

# HOME SELLER GUIDE



RUSCH GLEDHILL  
GROUP

**NORTH&CO.**

REAL ESTATE BY TRADE

[ruschgledhill.com](http://ruschgledhill.com)





# ABOUT THE RUSCH GLEDHILL GROUP

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Sisters, Chelsea Rusch and Daria Gledhill have fulfilled their lifelong dream of owning a business together. With the birth of Rusch Gledhill Group, powered by North&Co., their vision of a holistic approach to Real Estate has come to fruition. With over 25 years of experience in the industry and working in the corporate realm, from property management, high end cosmetics and production companies to residential real estate, Chelsea and Daria have fine-tuned their ability to bring to clients not only sophistication and elegance, but also a well-oiled machine that will bring you to the finish line.

Chelsea and Daria believe that people are more than the sum of their parts. More than just a transaction...you are explicable only by reference to the whole. They love the relationships they've built, the trust, the love, the lifelong connections that come from helping someone find and secure the home that defines them. Whether it be an investment property or a forever home, these sisters find JOY in helping their clients reach their real estate goals.

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# CONTACT INFORMATION

## Title & Escrow

Name: \_\_\_\_\_  
Company: Old Republic Title  
Address: \_\_\_\_\_  
City/State/Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

## Contact Information

Name: \_\_\_\_\_  
Company: \_\_\_\_\_  
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**OLD REPUBLIC TITLE AGENCY**



# 01

# OLD REPUBLIC TITLE COMPANY INFORMATION

## **Success on Your Terms**

Old Republic Title\*\* and its underwriter Old Republic National Title Insurance Company, herein “Old Republic” provides title and escrow products and services for individuals, businesses and governments. Our services are highly comprehensive and flexible to respond to changing market environments and to ensure your transaction is settled according to the most current industry standards. We’re committed to expediting the timely close of your real estate transaction by underwriting and managing each transaction with the highest levels of technical skill, client services and professional integrity.

## **Certainty Matters**

When real estate ownership is transferred, the stakes are high and reputations are on the line. Our products and services protect our customers from financial loss and hardship related to unknown judgments and liens, forged transfers, inconsistencies within a property’s title or misapplication of fiduciary funds. This is what makes title examination and insurance policies – like those provided by Old Republic – invaluable. Old Republic minimizes the risks of real estate transactions by providing an insured statement about the ownership.

## **Reputation at Work**

Old Republic is a subsidiary of Old Republic International Corporation, a multi-lined insurance corporation, which is one of America’s 50 largest shareholder-owned insurance businesses. The Old Republic Title Insurance Group\* of companies have been issuing title insurance and providing peace of mind to its customers for over a century. We offer residential and commercial title insurance products as well as a variety of other title insurance related services through a national network of branch offices, subsidiaries and over 2,000 independent policy-issuing agents.

(\*) ORTIG underwriters are: Old Republic National Title Insurance Company and American Guaranty Title Insurance Company.

(\*\*) Old Republic Title Company, Old Republic Title Insurance Agency, Inc., Old Republic Title of Nevada, Old Republic Title, Ltd., Old Republic Title & Escrow of Hawaii, Ltd., Old Republic Title of Oregon.



# SERVICES WE PROVIDE

Our products and services have been developed to address four important aspects of the real estate transfer process: information, ownership, asset management and commitment. In each area, we have created the tools and resources needed to ensure the most risk-free and expedient closing possible.

## 1. Information Services

The best real estate closings begin with good information.

We own and subscribe to leading industry information services for the most current market information, including property profiles, farm reports and mortgage records. We have access to secure Internet-based databases with millions of public real estate records and documents. We can prepare and deliver preliminary reports and commitments electronically to multiple locations.

We provide real estate professionals with the most current ownership information available through a variety of sources to assist them in selling property and locating the next opportunity. In addition, we provide a variety of real estate insurance products to national lenders ranging from full ALTA policies to limited coverage policies.

