic tank or  
185 other sanitation system; the existence of any tax, judgment or other type of lien; past or present infestation by or treatment  
186 for wood-destroying pests or organisms; and past or present repair of the Premises for damage resulting from wood-  
187 destroying pests or organisms. During the term of this Listing Contract, Owner agrees to continue disclosing to Broker all  
188 additional information of the type required by the preceding sentence promptly after Owner becomes aware of any such  
189 information by updating SPDS or other written notice.
- 190 c. **CORRECT INFORMATION.** All information concerning the Premises in this Listing Contract, including the Data Entry Form  
191 relating to the Premises, or otherwise provided by Owner to Broker or to any Prospect is, or will be at the time provided,  
192 and shall be at close of escrow or occupancy by a tenant, true, correct and complete. Owner agrees to notify Broker  
193 promptly if there is any material change in such information until the latest to occur of the expiration of this Listing Contract,  
194 any close of escrow or occupancy by a tenant.
- 195 d. **USE OF LISTING CONTENT; INTELLECTUAL PROPERTY LICENSE.** Unless Owner delivers to Broker a written  
196 certification, expressly prohibiting the dissemination to a multiple listing service of the listing and any listing information  
197 relating to the Premises, Owner acknowledges and agrees that all photographs, images, graphics, video recordings, virtual  
198 tours, drawings, written descriptions, remarks, narratives, pricing information, and other copyrightable elements relating to  
199 the Premises provided by Owner to Broker or Broker's agent (the "Owner Listing Content"), or otherwise obtained or  
200 produced by Broker or Broker's agent in connection with this Listing Contract (the "Broker Listing Content"), and any  
201 changes to the Owner Listing Content or the Broker Listing Content, may be filed with one or more multiple listing services,  
202 included in compilations of listings, and otherwise distributed, publicly displayed and reproduced, subject to the limitations  
203 listed in Section 7 of this Listing Contract. Owner hereby grants to Broker a non-exclusive, irrevocable, worldwide, royalty  
204 free license to use, sublicense through multiple tiers, publish, display, and reproduce the Owner Listing Content, to prepare  
205 derivative works of the Owner Listing Content, and to distribute the Owner Listing Content or any derivative works thereof,  
206 subject to the limitations listed in Section 7 of this Listing Contract. This non-exclusive license shall survive the termination  
207 of this Listing Contract for any reason whatever. Owner represents and warrants to Broker that the Owner Listing Content,  
208 and the license granted to Broker for the Owner Listing Content, do not violate or infringe upon the rights, including any  
209 copyright rights, of any person or entity. Owner acknowledges and agrees that as between Owner and Broker, all Broker  
210 Listing Content is owned exclusively by Broker, and Owner has no right, title or interest in or to any Broker Listing Content.
- 211
- 212 14. **UTILITIES.** During the term of this Listing Contract, Owner shall maintain continuous service to the Premises of all utilities which  
213 are currently connected to the Premises.
- 214
- 215 15. **RELIEF OF LIABILITY.** Broker is hereby relieved of any and all liability and responsibility for everything stated in Paragraphs  
216 11.e, 11.f, 11.g, 12, and 13.
- 217
- 218 16. **INDEMNIFICATION.** Owner agrees to indemnify and hold Broker, all Boards or Associations of REALTORS®, ARMLS and all  
219 other brokers harmless against any and all claims, expenses, liabilities, damages and losses arising from (i) any  
220 misrepresentation, breach of warranty or breach of a promise by Owner in this Listing Contract, (ii) any incorrect information  
221 supplied by Owner, (iii) any facts concerning the Premises not disclosed by Owner, including any facts known to Owner relating  
222 to adverse conditions or latent defects, (iv) the use of a lockbox, or (v) any injury or damage to persons or property in connection  
223 with the marketing or showing of the Premises. This indemnification shall survive Broker's performance and any transfer of title.
- 224
- 225 17. **OTHER OWNERS AND PROSPECTS.** Owner understands that other owners may make offers to sell or rent or may sell, rent,  
226 exchange or option properties similar to the Premises through Broker. Owner consents to any agency representation by Broker  
227 of such other owners before, during and after the expiration of this Listing Contract and understands that the Premises probably  
228 will not be presented or shown to every Prospect encountered by Broker.



