

# Home Buyer's Guide

to the Title &  
Escrow Process  
in Arizona

**REALTY  
EXECUTIVES**



**First American Title™**

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## Quick Reference



Your Escrow Number	
Your New Address	
City/State/Zip	

### Real Estate Agent

Name	
Company	
Address	
Email	
Phone	
Fax	
Assistant	
Email	

### First American Title

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

### Insurance

Previous Company		Phone	
Previous Agent		Policy No.	
New Company		Phone	
New Agent		Policy No.	
Home Warranty Company		Policy No.	

### Utilities and Services

**Southwest Gas**  
1.877.860.6020  
[www.swgas.com](http://www.swgas.com)

**Cox**  
602.277.1000  
[www.cox.com](http://www.cox.com)

**Direct TV**  
1.888.777.2454  
[www.directtv.com](http://www.directtv.com)

**Dish Network**  
1.800.823.4929  
[www.dishnetwork.com](http://www.dishnetwork.com)

**CenturyLink**  
800.366.8201  
[www.centurylink.com](http://www.centurylink.com)

**AT&T**  
1.800.222.0300  
[www.att.com](http://www.att.com)

**Verizon**  
1.877.300.4498  
[www.connecttoverizon.com](http://www.connecttoverizon.com)

**Salt River Project**  
602.236.8888  
[www.srpnet.com](http://www.srpnet.com)

**APS**  
602.371.7171  
[www.aps.com](http://www.aps.com)





# Count on **First American Title**

**Welcome** to the home-buying process. Throughout this process, you can count on First American Title to guide you smoothly through your transaction and provide expert answers to your questions. **We are happy to serve you.**

## Count On Us For Service

First American Title's professionals are proud to provide the title insurance that assures people's home ownership. Backed by First American Title Insurance Company, your transaction will be expertly completed in accordance with state-specific underwriting standards and state and federal regulatory requirements.

## Count On Us For Stability

First American Title is the principal subsidiary of First American Financial Corporation, and one of the largest suppliers of title insurance services in the nation. With roots dating back to 1889, we've served families for generations.

## Count On Us For Convenience

First American Title has a direct office or agent near you, offering convenient locations throughout Arizona. We also have an extensive network of offices and agents throughout the United States, and internationally.

## Count On Us To Meet Your Needs

First American Financial Corporation offers more than title insurance and escrow services through its subsidiaries. Our subsidiaries also provide property data, title plant records and images, home warranties, property and casualty insurance, and banking, trust and advisory services.



# Benefits of Buying

Not sure if you should buy a home? The rent you pay could build equity in your own real estate. Do you realize how much you pay in rent over a period of years? The chart below gives you a total picture of what is happening to your money. The rent you pay adds up to a sizeable sum.

RENT	1 YR	3 YRS	5 YRS	10 YRS	15 YRS	RETURN
\$800	\$9,600	\$28,800	\$48,000	\$96,000	\$144,000	\$0
\$900	\$10,800	\$32,400	\$54,000	\$108,000	\$162,000	\$0
\$1,000	\$12,000	\$36,000	\$60,000	\$120,000	\$180,000	\$0
\$1,100	\$13,200	\$39,600	\$66,000	\$132,000	\$198,000	\$0
\$1,200	\$14,400	\$43,200	\$72,000	\$144,000	\$216,000	\$0
\$1,300	\$15,600	\$46,800	\$78,000	\$156,000	\$234,000	\$0
\$1,400	\$16,800	\$50,400	\$84,000	\$168,000	\$252,000	\$0
\$1,500	\$18,000	\$54,000	\$90,000	\$180,000	\$270,000	\$0
\$1,750	\$21,000	\$63,000	\$105,000	\$210,000	\$315,000	\$0
\$2,000	\$24,000	\$72,000	\$120,000	\$240,000	\$360,000	\$0
\$2,500	\$30,000	\$90,000	\$150,000	\$300,000	\$450,000	\$0

## → RENT

- No interest payment deductions
- Rental amount may increase at any time
- Landlord approval needed for any changes
- No capitalization; your money disappears forever
- Rental is temporary and is often subject to 30 day's notice

## → BUY

- Deductions for your mortgage interest paid
- Mortgage payments could be fixed
- Decorate and make changes without prior approval
- The value of your property may increase in time
- Your house will become a home, not a temporary living situation; you are not at the mercy of a landlord



# HOW MUCH HOME CAN YOU AFFORD

This formula is only a guide and not to be construed as actual lending calculations.

Contact your loan officer to determine more accurately what price range you should consider. Lenders abide by certain ratios when calculating the loan amount their customers can qualify for and the ratios vary by lender and loan program. Many use 28% of your gross monthly income as the maximum allowed for your mortgage payment (principal/interest/taxes/insurance or PITI); for your total monthly debt, the ratio is 36%. Total monthly expenses means PITI plus long-term debt (such as auto loans) and revolving/credit-card debt. Do not include other expenses such as groceries, utilities, clothing, tuition, etc., to calculate this ratio.

## Sample Mortgage Payment

30-Year loan / principal & interest only

LOAN AMOUNT	INTEREST RATE							
	3.50%	3.75%	4%	4.25%	4.50%	4.75%	5%	5.25%
\$80,000	359	370	382	394	405	417	429	442
\$100,000	449	463	477	492	507	522	537	552
\$120,000	539	556	573	590	608	626	644	663
\$140,000	629	648	668	689	709	730	752	773
\$160,000	718	741	764	787	811	835	859	884
\$180,000	808	834	859	885	912	939	966	994
\$200,000	898	926	955	984	1,013	1,043	1,074	1,104
\$220,000	988	1,019	1,050	1,082	1,115	1,148	1,181	1,215
\$240,000	1,078	1,111	1,146	1,181	1,216	1,252	1,288	1,325
\$260,000	1,168	1,204	1,241	1,279	1,317	1,356	1,396	1,436
\$280,000	1,257	1,297	1,337	1,377	1,419	1,461	1,503	1,546
\$300,000	1,347	1,389	1,432	1,476	1,520	1,565	1,610	1,657

# Terms You Should Know

## Appraisal

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

## Annual Percentage Rate (APR)

The borrower's costs of the loan term expressed as a rate. This is not their interest rate.

## Beneficiary

The recipient of benefits, often from a deed of trust; usually the lender.

## Closing Disclosure (CD)

Closing Disclosure form designed to provide disclosures that will be helpful to borrowers in understanding all of the costs of the transaction. This form will be given to the consumer three (3) business days before closing.

## Close of Escrow

Generally the date the buyer becomes the legal owner and title insurance becomes effective.

## Comparable Sales

Sales that have similar characteristics as the subject real property, used for analysis in the appraisal. Commonly called "comps."

## Consummation

Occurs when the borrower becomes contractually obligated to the creditor on the loan, not, for example, when the borrower becomes contractually obligated to a seller on a real estate transaction. The point in time when a borrower becomes contractually obligated to the creditor on the loan depends on applicable State law. Consummation is not the same as close of escrow or settlement.

## Deed of Trust

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

## Deed Restrictions

Limitations in the deed to a parcel of real property that dictate certain uses that may or may not be made of the real property.