## 2. Title Services

Insured ownership is at the heart of every transaction.

We work to remove any recorded encumbrances which are inconsistent with the terms of the transaction. We offer traditional, fully-insured products like ALTA policies, as well as innovative products and insurance policies in the refinance, second mortgage and equity markets. We respond quickly to unique circumstances with flexible and creative approaches to title insurance.

## 3. Escrow Services

The careful management of assets ensures a smooth transaction.

We coordinate and process the entire real estate and mortgage closing procedure. Our services include: document gathering, preparation and delivery of the Closing Disclosure when required, loan funds disbursement, escrow withholding and document recording with the appropriate government authority; all done in accordance with our clients' instructions. We serve as a neutral third party working to benefit the entire transaction and the parties involved. Our escrow personnel are proficient at complying with complicated escrow instructions.

## 4. Customer Service

At Old Republic Title we focus on providing optimum customer service and deploying technologies that meet the needs of real estate professionals, consumers and our clients. Our network of Property Information Departments provides a variety of products, including property profiles and FARMS. In addition, we subscribe to industry-leading information systems for the most current market data, information and public records and documents.

To further support the needs of all who we serve, we also provide several convenient digital tools. Many of these tools allow clients to directly open title and/or escrow orders, update property information, calculate closing costs or search property details via their ortc.com account, or through one of our applications.



# 02 GETTING STARTED

Home ownership is the American Dream and you are about to embark on an exciting process. Your home will be one of your largest assets and most likely will appreciate in value over the life of your ownership.

There are a lot of decisions ahead of you. Please use this handbook as a guide to help you throughout this process.





# 03 ESCROW & CLOSING

## OPENING THE ESCROW

After the buyer and seller agree to terms of a sale, the transaction goes into escrow, which can take several weeks (30-45 days or more) to reach closing. Escrow can be opened by the buyer or the seller's real estate agent. The escrow agent and their company act as a neutral third party for serving as custodian for funds and documents, providing a clearing house for payment of demands and performing clerical details for the closing.

### What the Escrow Company Does

When the escrow is opened, an order for a preliminary report/commitment is placed with the title company, which shows ownership of a parcel of land and recorded matters that are relative to the property. Then a plan is set for the necessary action and documents required, such as demands for satisfaction of liens, instructions for recording documents and other requirements of the new lender. In most areas, buyers and sellers instructions are prepared for signature from the information gathered.

### Escrow Instructions and Your Closing

Your escrow officer or real estate agent will contact both the buyer and seller for an appointment to sign escrow instructions and supporting documents.

Bring a legal form of identification with you, such as a current driver's license, passport or ID card (military or state). At this time you will normally be advised of the amount of money you will need to deposit and/or receive depending on if you are the buyer or seller. When the instructions from all parties have been executed, escrow is ready to close. At that time all required funds have been receipted into escrow, the documents are recorded, funds disbursed and the policy of title insurance is issued.

If you are the buyer, you will be informed about the disbursement of keys by the real estate agent or seller.

If you are the seller, upon receipt of the proper documentation and releases, the escrow officer will disburse the reserved funds, including the seller's payment.

As of October 3, 2015 the closing process has changed.

The Consumer Financial Protection Bureau (CFPB) created the TILA-RESPA Integrated Disclosure (TRID) Rule to improve mortgage disclosure forms to make it easier for consumers to understand the terms of their loans and closing costs. In order to ensure a timely closing, it is more important than ever that you communicate with your lender, real estate agent and escrow officer.

# ESCROW PROCESS

For loan applications taken after October 3, 2015 the buyer/consumer must receive the new Closing Disclosure (CD) at least three business days prior to the date the buyer/consumer is scheduled to sign the loan documents.



# TRID TERMS

**Closing Disclosure** - The five-page Closing Disclosure, also referred to as CD, must be provided to the consumer three business days before they close on the loan. The Closing Disclosure details all of the costs associated with their mortgage transaction.