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18. **ATTORNEYS' FEES.** In any action or proceeding to enforce any provision of this Listing Contract, or for damages sustained by reason of its breach, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees, as set by the court or arbitrator and not by a jury, and all other related expenses, such as expert witness fees, fees paid to investigators and court costs. Additionally, if any broker hires an attorney to enforce the collection of any commission payable pursuant to this Listing Contract, and is successful in collecting some or all of such commission without commencing any action or proceeding, Owner agrees to pay such broker's reasonable attorneys' fees and costs and Owner also agrees to pay interest at the legal rate on all compensation and other amounts owed or due to broker from the time due until paid in full.
19. **DEPOSITS.** Owner authorizes brokers to accept earnest deposits on behalf of Owner and to issue receipts for such earnest deposits.
20. **RECOMMENDATIONS.** If Broker recommends a builder, contractor, escrow company, title company, pest control service, appraiser, lender, home inspection company or home warranty company or any other person or entity to Owner for any purpose, such recommendation shall be independently investigated and evaluated by Owner, who hereby acknowledges that any decision to enter into any contractual arrangement with any such person or entity recommended by Broker will be based solely upon such independent investigation and evaluation.
21. **SUBSEQUENT PURCHASE OR LEASE OFFERS.** Broker acknowledges that Owner has the right to accept subsequent offers until the close of escrow in the case of a sale or until occupancy by a tenant in the case of a rental. Owner understands that any subsequent offers accepted by Owner must be backup offers, namely, contingent on the cancellation or other nullification of any contracts arising from the acceptance of earlier offers. Broker will change or maintain the correct MLS Listing status in accordance to the ARMLS Rules and Regulations and any associated policies.  
(Check if applicable)  Accept backup offers.  Withhold verbal offers.  Withhold all offers once Owner accepts a purchase or lease contract for the Premises.
22. **EQUAL HOUSING OPPORTUNITY.** The Premises will be presented in compliance with federal, state and local fair housing laws and regulations.
23. **TIME OF ESSENCE.** Time is of the essence in the performance of the obligations contained in this Listing Contract.
24. **COUNTERPARTS AND ELECTRONIC COPIES.** This Listing Contract may be executed in any number of counterparts by the parties hereto. All counterparts so executed shall constitute one Listing Contract binding upon all parties hereto, notwithstanding that all parties do not sign the same counterpart. Any legible electronic copy of the Listing Contract which indicates that the Listing Contract was fully executed shall be treated as an original Listing Contract.
25. **CONSTRUCTION OF LANGUAGE AND GOVERNING LAW.** The language of this Listing Contract shall be construed according to its fair meaning and not strictly for or against either party. Words used in the masculine, feminine or neuter shall apply to either gender or the neuter, as appropriate. All singular and plural words shall be interpreted to refer to the number consistent with circumstances and context. Whenever the words "include", "includes" or "including" are used in this Listing Contract, they shall be deemed to be followed by the words "without limitation". If this Listing Contract is used for a rental, exchange, or option instead of a sale of the Premises, all language in this Listing Contract relating to the sale of Premises shall be construed to apply as appropriate, to a rental, exchange, or option. For example, Owner shall be deemed to be Exchanger, Optionor, or Landlord respectively. This Listing Contract shall be governed by the laws of the State of Arizona.
26. **TAXES AND REGISTRATION.** Owner acknowledges that a rental property must be registered with the County Assessor's Office and may be subject to a tax on gross receipts and a special rental classification for property taxes. Owner agrees to obtain appropriate licenses and pay fees and taxes when due. Owner agrees to indemnify and hold Broker harmless for any such tax liability, including penalties and interest.
27. **ADDITIONAL TERMS.**

285 \_\_\_\_\_  
 286 \_\_\_\_\_  
 287 \_\_\_\_\_  
 288 \_\_\_\_\_  
 289 \_\_\_\_\_

290  Additional addendum/addenda attached.

291  
 292 28. **ENTIRE AGREEMENT.** This Listing Contract including the Data Entry Sheet, plus any attached exhibits and any addenda or  
 293 supplements signed by Owner and Broker, shall constitute the entire agreement between Owner and Broker and supersede any  
 294 other written or oral agreements between Owner and Broker. It is the intention of the parties that this Listing Contract shall be a  
 295 legally binding contract once it has been signed by Owner and Broker even though none, or only some, of the pages have been  
 296 initialed by Owner. This Listing Contract can be modified only by a writing signed by Owner and Broker.  
 297 THE TERMS AND CONDITIONS IN THIS LISTING CONTRACT PLUS ALL INFORMATION ON THE DATA ENTRY FORM  
 298 ARE INCORPORATED HEREIN BY REFERENCE. COMMISSIONS PAYABLE FOR THE SALE, RENTAL OR MANAGEMENT  
 299 OF PREMISES ARE NOT SET BY ANY BOARD OR ASSOCIATION OF REALTORS® OR MULTIPLE LISTING CONTRACT  
 300 SERVICE OR IN ANY MANNER OTHER THAN BY NEGOTIATION BETWEEN THE BROKER AND THE OWNER. BY  
 301 SIGNING BELOW, OWNER ACKNOWLEDGES THAT HE HAS READ, UNDERSTANDS AND ACCEPTS ALL TERMS AND  
 302 PROVISIONS CONTAINED HEREIN AND THAT HE HAS RECEIVED A COPY OF THIS LISTING CONTRACT.  
 303