## Disbursement Date

The date the amounts are to be disbursed to a buyer and seller in a purchase transaction or the date funds are to be paid to the borrower or a third party in a transaction that is not a purchase transaction.

## Earnest Money Deposit

Down payment made by a purchaser of real property as evidence of good faith; a deposit or partial payment.

## Easement

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

## Endorsement

As to a title insurance policy, a rider or attachment forming a part of the insurance policy expanding or limiting coverage.

## 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.

## Impounds

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

## Legal Description

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

## Lien

A form of encumbrance that usually makes a specific parcel of real property the security for the payment of a debt or discharge of an obligation. For example, judgments, taxes, mortgages, deeds of trust.

## Loan Estimate (LE)

Form designed to provide disclosures that will be helpful to borrowers in understanding the key features, costs and risks of the mortgage loan for which they are applying. Initial disclosure to be given to the borrower three (3) business days after application.

## Mortgage

The instrument by which real property is pledged as security for repayment of a loan.

## PITI

A payment that includes Principal, Interest, Taxes, and Insurance.

## Power of Attorney

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

## Recording

Filing documents affecting real property with the appropriate government agency as a matter of public record.

## Settlement statement

Provides a complete breakdown of costs involved in a real estate transaction.

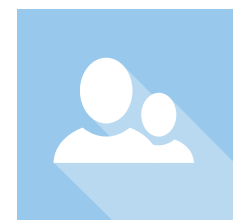
## TRID

TILA-RESPA Integrated Disclosures





# Key Professionals Involved in Your Transaction



## **REALTOR®**

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

## **REAL ESTATE AGENT**

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

## **LISTING AGENT**

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

## **BUYER'S AGENT**

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

## **MULTIPLE LISTING SERVICE (MLS)**

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

## **TITLE COMPANY**

These are the people who carry out the title search and examination, work with you to eliminate the title exceptions you are not willing to take subject to, and provide the policy of title insurance regarding title to the real property.

## **ESCROW OFFICER**

An escrow officer leads the facilitation of your escrow, including escrow instructions preparation, document preparation, funds disbursement, and more.



# Benefits of using a Professional REALTOR®

Congratulations on your decision to buy a home! It's a challenging project, and there are many ways a professional can help. Here are some of the many ways you may benefit from working with a REALTOR®:

## **IT WON'T COST YOU A PENNY!**

The REALTOR® who helps you buy a home is traditionally paid by the seller.

## **MANY MORE HOME CHOICES.**

Your REALTOR® has thousands of homes to choose from through the Multiple Listing Service (MLS), so you're more likely to find the home that's just right for you and find it quicker. In fact, a majority of the homes for sale are listed by REALTORS® and aren't available to you unless you are working with a REALTOR®.

## **A NUMBER OF TRANSACTIONS "FALL OUT."**

Unfortunately, it's true. Some transactions fall apart before closing. An experienced REALTOR® may be able to resolve problems and see your transaction through to a successful closing.

## **KNOWLEDGE OF NEW HOME SUBDIVISIONS.**

New home subdivisions will welcome you and your REALTOR®. If you're interested in buying a new home, take your agent with you on your first visit to each subdivision. Your professional REALTOR® is an important source of information who can supply background on the builder, nearby subdivisions, and the local community.

## **IT'S A MAJOR INVESTMENT.**

You use a professional for your legal, financial and health needs. Why gamble on what may be your biggest investment without a professional at your side?

## **HELP WITH FSBO'S.**

If you consider a "For Sale By Owner," take your REALTOR® along to help negotiate the contract.

## **LESS LIABILITY.**

You may have more protection from legal and financial liability, especially as real estate transactions become more complicated.

## **THE PAPERWORK.**

Your experienced REALTOR® will negotiate and prepare the purchase contract for you and assist you throughout the escrow process.



# Selecting a Home



The following home comparison chart is designed to help you remember the homes you visit and what you liked best and least about each one. Rate features or make notes that will help you determine what pleased or displeased you.

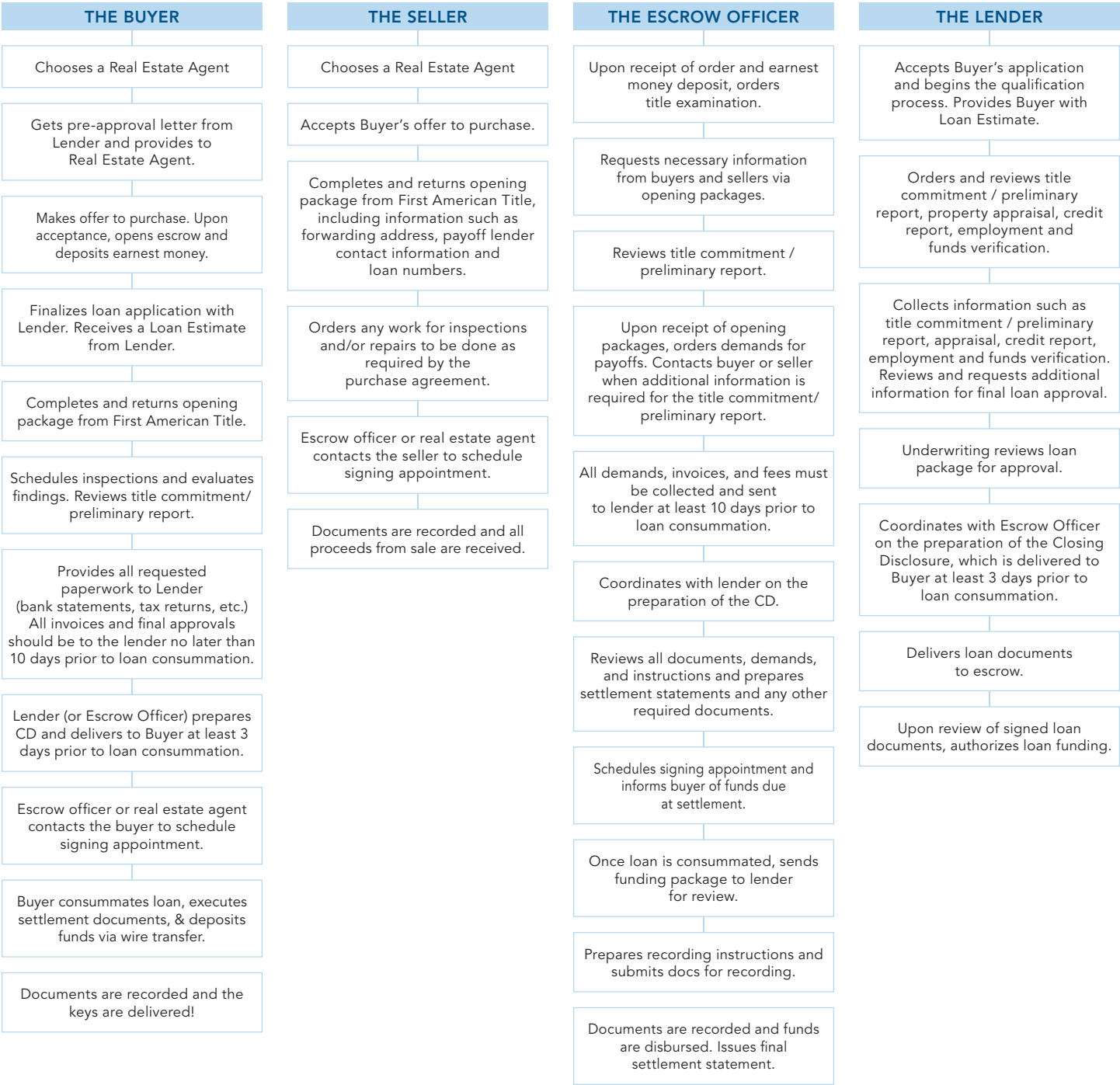
Remembering each home would appear easy, but it can quickly become confusing. Which home was near the school? Which one had the great pool? Did it have a family room? And how many bathrooms?