**Consummation** - Consummation is not the same thing as closing or settlement. Consummation occurs when the consumer becomes legally obligated to the creditor on the loan, not, for example, when the consumer becomes contractually obligated to a seller on a real estate transaction.

**Loan Estimate** - A three-page Loan Estimate (also called LE) must be provided to the consumer no later than three business days after they submit a loan application for most mortgages. The Loan Estimate provides information about key features, costs and risks of the mortgage loan for which the consumer is applying.

**Redisclosure** - For covered transactions under the TILA-RESPA Integrated Disclosure (TRID) Rule and under very specific circumstances, the Loan Estimate and/or the Closing Disclosure may be revised and delivered to the consumer.

**Three Day Review Period** - For covered transactions under the TRID Rule the creditor is generally required to ensure that the consumer (borrower) receives the Closing Disclosure no later than three business days prior to the consummation of the loan.

# TOP 10 THINGS CONSUMERS SHOULD KNOW ABOUT THE CLOSING PROCESS

## 1) Time is of the Essence

- To avoid delays or a postponement of your closing, be sure to respond to lender and escrow officer requests immediately.
- Work closely with your lender, real estate agent and escrow officer to avoid delays.

## 2) You Have a Choice

- When it comes to service providers associated with your closing, you have a choice. This includes the company that will close your transaction and most inspectors, just to name a few. In certain areas, the seller will pay for some closing costs and thus will be entitled to select the vendor(s).
- Talk to your lender, real estate agent and escrow officer to obtain additional information about the various service providers and fees.

## 3) Protecting your Information – Secured Emails

- As an additional security measure to protect your non-public personal information, you may receive secured emails from your lender and escrow officer.
- You will need to follow the instructions for retrieving that information (which will likely require you to create an account) and make sure that you return any information through the secured email system.

## 4) Loan Estimate (LE)

- The Loan Estimate (LE) will be sent to you within three days of your loan application. You may receive multiple copies of the LE if there are any changes in circumstance(s).
- The terms provided on the LE will also appear on the Closing Disclosure (CD). Lenders are required to explain any changes in fees on the CD.

## 5) Preparing for Closing

- Approximately 10 - 14 days before you are scheduled to sign your documents you should be prepared to communicate with your lender, real estate agent and escrow officer. It will be important for you to provide your hazard insurance information.
- NOTE: Wiring instructions will be subject to strict verifications to prevent fraud. Discuss this with your closing professionals well in advance.

## 6) Closing Disclosure (CD)

- A closing statement called the Closing Disclosure (CD) will be used for most loan applications taken on and after October 3, 2015. The CD will be sent directly to you (buyer/consumer) and not your real estate agent.
- The CD is designed to make it easy for you to understand the terms of your loan.



## 7) Three-Day Review Period

- THE CLOSING DISCLOSURE (CD) MUST BE DELIVERED TO YOU (BUYER/CONSUMER) AT LEAST THREE BUSINESS DAYS prior to signing the documents.
- If the CD is delivered via email it is important to acknowledge receipt to avoid additional delays.
- The CD may also be mailed seven days in advance and does not require proof of receipt.
- This time allows you to share it with your agent, attorney and/or financial advisor and ask questions or get clarification from your lender about the terms and conditions of your loan.

## 8) Lenders Title Insurance Policy

- Lenders typically require their borrowers to purchase a Lender's Policy of Title Insurance for the purchase loan(s).
- The fees are usually based on the amount of the loan(s).
- A lender's policy protects only the lender's interests should a problem with the title arise.