304 \_\_\_\_\_  
 305 Print Name of Owner \_\_\_\_\_ Print Name of Owner \_\_\_\_\_  
 306 \_\_\_\_\_  
 307 \_\_\_\_\_  
 308 Street \_\_\_\_\_ City/Town \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 309 \_\_\_\_\_  
 310 \_\_\_\_\_  
 311 Phone \_\_\_\_\_ Fax \_\_\_\_\_ Owner's email Address \_\_\_\_\_  
 312 \_\_\_\_\_  
 313 \_\_\_\_\_  
 314 Owner's Signature \_\_\_\_\_ Mo/Da/Yr \_\_\_\_\_ Owner's Signature \_\_\_\_\_ Mo/Da/Yr \_\_\_\_\_  
 315

316 **ADDITIONAL OWNER(S) (If applicable)**

317 \_\_\_\_\_  
 318 \_\_\_\_\_  
 319 Print Name of Owner \_\_\_\_\_ Print Name of Owner \_\_\_\_\_  
 320 \_\_\_\_\_  
 321 \_\_\_\_\_  
 322 Street \_\_\_\_\_ City/Town \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 323 \_\_\_\_\_  
 324 \_\_\_\_\_  
 325 Phone \_\_\_\_\_ Fax \_\_\_\_\_ Owner's email Address \_\_\_\_\_  
 326 \_\_\_\_\_  
 327 \_\_\_\_\_  
 328 Owner's Signature \_\_\_\_\_ Mo/Da/Yr \_\_\_\_\_ Owner's Signature \_\_\_\_\_ Mo/Da/Yr \_\_\_\_\_  
 329

330  Additional Owner information attached.

331  
 332 In consideration of Owner's representations and promises in this Listing Contract, Broker agrees to endeavor to effect a sale, rental,  
 333 exchange, or option in accordance with this Listing Contract.  
 334

335 \_\_\_\_\_  
 336 Firm Name (Broker) \_\_\_\_\_ Preferred Phone \_\_\_\_\_ Fax \_\_\_\_\_  
 337 \_\_\_\_\_  
 338 \_\_\_\_\_  
 339 By: \_\_\_\_\_  
 340 Agent's Signature \_\_\_\_\_ Agent Name (Printed) \_\_\_\_\_ Date (Mo/Da/Yr) \_\_\_\_\_ Agent's Email \_\_\_\_\_

# *Purchase Contract*



## **Purchase Contract and Addendum**

The Purchase Contract and Addendum(s) is a lengthy but important contract. It is the legal written document that details the specific agreement by which this transaction will take place. It is the only written record of your agreement and will serve as the sole resource document for all parties involved. It is a crucial document, for which you should have an understanding.

Let your REALTOR® guide you through the Purchase Contract. Knowing the specifics of your situation, your REALTOR® can show you what portions of the contract will be of primary importance to you in achieving a successful transaction.

## **Disclosures and Contingencies**

**Disclosures:** The Purchase Contract now requires you to complete a Seller's Property Disclosure Statement. This is a document that informs the Buyer of any significant facts about the condition of the property, based on your best knowledge.

**Contingencies:** There will be various contingency dates in your Purchase Contract. Be aware of these and make certain that actions required are performed within the time agreed. Stay closely in touch with your real estate agent regarding these important dates.