In the “Something Memorable” category, note something you think is unusual and memorable about each home, such as a stained glass window, fruit trees, a child’s playhouse. This will make it easier for you to recall the property later and refer to a specific address. And, last but not least, maybe the most important question, does this house feel like home?

	Home 1	Home 2	Home 3	Home 4	Home 5
Address					
Asking price					
No. Bedrooms/baths	/	/	/	/	/
Square footage					
First impression					
Location					
Neighborhood					
Appealing style					
Living room					
Dining room					
Great room					
Kitchen					
Family room					
Bathroom					
Master bedroom					
Master bath					
Bedrooms					
Floor plan					
Patio					
Pool					
Landscaping					
Garage or carport					
Something memorable					
Does this feel like home?					



# The Life Of An Escrow



# Closing Costs: Who Pays What

THIS CHART INDICATES WHO CUSTOMARILY PAYS WHAT COSTS		CASH	FHA	VA	CONV
1.	Downpayment	BUYER	BUYER	BUYER	BUYER
2.	Termite (Wood Infestation) Inspection <i>(negotiable except on VA)</i>			SELLER	
3.	Property Inspection <i>(if requested by Buyer)</i>	BUYER	BUYER	BUYER	BUYER
4.	Property Repairs, if any <i>(negotiable)</i>	SELLER	SELLER	SELLER	SELLER
5.	New Loan Origination Fee <i>(negotiable)</i>		BUYER	BUYER	BUYER
6.	Discount Points <i>(negotiable)</i>		BUYER	BUYER	BUYER
7.	Credit Report		BUYER	BUYER	BUYER
8.	Appraisal or Extension Fee <i>(negotiable)</i>		BUYER	BUYER	BUYER
9.	Existing Loan Payoff	SELLER	SELLER	SELLER	SELLER
10.	Existing Loan Payoff Demand	SELLER	SELLER	SELLER	SELLER
11.	Loan Prepayment Penalty <i>(if any)</i>	SELLER	SELLER	SELLER	SELLER
12.	Next Month's PITI Payment		BUYER	BUYER	BUYER
13.	Prepaid Interest <i>(approx. 30 days)</i>		BUYER	BUYER	BUYER
14.	Reserve Account Balance <i>(Credit Seller / Charge Buyer)</i>		PRORATE	PRORATE	PRORATE
15.	FHA MIP, VA Funding Fee, PMI Premium		BUYER	BUYER	BUYER
16.	Assessments payoff or proration <i>(sewer, paving, etc.)</i>	SELLER			
17.	Taxes	PRORATE	PRORATE	PRORATE	PRORATE
18.	Tax Impounds		BUYER	BUYER	BUYER
19.	Tax Service Contract		SELLER	SELLER	BUYER
20.	Fire/Hazard Insurance	BUYER	BUYER	BUYER	BUYER
21.	Flood Insurance		BUYER	BUYER	BUYER
22.	Homeowners Association (HOA) Transfer Fee	BUYER or SELLER	BUYER or SELLER	BUYER or SELLER	BUYER or SELLER
23.	HOA/Disclosure Fee	SELLER	SELLER	SELLER	SELLER
24.	Current HOA Payment	PRORATE	PRORATE	PRORATE	PRORATE
25.	Next Month's HOA Payment	BUYER	BUYER	BUYER	BUYER
26.	Home Warranty Premium <i>(negotiable)</i>	BUYER or SELLER	BUYER or SELLER	BUYER or SELLER	BUYER or SELLER
27.	REALTORS® Commissions	SELLER	SELLER	SELLER	SELLER
28.	EAGLE Homeowners Title Policy	SELLER	SELLER	SELLER	SELLER
29.	Lenders Title Policy and Endorsements		BUYER	BUYER	BUYER
30.	Escrow Fee <i>(NOTE: Charge Seller on VA Loan)</i>	SPLIT	SPLIT	SELLER	SPLIT
31.	Recording Fees <i>(Flat Rate)</i>	SPLIT	SPLIT	SPLIT	SPLIT
32.	Reconveyance/Satisfaction Fee	SELLER	SELLER	SELLER	SPLIT
33.	Courier/Express Mail Fees	SPLIT	SPLIT	SELLER	SPLIT

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



# Obtaining a New Loan

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**WHEN AND WHERE TO APPLY FOR A LOAN?** There are many sources for home loans including banks, credit unions, mortgage companies, and mortgage brokers. Your REALTOR® may give you several names of lenders who have proven reliable in their previous transactions. Apply for your loan as soon as possible. In fact, it's probably a good idea to know what you can afford before you begin looking for your new home. It can give you more bargaining power when negotiating with a Seller, especially in today's market. A lender can prequalify you for a certain price range and help you avoid disappointment later.

**YOUR LENDER WILL MAIL OUT VERIFICATION REQUESTS** and order an appraisal on the property you are buying. If your lender asks for additional items, please comply promptly with those requests to avoid delaying loan approval.

**WHAT IS HAZARD (OR FIRE) INSURANCE?** Hazard insurance covers the dwelling itself and is required by the lender to protect their "risk" in your home. Your lender or REALTOR® will explain the necessary hazard insurance coverage to you. If you are buying a condominium, a master policy already exists which includes your unit—but it does not cover your personal belongings.

**CONTACT YOUR INSURANCE AGENT EARLY** in the process, because this coverage must be provided so the lender can release loan funds to First American Title. Hazard insurance is one of the items frequently postponed until the last minute, and this can result in delaying the closing for a day or more. Order your insurance as soon as your loan is approved; then furnish your escrow officer with the agent's name and phone number. When you talk with your insurance agent, be sure to ask about additional coverage in a homeowner's policy to insure your personal belongings and to protect against liability for such events as injuries to visitors.

## WHAT HAPPENS AFTER LOAN APPROVAL?

After loan approval and just prior to your planned closing date, the lender will send loan documents to First American Title, and your escrow officer will prepare an estimated settlement statement. This statement indicates what funds go where, and at this time your escrow officer can tell you how much money you need to bring to the closing appointment. Be aware that this amount may be higher or lower than previously estimated due to changes in such items as prepaid interest, prorated fees, courier fees, and impound accounts.