## 9) Owner's Title Insurance Policy

- Research the value and importance of an Owner's Title Insurance Policy early on in the process of obtaining a loan and closing on the purchase of your home.
- Homebuyers often assume that the Lender's Title Insurance Policy protects them from challenges to their ownership rights in the property being acquired. This is not the case. Instead, the homebuyer's interests are protected by an Owner's Title Insurance Policy. This insurance coverage typically protects against adverse matters such as ownership challenges, errors and omissions in deeds, forgery, and undisclosed heirs, among other things. It also provides coverage for the attorney's fees that arise where legal challenges to your property's ownership occur. Its cost is typically based on the home's total purchase price, and is a one-time fee paid at closing.

## 10) Ask Questions

- This is one of the most important purchases of your life. Do not be afraid to ask questions of your lender, real estate agent and escrow officer.

**Consumers are given more time to consider their options because the closing disclosure form is now provided three days before the closing**

# 04 VESTING & TAX GUIDE

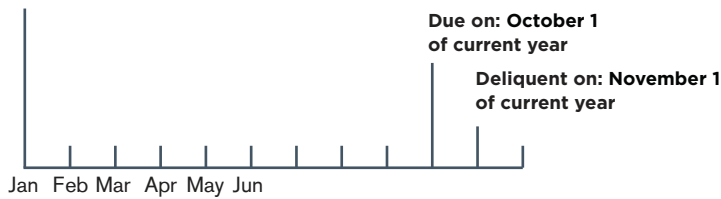
## Commons Ways to Hold Title

Arizona is a community property state. Property acquired by 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 company; a partnership (general or limited), or a trust. Taking title may have significant tax and legal ramifications; please consult your attorney and/or CPA.

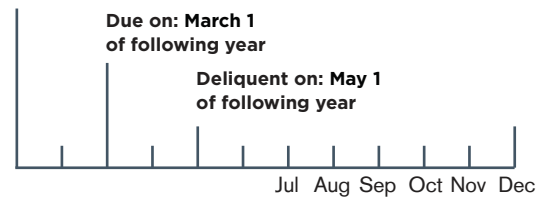
	COMMUNITY PROPERTY	COMMUNITY PROPERTY WITH THE RIGHT OF SURVIVORSHIP	JOINT TENANCY WITH THE RIGHT OF SURVIVORSHIP	TENANCY IN COMMON
<b>Parties</b>	Requires a valid marriage between two people.	Requires a valid marriage between two people.	Parties need not be married; may be more than two joint tenants	Parties need not be married; may be more than two tenants in common.
<b>Division</b>	Each spouse holds an undivided one-half interest in the estate	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 tenant in common holds an undivided fractional interest in the estate. Can be disproportionate, e.g. 60% and 40%
<b>Title</b>	One spouse cannot partition the property by selling his or her interest.	One spouse cannot partition the property by selling his or her interest.	One joint tenant can partition the property by selling his or her interest.	Each tenant's share can be conveyed, mortgaged or devised to a third party.
<b>Conveyance</b>	Requires signatures of both spouses to convey or encumber.	Requires signatures of both spouses to convey or encumber.	Requires signatures of all joint tenants to convey or encumber the whole.	Requires signatures of all joint tenants to convey or encumber the whole.
<b>Effect of Death</b>	<ul style="list-style-type: none"> <li>Each spouse can devise (will) one-half of the community property.</li> <li>Upon death, the estate of the decedent must be “cleared” through probate, affidavit or adjudication.</li> <li>Both halves of the community property are entitled to a “stepped up” tax basis as of the date of death.</li> </ul>	<ul style="list-style-type: none"> <li>Estate passes to the surviving spouse outside of probate.</li> <li>No court action required to “clear” title upon the first death.</li> <li>Both halves of the community property are entitled to a “stepped up” tax basis as of the date of death.</li> </ul>	<ul style="list-style-type: none"> <li>Estate passes to surviving joint tenants outside of probate.</li> <li>No court action required to “clear” title upon the death of joint tenant(s).</li> <li>Deceased tenant's share is entitled to a “stepped up” tax basis as of the date of death.</li> </ul>	<ul style="list-style-type: none"> <li>Upon death, the tenant's proportionate share passes to his or her heirs by will or intestacy.</li> <li>Upon death the estate of the decedent must be “cleared” through probate, affidavit or adjudication.</li> <li>Each share has its own tax basis.</li> </ul>