**GREYSTONE  
TITLE AGENCY**

# BUYER ATTACHMENT

Document updated:  
February 2017



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



## ATTENTION BUYER!

*You are entering into a legally binding agreement.*

1. Read the entire contract *before* you sign it.
2. Review the Residential Seller's Property Disclosure Statement (See Section 4a).
- This information comes directly from the Seller.
  - Investigate any blank spaces, unclear answers or any other information that is important to you.
3. Review the Inspection Paragraph (see Section 6a).
- If important to you, hire a qualified:
- General home inspector
  - Heating/cooling inspector
  - Mold inspector
  - Pest inspector
  - Pool inspector
  - Roof inspector
- Verify square footage (see Section 6b)  
Verify the property is on sewer or septic (see Section 6f)
4. Confirm your ability to obtain insurance and insurability of the property during the inspection period with your insurance agent (see Sections 6a and 6e).
5. Apply for your home loan now, if you have not done so already, and provide your lender with all requested information (see Section 2f).
- It is your responsibility to make sure that you and your lender follow the timeline requirements in Section 2, and that you and your lender deliver the necessary funds to escrow in sufficient time to allow escrow to close on the agreed upon date. Otherwise, the Seller may cancel the contract and you may be liable for damages.
6. Read the title commitment within five (5) days of receipt (see Section 3c).
7. Read the CC&R's and all other governing documents within five (5) days of receipt (see Section 3c), especially if the home is in a homeowner's association.
8. Conduct a thorough pre-closing walkthrough (see Section 6l). If the property is unacceptable, speak up. After the closing may be too late.

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

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

**Buyer's Check List**

# RESIDENTIAL RESALE REAL ESTATE PURCHASE CONTRACT

Document updated:  
February 2017



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



## 1. PROPERTY

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

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

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

**2. FINANCING**

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

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

**3. TITLE AND ESCROW**

3a. 115. **Escrow:** This Contract shall be used as escrow instructions. The Escrow Company employed by the parties to carry out the 116. terms of this Contract shall be:

117. \_\_\_\_\_  
 ESCROW/TITLE COMPANY

118. \_\_\_\_\_  
 ADDRESS CITY STATE ZIP

119. \_\_\_\_\_  
 EMAIL PHONE FAX

3b. 120. **Title and Vesting:** Buyer will take title as determined before COE. If Buyer is married and intends to take title as his/her sole 121. and separate property, a disclaimer deed may be required. Taking title may have significant legal, estate planning and tax 122. consequences. Buyer should obtain independent legal and tax advice.

3c. 123. **Title Commitment and Title Insurance:** Escrow Company is hereby instructed to obtain and deliver to Buyer and Seller directly, 124. addressed pursuant to 8s and 9c or as otherwise provided, a Commitment for Title Insurance together with complete and legible copies 125. of all documents that will remain as exceptions to Buyer's policy of Title Insurance ("Title Commitment"), including but not limited to 126. Conditions, Covenants and Restrictions ("CC&Rs"); deed restrictions; and easements. Buyer shall have five (5) days after receipt of the 127. Title Commitment and after receipt of notice of any subsequent exceptions to provide notice to Seller of any items disapproved. Seller 128. shall convey title by warranty deed, subject to existing taxes, assessments, covenants, conditions, restrictions, rights of way, easements 129. and all other matters of record. Buyer shall be provided at Seller's expense an American Land Title Association ("ALTA") Homeowner's 130. Title Insurance Policy or, if not available, a Standard Owner's Title Insurance Policy, showing title vested in Buyer. Buyer may acquire 131. extended coverage at Buyer's own additional expense. If applicable, Buyer shall pay the cost of obtaining the ALTA Lender Title 132. Insurance Policy.

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

**5. WARRANTIES**

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

**6. DUE DILIGENCE**

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

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

6f. 241. **Sewer or On-site Wastewater Treatment System:** The Premises are connected to a:  
 242.  sewer system  conventional septic system  alternative system

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

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

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

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

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

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

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

6j. 264. **Buyer Disapproval:** If Buyer, in Buyer's sole discretion, disapproves of items as allowed herein, Buyer shall deliver to Seller a  
 265. signed notice of the items disapproved and state in the notice that Buyer elects to either:  
 266. (1) Immediately cancel this Contract, in which case:

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

273. **OR**

- 274. (2) Provide Seller an opportunity to correct the items disapproved, in which case:
  - 275. (a) Seller shall respond in writing within five (5) days or \_\_\_\_\_ days after delivery to Seller of Buyer's notice of items  
 276. disapproved. Seller's failure to respond to Buyer in writing within the specified time period shall conclusively be deemed  
 277. Seller's refusal to correct any of the items disapproved.
  - 278. (b) **If Seller agrees in writing to correct items disapproved, Seller shall correct the items, complete any repairs in a**  
 279. **workmanlike manner and deliver any paid receipts evidencing the corrections and repairs to Buyer three (3) days**  
 280. **or \_\_\_\_\_ days prior to the COE Date.**
  - 281. (c) If Seller is unwilling or unable to correct any of the items disapproved, Buyer may cancel this Contract within five (5) days  
 282. after delivery of Seller's response or after expiration of the time for Seller's response, whichever occurs first, and the  
 283. Earnest Money shall be released to Buyer. If Buyer does not cancel this Contract within the five (5) days as provided,  
 284. Buyer shall close escrow without correction of those items that Seller has not agreed in writing to correct.