## WHAT YOU MAY NEED FOR THE LOAN APPLICATION

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### BE PREPARED TO PROVIDE SOME OF ALL OF THESE ITEMS TO YOUR LOAN OFFICER:

- |   |  |   |
|---|--|---|
| - Addresses of residences for last two years          | - Last two months statements for all checking and savings account  | - Value of personal property. Your best estimate of the value of all your personal property (autos, boats, furniture, jewelry, television, stereo, computer, other electronics, etc.) |
| - Social Security Number                              | - Loans: Names, addresses, account numbers, and payment amounts on all loans   | - For a VA loan, Certificate of Eligibility or DD214s   |
| - Driver's License or other valid ID                  | - Real estate loans: Names, addresses, account numbers, and payment amounts on all loans for other real estate you own | - Divorce decree if applicable  |
| - Names and addresses of employers for last two years | - Credit cards: Names, addresses, account numbers, and payment amounts on all credit cards                             | - Funds to pay upfront for the credit report and appraisal  |
| - Two recent pay stubs showing year-to-date earnings  | - Addresses and values of other real estate owned  | - Letters of Explanation regarding credit inquires or special circumstances   |
| - Federal tax returns for last two years              |  |   |
| - W-2's for last two years                            |  |   |



# Types of Loans

## ADJUSTABLE RATE LOAN.

Adjustable or variable rate refers to the fluctuating interest rate you'll pay over the life of the loan. The rate is adjusted periodically to coincide with changes in the index on which the rate is based. The minimum and maximum amounts of adjustment, as well as the frequency of adjustment are specified in the loan terms. An adjustable rate mortgage may allow you to qualify for a higher loan amount but maximums, caps and time frames should be considered before deciding on this type of loan.

## ASSUMABLE LOAN.

A true assumable loan is rare today. This loan used to enable a buyer to pay the seller for the equity in the home and take over the payments without meeting any requirements. Assumables these days generally require standard income, credit and funds verification by the lender before the loan can be transferred to the buyer.

## COMMUNITY HOMEBUYER'S PROGRAM.

This program is designed to assist first-time buyers by offering a fixed rate and a low downpayment, such as 3 to 5% down. The program doesn't require cash reserves, and qualifying ratios are more lenient; however, the buyer's income must fall within a certain range and a training course may be necessary if required by the program. Ask your loan officer if this program is available in your community and whether or not you might qualify.

## CONVENTIONAL LOAN.

This simply describes a loan that is not obtained under any government-insured program, secured by investors. It could be a fixed rate or adjustable.

## FHA LOAN.

This program is beneficial for buyers who don't have large downpayments. The loan is insured by the Federal Housing Administration under Housing and Urban Development (HUD) and offers easier qualifying with less cash needed upfront but the condition of the property is strictly regulated. The seller will pay a portion of the closing costs that would typically be paid by the buyer in a conventional loan program.

## FIXED RATE LOAN.

This loan has one interest rate that is constant throughout the loan.

## VA LOAN.

People who have served in the U.S. armed forces can apply for a VA loan which covers up to 100% of the purchase price and requires little or no downpayment.



# The Escrow Process

## WHAT IS AN ESCROW?

The escrow is the process of having a neutral party manage the exchange of money for real property. The escrow holder is known as an escrow or settlement officer or agent. The buyer deposits funds and the seller deposits a deed with the escrow holder along with all of the other documents required to remove all "contingencies" (conditions and approvals) in the purchase agreement prior to closing.

## HOW IS AN ESCROW OPENED?

Once a purchase agreement is signed by all necessary parties, the agent representing the party who will pay the fee selects an escrow holder and the buyer's earnest money deposit and contract are submitted to the escrow holder. From this point, the escrow holder will follow the mutual written instructions of the buyer and seller, maintaining a neutral stance to ensure that neither party has an unfair advantage over the other. The escrow holder also follows the instructions of the Buyer's new lender, the seller's existing lender, and both parties' agents. The escrow holder ensures the transparency of the transaction, while carefully maintaining the privacy of the consumers.





# Your Escrow Professional May:



- Open escrow and, if instructed to do so, deposit your good faith funds in a separate escrow account
- Order a title search to determine ownership and status of the subject real property
- Issue a preliminary report and begin the process of eliminating the title exceptions you and your lender are not willing to take title subject to
- Request payoff information for the seller's loans, other liens, homeowner's association fees, etc.
- Coordinate with the buyer's lender on the preparation of the Closing Disclosure (CD)
- Prorate fees, such as real property taxes, per the contract, and prepare the settlement statement
- Set separate appointments allowing the seller and you to sign documents and deposit funds
- Review documents ensuring all conditions and legal requirements are fulfilled; request funds from lender
- When all funds are deposited, record documents with the County Recorder's Office to transfer the subject real property to you
- After the recordation is confirmed, close escrow and disburse funds, including Seller's proceeds, loan payoffs, etc.
- Prepare and send final documents to all parties involved



# Understanding **Title Insurance**

## The Title Industry & Title Insurance in Brief

Prior to the development of the title industry in the late 1800s, a home-buyer received a grantor's warranty, attorney's title opinion, or abstractor's certificate as assurance of home ownership. The buyer relied on the financial integrity of the grantor, attorney, or abstractor for protection. Today, home-buyers look primarily to title insurance to provide this protection. Title insurance companies are regulated by state statute. They are required to post financial guarantees to ensure that any claims will be paid in a timely fashion. They also must maintain their own "title plants" which house duplicates of recorded deeds, mortgages, plats, and other pertinent county property records.

### WHAT IS TITLE INSURANCE?

Title insurance provides coverage for certain losses due to defects in the title that, for the most part, occurred prior to your ownership. Title insurance protects against defects such as prior fraud or forgery that might go undetected until after closing and possibly jeopardize your ownership and investment.

### WHY IS TITLE INSURANCE NEEDED?

Title insurance insures buyers against the risk that they did not acquire marketable title from the seller. It is primarily designed to reduce risk or loss caused by defects in title from the past. A loan policy of title insurance protects the interest of the mortgage lender, while an owner's policy protects the equity of you, the buyer, for as long as you or your heirs (in certain policies) own the real property.

### WHEN IS THE PREMIUM DUE?

You pay for your owner's title insurance policy only once, at the close of escrow. Who pays for the owner's policy and loan policy varies depending on local customs.



# HOW TITLE INSURANCE DIFFERS

From Other Forms of Insurance

Unlike other forms of insurance, title insurance emphasizes loss prevention for the insured. Title professionals perform labor-intensive work to find and address title issues that could threaten your homeownership. This upfront analysis gives you, as a policy holder, the peace of mind that your title risk has been effectively reduced. In contrast, insurance based on loss assumption (such as auto or property and casualty insurance) requires little upfront work because claims cannot be predicted or prevented, and premium funds are needed only in the event of an accident or other covered issue. These types of insurance also require annual coverage payments, unlike title insurance which is paid for only once upon the purchase of your home or establishment of a new mortgage.

## The Importance of Title Protection

There are many title issues that could cause you to lose your real property or your mortgage investment. Even the most careful search of public records may not disclose the most dangerous threat: hidden risks. These issues may not be uncovered until years later. Without title insurance from a reputable and financially solvent company, the ownership of your home could be jeopardized.