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

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

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**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 2i, 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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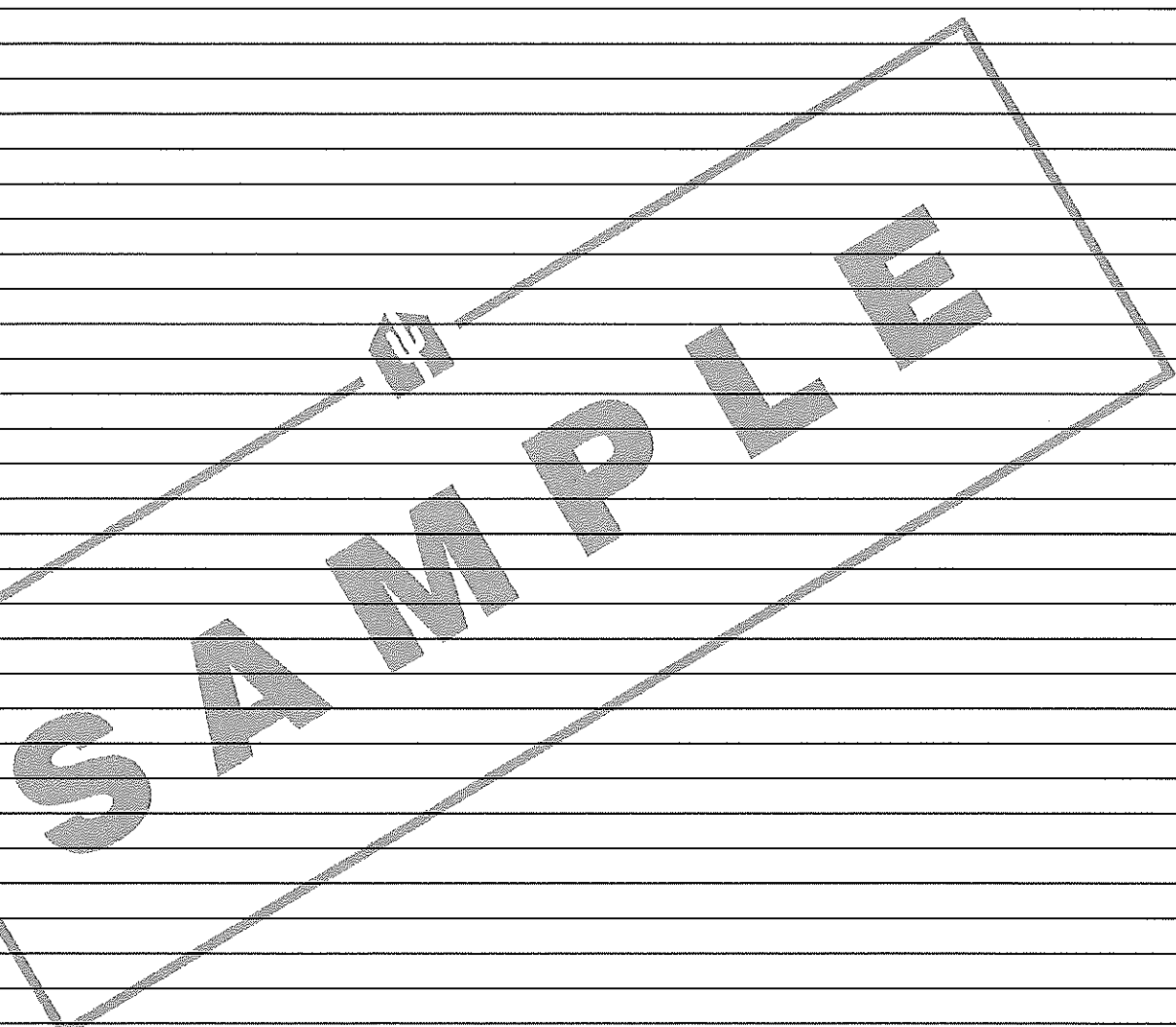
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**8. ADDITIONAL TERMS AND CONDITIONS**

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