**Here are some examples of title issues that may occur:**

- Deeds by persons supposedly single, but secretly married
- Deeds in lieu of foreclosure given under duress
- Marital rights of spouse purportedly, but not legally, divorced
- Impersonation of the true owner of the land
- Deeds by minors
- Deeds by persons of unsound mind
- Deeds to or from defunct corporations
- Defective acknowledgments by notaries
- Duress in execution of instruments
- Erroneous reports furnished by tax officials
- Forged deeds, releases, etc.
- Mistakes in recording legal documents
- Surviving children omitted from will
- Administration of estate of persons absent but not deceased
- Birth or adoption of children after date of will
- Claims of creditors against real property sold by heirs or devisees
- Deed of community property recited to be separate property
- Deeds by foreign parties



# Eagle Owner's Policy



## The Benefits of First American Title Insurance Company's Eagle Owner's Policy Versus the Standard ALTA Owner's Policy

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First American Title's EAGLE Owner's Policy provides expanded title coverage for natural persons who purchase one-to-four family residences, including condominiums. Coverages included in the EAGLE Owner's Policy offer the highest levels of protection available to homeowners.

### **Eagle Owner's Policy benefits you won't get with a Standard ALTA Owner's Policy:**

- Post-policy Forgery
- Post-policy Encroachments
- Post-policy Adverse Possession
  - Coverage extended to homeowner when someone claims to have the insured's title arising out of someone else's continued use and occupancy
- Post-Policy Easement by Prescription
  - Coverage if another claims right to use a part of the insured's land as an easement because of continuous use over time
- Building Permit and Zoning Violation
  - Coverage for losses up to \$25,000, after a small deductible, for building permit violations and forced remediation of zoning violations, and up to the full policy amount for forced removal of structures due to zoning violations
- Expanded Access
  - Expanded to include both vehicular and pedestrian access to and from land, based upon legal right
- Encroachment of Improvements onto Easements and Set-backs
- Subdivision Violation
  - Homeowners are covered up to \$10,000, after a small deductible, for protection against subdivision violations prior to purchase
- Restrictive Covenant Violations
  - Coverage provided for violations of restrictive covenants, occurring before homeowner acquired land if the homeowner is forced to correct or remove the violation or if the homeowner's title is lost or taken because of the violation
- Structural Damage for Mineral Abstraction or Easement Use
- Encroachment of Boundary Walls and Fences
  - Protection of up to \$5,000, after a small deductible, for encroachments onto a neighbor's land, onto an easement, or over a building set-back line



Compare First American's Eagle Owner's Policy		EAGLE	ALTA Standard or CLTA
<b>Protection from:</b>			
1	Someone else owns an interest in your title	✓	✓
2	A document is not properly signed	✓	✓
3	Forgery, fraud, duress in the chain of title	✓	✓
4	Defective recording of any document	✓	✓
5	There are restrictive covenants	✓	✓
6	There is a lien on your title because there is:		
	a) a deed of trust	✓	✓
	b) a judgement, tax, or special assessment	✓	✓
	c) a charge by a homeowner's association	✓	✓
7	Title is unmarketable	✓	✓
8	Mechanics lien	✓	
9	Forced removal of a structure because it:		
	a) extends on another property and/or easement	✓	
	b) violates a restriction in Schedule B	✓	
	c) violates an existing zoning law*	✓	
10	Cannot use the land for a Single-Family Residence because the use violates a restriction in Schedule B or a zoning ordinance	✓	
11	Unrecorded lien by a homeowners association	✓	
12	Unrecorded easements	✓	
13	Building permit violations*	✓	
14	Restrictive covenant violations	✓	
15	Post-policy forgery	✓	

Compare First American's Eagle Owner's Policy		EAGLE	ALTA Standard or CLTA
16	Post-policy encroachment	✓	
17	Post-policy damage from extraction of minerals or water	✓	
18	Lack of vehicular and pedestrian access	✓	
19	Map not consistent with legal description	✓	
20	Post-policy adverse possession	✓	
21	Post-policy prescriptive easement	✓	
22	Covenant violation resulting in your title reverting to a previous owner	✓	
23	Violation of building setback regulations	✓	
24	Discriminatory covenants	✓	
<b>Other benefits:</b>			
25	Pays rent for substitute land or facilities	✓	
26	Rights under unrecorded leases	✓	
27	Plain language statements of policy coverage and restrictions	✓	
28	Compliance with Subdivision Map Act	✓	
29	Coverage for boundary wall or fence encroachment*	✓	
30	Added ownership coverage leads to enhanced marketability	✓	
31	Insurance coverage for a lifetime	✓	
32	Post-policy inflation coverage with automatic increase in value up to 150% over five years	✓	
33	Post-policy Living Trust coverage	✓	

\* Deductible and maximum limits apply. Not available to investors on 1- to 4-unit residential properties. Coverage may vary based on an individual policy.

As with any insurance contract, the insuring provisions express the coverage afforded by the title insurance policy and there are exceptions, exclusions and conditions to coverage that limit or narrow the coverage afforded by the policy. Also, some coverage may not be available in a particular area or transaction due to legal, regulatory, or underwriting considerations. Please contact a First American representative for further information. The services described above are typical basic services. The services provided to you may be different due to the specifics of your transaction or the location of the real property involved.

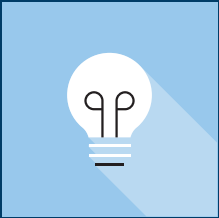
# Vesting: Ways to Hold Title



COMMUNITY PROPERTY	JOINT TENANCY WITH RIGHT OF SURVIVORSHIP	COMMUNITY PROPERTY WITH RIGHT OF SURVIVORSHIP	TENANCY IN COMMON
Requires a valid marriage between two persons.	Parties need not be married; may be more than two joint tenants.	Requires a valid marriage between two persons.	Parties need not be married; may be more than two tenants in common.
Each spouse holds an undivided one-half interest in the estate.	Each joint tenant holds an equal and undivided interest in the estate, unity of interest.	Each spouse holds an undivided one-half interest in the estate.	Each tenant in common holds an undivided fractional interest in the estate. Can be disproportionate.
One spouse cannot partition the property by selling his or her interest.	One joint tenant can partition the property by selling his or her joint interest.	One spouse cannot partition the property by selling his or her interest.	Each tenant's share can be conveyed, mortgaged or devised to a third party.
Requires signatures of both spouses to convey or encumber.	Requires signatures of all joint tenants to convey or encumber the whole.	Requires signatures of both spouses to convey or encumber.	Requires signatures of all tenants to convey or encumber the whole.
Each spouse can devise (will) one-half of the community property.	Estate passes to surviving joint tenants outside of probate.	Estate passes to the surviving spouse outside of probate.	Upon death the tenant's proportionate share passes to his or her heirs by will or intestacy.
Upon death the estate of the decedent must be "cleared" through probate, affidavit or adjudication.	No court action required to "clear" title upon the death of joint tenant(s).	No court action required to "clear" title upon the first death.	Upon death the estate of the decedent must be "cleared" through probate, affidavit or adjudication.

*Note: Arizona is a community property state. Property acquired by a husband and wife is presumed to be community property unless legally specified otherwise. Title may be held as "Sole and Separate." If a married person acquires title as sole and separate, his or her spouse must execute a disclaimer deed to avoid the presumption of community property. Parties may choose to hold title in the name of an entity, e.g., a corporation; a limited liability company; a partnership (general or limited), or a trust. Each method of taking title has certain significant legal and tax consequences; therefore, you are encouraged to obtain advice from an attorney or other qualified professional.*





# WHAT HAPPENS NEXT FOR THE BUYER

## IDENTITY STATEMENT

You will be asked to fill out an Identity Statement that enables our title department to distinguish you from others with identical names during our search of County records. It also provides basic information that will be useful to your escrow officer.

## HOME LOAN

Unless you are paying cash, assuming a loan, or the seller is financing, you will need to apply for a home loan if you have not already done so. Apply as soon as possible to comply with the purchase contract and prior to insuring to avoid delaying the closing.

## RESPONSE TO SELLER'S NOTICES

If directed by the contract, you may receive the following items which require a response from you:

- Seller's property disclosure statement listing any existing problems known to the seller
- Information pertaining to the Homeowners Association (HOA) or Planned Unit Development (PUD), such as Covenants, Conditions and Restrictions (CC&Rs), if applicable
- Flood hazard disclosure if the real property is in a flood area
- Independent inspections, such as termite and septic, and any repairs as required

## TITLE COMMITMENT

You will receive a copy of the title commitment when we complete the title search. If you have questions about the title commitment, contact your real estate agent or your escrow officer.

## CONSIDER THIS

One escrow transaction could involve over 20 individuals, including real estate professionals, buyer, seller, attorney, escrow officer, escrow technician, title officer, loan officer, loan processor, loan underwriter, home inspector, termite inspector, insurance agent, home warranty representative, contractor, roofer, plumber, pool service, and so on. And often one transaction depends on another. When you consider the number of people involved, you can imagine the opportunities for delays and mishaps. While your experienced real estate professional, escrow, and title team can't prevent unforeseen problems from arising, they can help to ensure as smooth a closing as possible.

# Your Title Commitment

The information below is to help you understand the contents of the title commitment you will receive from First American Title.

## SCHEDULE A

This is the information submitted to our title department by the escrow officer. It contains the basic information given to us by the buyer or real estate professional, such as the legal description of the real property, sale price, loan amount, lender, name, and marital status of buyer and seller.

## SCHEDULE B

The Schedule B "exceptions" are items which are tied to the subject property, and the buyer's rights in the title will be subject to these exceptions. These may include easements, Homeowners Association by-laws, leases, Covenants, Conditions, and Restrictions (CC&Rs) and other items which will remain of record and transfer with the property. The buyer is asked to sign a receipt for the Schedule B documents which states the buyer has read and accepts the contents.

## REQUIREMENTS

These are items that First American Title needs to delete and/or record prior to insuring title to the real property. Items that need to be addressed include:

- Current property-tax status
- Any assessments that are owed, such as those for a Homeowners Association
- Any encumbrances (or liens) on the real property

Sometimes items show up against a parcel of real property because another person has a name similar to an involved party. This is one reason we ask for an Identity Statement, to determine if items are inaccurate and can be deleted.

# What to Avoid During the Closing Process

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## **AVOID CHANGING JOBS**

A job change may result in your loan being denied, particularly if you are taking a lower-paying position or moving into a different field. Don't think you're safe because you've received approval earlier in the process, as the lender may call your employer to re-verify your employment just prior to funding the loan.

## **AVOID SWITCHING BANKS OR MOVING YOUR MONEY TO ANOTHER INSTITUTION**

After the lender has verified your funds at one or more institutions, the money should remain there until needed for the purchase.

## **AVOID PAYING OFF EXISTING ACCOUNTS UNLESS YOUR LENDER REQUESTS IT**

If your loan officer advises you to pay off certain bills in order to qualify for the loan, follow that advice. Otherwise, leave your accounts as they are until your escrow closes.

## **AVOID MAKING ANY LARGE PURCHASES**

A major purchase that requires a withdrawal from your verified funds or increases your debt can result in your not qualifying for the loan. A lender may check your credit or re-verify funds at the last minute, so avoid purchases that could impact your loan approval.





# Closing Your Escrow

## THE CLOSING DISCLOSURE

Once the loan is approved and all invoices and paperwork have been provided, the lender and escrow officer will collaborate on the preparation of the Closing Disclosure (CD). In order to close on time, all paperwork and invoices should be submitted at least 10 days prior to the expected close of escrow date. The borrower must receive the CD at least three days\* prior to consummation of the loan (typically the signing date). The escrow officer will also prepare an estimated settlement statement and inform the buyer of the balance of the down payment and closing costs needed to close escrow.

*\*For purposes of the Closing Disclosure "business day" is defined as every day except Sundays and Federal legal holidays.*

## THE CLOSING OR SIGNING APPOINTMENT

The escrow holder will contact you or your agent to schedule a closing or signing appointment. In some states, this is the "close of escrow." In some others, the close of escrow is either the day the documents record or that funds are disbursed. Ask your escrow holder if you would like clarification about your state's laws.

You will have a chance to review the settlement statement and supporting documentation. This is your opportunity to ask questions and clarify terms. You should review the settlement statement carefully and report discrepancies to the escrow officer. This includes any payments that may have been missed. You are responsible for all charges incurred even if overlooked by the escrow holder, so it's better to bring these to their attention before closing.

The escrow holder is obligated by law to have the designated amount of money before releasing any funds. If you have questions or foresee a problem, let your escrow holder know immediately.



## DON'T FORGET YOUR IDENTIFICATION

You will need valid identification with your photo I.D. on it when you sign documents that need to be notarized (such as a deed). A driver's license is preferred. You will also be asked to provide your social security number for tax reporting purposes, and a forwarding address.

## WHAT HAPPENS NEXT?

If you are obtaining a new loan, your signed loan documents will be returned to the lender for review. The escrow holder will ensure that all contract conditions have been met and will ask the lender to "fund the loan." If your loan documents are satisfactory, the lender will send funds directly to the escrow holder. When the loan funds are received, the escrow holder will verify that all necessary funds are in. Escrow funds will be disbursed to the seller and other appropriate payees. Then, you'll receive the keys to your home!

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## After The Closing

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

## HOME WARRANTY REPAIRS

If you have a home warranty plan with First American Home Buyers Protection, please call them directly and have your home warranty number available.

## RECORDED DEED

The original deed to your home will be mailed directly to you by the County Recorder, generally within four to six weeks.

## TITLE INSURANCE POLICY

First American Title will mail your policy to you in about two to three weeks.

## PROPERTY TAXES

You may not receive a tax statement for the current year on the home you buy; however, it is your obligation to make sure the taxes are paid when due. Check with your mortgage company to find out if taxes are included with your payment. For more information on your property taxes, visit your County Auditor/Controller's web site.

# Planning Your Move

## SIX WEEKS BEFORE:

- ☐ **Create an inventory sheet of items to move.**
- ☐ **Research moving options.** You'll need to decide if yours is a do-it-yourself move or if you'll be using a moving company.
- ☐ **Request moving quotes.** Solicit moving quotes from as many moving companies and movers as possible. There can be a large difference between rates and services within moving companies.
- ☐ **Discard unnecessary items.** Moving is a great time for ridding yourself of unnecessary items. Have a yard sale or donate unnecessary items to charity.
- ☐ **Packing materials.** Gather moving boxes and packing materials for your move.
- ☐ **Contact insurance companies.** (Life, Health, Fire, Auto) You'll need to contact your insurance agent to cancel/transfer your insurance policy. Do not cancel your insurance policy until you have and closed escrow on the sale.
- ☐ **Seek employer benefits.** If your move is work-related, your employer may provide funding for moving expenses. Your human resources rep should have information on this policy.
- ☐ **Changing Schools.** If changing schools, contact new school for registration process.

## FOUR WEEKS BEFORE:

- ☐ **Contact utility companies.** Set utility turnoff date, seek refunds and deposits and notify them of your new address.
- ☐ **Obtain your medical records.** Contact your doctors, physicians, dentists and other medical specialists who may currently be retaining any of your family's medical records. Obtain these records or make plans for them to be delivered to your new medical facilities.
- ☐ **Note food inventory levels.** Check your cupboards, refrigerator and freezer to use up as much of your perishable food as possible.
- ☐ **Service small engines** for your move by extracting gas and oil from the machines. This will reduce the chance to catch fire during your move.
- ☐ **Protect jewelry and valuables.** Transfer jewelry and valuables to safety deposit box so they can not be lost or stolen during your move.
- ☐ **Borrowed and rented items.** Return items which you may have borrowed or rented. Collect items borrowed to others.

## ONE WEEK BEFORE:

- ☐ **Plan your itinerary.** Make plans to spend the entire day at the house or at least until the movers are on their way. Someone will need to be around to make decisions. Make plans for kids and pets to be at the sitters for the day.
- ☐ **Change of address.** Visit USPS for change of address form.
- ☐ **Bank accounts.** Notify bank of address change. Make sure to have a money order for paying the moving company if you are transferring or closing accounts.
- ☐ **Service automobiles.** If automobiles will be driven long distances, you'll want to have them serviced for a trouble-free drive.
- ☐ **Cancel services.** Notify any remaining service providers (newspapers, lawn services, etc) of your move.
- ☐ **Start packing.** Begin packing for your new location.
- ☐ **Travel items.** Set aside items you'll need while traveling and those needed until your new home is established. Make sure these are not packed in the moving truck!
- ☐ **Scan your furniture.** Check furniture for scratches and dents before so you can compare notes with your mover on moving day.
- ☐ **Prepare Floor Plan.** Prepare floor plan for your new home. This will help avoid confusion for you and your movers.

## MOVING DAY:

- ☐ **Review the house.** Once the house is empty, check the entire house (closets, the attic, basement, etc) to ensure no items are left or no home issues exist.
- ☐ **Sign the bill of lading.** Once you're satisfied with the mover's packing your items into the truck, sign the bill of lading. If possible, accompany your mover while the moving truck is being weighed.
- ☐ **Double check with your mover.** Make sure your mover has the new address and your contact information should they have any questions during your move.
- ☐ **Vacate your home.** Make sure utilities are off, doors and windows are locked and notify your real estate agent you've left the property.



# 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: \_\_\_\_\_

&gt;&gt;

Residential Resale Real Estate Purchase Contract • Updated: February 2017  
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&lt;Initials

Initials&gt;

SELLER SELLER

BUYER BUYER

Page 1 of 10

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

**2. FINANCING**

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

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&lt;Initials

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SELLER SELLER

BUYER BUYER

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

- 2f. 90. **Loan Application:** Unless previously completed, within three (3) days after Contract acceptance Buyer shall (i) provide lender  
91. with Buyer's name, income, social security number, Premises address, estimate of value of the Premises, and mortgage loan  
92. amount sought; and (ii) grant lender permission to access Buyer's Trimerged Residential Credit Report.
- 2g. 93. **Loan Processing During Escrow:** Within ten (10) days after receipt of the **Loan Estimate** Buyer shall (i) provide lender with  
94. notice of intent to proceed with the loan transaction in a manner satisfactory to lender; and (ii) provide to lender all requested  
95. signed disclosures and the documentation listed in the LSU at lines 32-35. Buyer agrees to diligently work to obtain the loan and  
96. will promptly provide the lender with all additional documentation requested.
- 2h. 97. **Type of Financing:** ☐ Conventional ☐ FHA ☐ VA ☐ USDA ☐ Assumption ☐ Seller Carryback ☐ \_\_\_\_\_  
98. (If financing is to be other than new financing, see attached addendum.)
- 2i. 99. **Loan Costs:** All costs of obtaining the loan shall be paid by Buyer, unless otherwise provided for herein.
- 2j. 100. **Seller Concessions (if any):** In addition to the other costs Seller has agreed to pay herein, Seller 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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**Residential Resale Real Estate Purchase Contract >>**

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

**4. DISCLOSURE**

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

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- 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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<div style="border: 1px solid black; width: 100px; height: 20px; margin: 0 auto;"></div> <div style="text-align: center; font-weight: bold; font-size: small;">SELLER SELLER</div>	<Initials	Residential Resale Real Estate Purchase Contract • Updated: February 2017 Copyright © 2017 Arizona Association of REALTORS®. All rights reserved.	Initials>	<div style="border: 1px solid black; width: 100px; height: 20px; margin: 0 auto;"></div> <div style="text-align: center; font-weight: bold; font-size: small;">BUYER BUYER</div>
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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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SELLER SELLER

BUYER BUYER



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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 parties acknowledge that different home warranty plans have different coverage options, exclusions, limitations, service fees and 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 the purpose of satisfying Buyer that any corrections or repairs agreed to by Seller have been completed, and the Premises are in substantially the same condition as of the date of Contract acceptance. If Buyer does not conduct such walkthrough(s), Buyer 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 and walkthrough(s) upon reasonable notice by Buyer. Seller shall, at Seller's expense, have all utilities on, including any propane, 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 Person, a buyer of residential real property must withhold federal income taxes up to 15% of the purchase price, unless an exception applies. If FIRPTA is applicable and Buyer fails to withhold, Buyer may be held liable for the tax. Buyer agrees to perform any acts reasonable or necessary to comply with FIRPTA and IRS reporting requirements and Buyer is responsible for obtaining independent 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 provision of this Contract, the other party shall deliver a notice to the non-complying party specifying the non-compliance. If the non-compliance is not cured within three (3) days after delivery of such notice ("Cure Period"), the failure to comply shall become a breach of Contract. If Escrow Company or recorder's office is closed on the last day of the Cure Period, and COE must occur 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 breaching party in any claim or remedy that the non-breaching party may have in law or equity, subject to the Alternative Dispute Resolution obligations set forth herein. In the case of Seller, because it would be difficult to fix actual damages in the event of Buyer's breach, the Earnest Money may be deemed a reasonable estimate of damages and Seller may, at Seller's option, accept 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 notice required by Section 2b, or Buyer's inability to obtain loan approval due to the waiver of the appraisal contingency pursuant to Section 2l, Seller shall exercise this option and accept the Earnest Money as Seller's sole right to damages. An unfulfilled contingency is not a breach of Contract. The parties expressly agree that the failure of any party to comply with the terms and 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, 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 Contract in accordance with the REALTORS® Dispute Resolution System, or as otherwise agreed. All mediation costs shall be paid equally by the parties. In the event that mediation does not resolve all disputes or claims, the unresolved disputes or claims shall be submitted for binding arbitration. In such event, the parties shall agree upon an arbitrator and cooperate in the scheduling of an arbitration hearing. If the parties are unable to agree on an arbitrator, the dispute shall be submitted to the American Arbitration Association ("AAA") in accordance with the AAA Arbitration Rules for the Real Estate Industry. The decision of the arbitrator shall be final and nonappealable. Judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction. Notwithstanding the foregoing, either party may opt out of binding arbitration within thirty (30) days after the conclusion of the 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 Small Claims Division of an Arizona Justice Court (up to \$3,500) so long as the matter is not thereafter transferred or removed from the small claims division; (ii) judicial or nonjudicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or 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 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 ("lis pendens"), or order of attachment, receivership, injunction, or other provisional remedies shall not constitute a waiver of the 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 Contract shall be awarded their reasonable attorney fees and costs. Costs shall include, without limitation, attorney fees, expert witness fees, fees paid to investigators, and arbitration costs.

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

**8. ADDITIONAL TERMS AND CONDITIONS**

8a. 344. \_\_\_\_\_  
 345. \_\_\_\_\_  
 346. \_\_\_\_\_  
 347. \_\_\_\_\_  
 348. \_\_\_\_\_  
 349. \_\_\_\_\_  
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**Residential Resale Real Estate Purchase Contract >>****8q. 443. Broker on behalf of Buyer:**

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

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

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

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

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

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

450. ☐ Buyer; ☐ Seller; or ☐ both Buyer and Seller

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

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

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

455. ADDRESS ADDRESS

456. CITY, STATE, ZIP CODE CITY, STATE, ZIP CODE

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

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

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

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

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

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

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

464. ☐ Seller; or ☒ both Buyer and Seller

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

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

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

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

471. ADDRESS ADDRESS

472. CITY, STATE, ZIP CODE CITY, STATE, ZIP CODE

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

**For Broker Use Only:**

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

## Notes:

# Metro Phoenix

First American Title Branch Locator



## 1 SUN CITY WEST

623.299.3644 | Fax 877.858.8099  
13940 W. Meeker Blvd, #135  
Sun City West, AZ 85375  
N of Meeker Blvd/W of R.H. Johnson

## 2 SUN CITY

623.972.2194 | Fax 866.764.4707  
10922 W. Bell Rd  
Sun City, AZ 85351  
NW corner Bell/Del Webb, Bell  
Camino Center

## 3 METRO GATEWAY

623.936.8001 | Fax 866.764.4706  
10320 W. McDowell Rd, Bldg G, #7022  
Avondale, AZ 85392  
NW corner of McDowell & 103rd Ave

## 4 ARROWHEAD

623.487.0404 | Fax 866.764.4703  
16165 N. 83rd Ave, #100  
Peoria, AZ 85382  
S of Bell/E side of 83rd Ave

## 5 THE LEGENDS

623.537.1608 | Fax 888.279.8559  
20241 N. 67th Ave, #A-2  
Glendale, AZ 85308  
E side 67th Ave/N of 101

## 6 ANTHEM

623.551.3265 | Fax 866.764.4708  
39508 N. Daisy Mountain Dr, #128  
Anthem, AZ 85086  
NE corner Daisy Mtn Dr/  
Gavilan Peak Pkwy

## 7 PHOENIX CAMELBACK

602.954.3644 | Fax 866.874.1067  
2201 E. Camelback Rd, #120B  
Phoenix, AZ 85016  
SE corner of Camelback/22nd Street

## 8 DESERT RIDGE

480.515.4369 | Fax 866.303.1392  
20860 N. Tatum Blvd, #100  
Phoenix, AZ 85050  
NW corner of Tatum/Loop 101

## 9 CAREFREE

480.575.6609 | Fax 877.331.2252  
7202 E. Carefree Dr, Bldg 1, #1  
Carefree, AZ 85377  
NE corner of Tom Darlington/  
Carefree Dr.

## 10 KIERLAND COMMONS

480.948.6488 | Fax 866.895.7958  
14624 N. Scottsdale Rd, #150  
Scottsdale, AZ 85254  
W of Scottsdale Road,  
S side of Greenway

## 11 SCOTTSDALE FORUM

480.551.0480 | Fax 866.874.1064  
6263 N. Scottsdale Rd, #110  
Scottsdale, AZ 85250  
E Side Scottsdale/S of Lincoln

## 12 PIMA CENTER ESCROW

602.685.7470 | Fax 866.269.3407  
9000 E. Pima Center Pkwy, #150  
Scottsdale, AZ 85258  
W of Loop 101 between Via de Ventura & Pima

## 13 DC CROSSING

480.563.9034 | Fax 866.314.2283  
18291 N. Pima Rd, #145  
Scottsdale, AZ 85255  
SE corner of Pima/Legacy

## 14 FOUNTAIN HILLS

480.816.1471 | Fax 866.314.2309  
13212 N. Saguaro Blvd, #120  
Fountain Hills, AZ 85268  
S side Palisades/W of Saguaro

## 15 AHWATUKEE

480.753.4424 | Fax 888.279.8546  
4435 E. Chandler Blvd, #100  
Phoenix, AZ 85048  
SW corner Chandler/45th St.

## 16 TEMPE LAKESHORE

480.777.0051 | Fax 866.417.0638  
4500 S. Lakeshore Dr, #130  
Tempe, AZ 85282  
SE Corner Rural Rd./Lakeshore Dr.

## 17 GILBERT SAN TAN

480.777.0614 | Fax 888.279.8548  
1528 E. Williams Field Rd, #101  
Gilbert, AZ 85295  
NW corner of Williams Field Rd./  
Val Vista Rd.

## 18 MESA

480.833.5301 | Fax 888.279.8550  
3048 E. Baseline Rd, #101  
Mesa, AZ 85204  
N side Baseline/W of Val Vista

## 19 GOLD CANYON

480.288.0883 | Fax 866.841.8917  
6877 South Kings Ranch Rd, #5  
Gold Canyon, AZ 85118  
E of 60/South Side Kings Ranch Rd.





## About Realty Executives

Realty Executives agents are real estate experts. They have the education and expertise you need to navigate through the process of buying or selling a home. From listing at the right price to making the best offer, our Executives have witnessed the best - and most regrettable - decisions homeowners and homebuyers can make. Every day, they are immersed in every aspect of real estate that includes comparable home price analysis, property surveys, credit reports, open houses, HOA agreements, lenders, title companies, homeowners' insurance, walk-throughs, terms of sale or purchase, repairs, concessions and closing documents. Let our accomplished Executives help navigate you through the process of buying or selling a home.

Each office independently owned and operated.



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