# Property Tax Guide

**Taxes for the 1st half of the current year**  
January 1 through June 30



**Taxes for the 2nd half of the current year**  
July 1 through December 31



## Property taxes are due in two installments if greater than \$100

INSTALLMENT	PAYMENT DUE	COUNTIES
1 <sup>st</sup>	The first installment is due and payable October 1st and becomes delinquent if postmarked or received after 5:00pm November 1st	Maricopa Pinal
2 <sup>nd</sup>	The second installment is due and payable March 1st and becomes delinquent if postmarked or received after 5:00pm May 1 <sup>st</sup>	
Exceptions: 1. Taxes of \$100 or less are due in the first installment. 2. If the total tax due for the tax year (the amount of both installments) is received or postmarked before 5:00pm on December 31 <sup>st</sup> , any interest on the first installment is waived.  Caution: Mail early! The post office does not always postmark the date you mail your payment. To insure that your payment is credited timely, it is recommended that you mail early or obtain a receipt from the post office.		

- The tax bill is mailed only once per year in September.  
There are not any reminder notices sent for the second installment.
- Visit your county treasurer's or county assessor's website for more information:  
Maricopa County - <https://treasurer.maricopa.gov/Pages/LoadPage?page=TaxGuide#taxcal>  
Pinal County - <http://pinalcountyz.gov/Treasurer/Pages/ImportDates.aspx>

## Tax Impound Reserve Schedule

CLOSING MONTH	PAYMENT	PAY 1 <sup>ST</sup> IN ESCROW	PAY 2 <sup>ND</sup> IN ESCROW	NO. OF MONTHS REQUIRED BY LENDER TO IMPOUND
<b>JANUARY</b>	<b>March</b>			<b>6</b>
<b>FEBRUARY</b>	<b>April</b>		<b>Yes</b>	<b>1</b>
<b>MARCH</b>	<b>May</b>		<b>Yes</b>	<b>2</b>
<b>APRIL</b>	<b>June</b>		<b>Yes</b>	<b>3</b>
<b>MAY</b>	<b>July</b>			<b>4</b>
<b>JUNE</b>	<b>August</b>			<b>5</b>
<b>JULY</b>	<b>September</b>			<b>6</b>
<b>AUGUST</b>	<b>October</b>			<b>7</b>
<b>SEPTEMBER</b>	<b>November</b>			<b>8</b>
<b>OCTOBER</b>	<b>December</b>	<b>Yes</b>		<b>3</b>
<b>NOVEMBER</b>	<b>January</b>	<b>Yes</b>		<b>4</b>
<b>DECEMBER</b>	<b>February</b>	<b>Yes</b>		<b>5</b>





# 05 TITLE COMMITMENTS

## **Title Commitments - Some Basics**

After months of searching, you've finally found it, your perfect dream home. But is it perfect? Will you be purchasing more than just a beautiful home? Will you also be acquiring liens placed on the property by prior owners? Have documents been recorded that will restrict your use of the property?

The Title Commitment will provide you with the opportunity, prior to purchase, to review matters affecting your property which will be excluded from coverage under your title insurance policy unless removed or eliminated before your purchase. To help you better understand this often bewildering subject, the below are answers to some of the questions most commonly asked about the title commitment.

## **What is a Title Commitment?**

A title commitment is a report prepared prior to issuing a policy of title insurance that shows the ownership of a specific parcel of land, together with the liens and encumbrances thereon which will not be covered under a subsequent title insurance policy.

## **What role does a Title Commitment play in the real estate process?**

A title commitment contains the conditions under which the title company will issue a particular type of title insurance policy.

The commitment lists, in advance of purchase, title defects, liens and encumbrances which would be excluded from coverage if the requested title insurance policy were to be issued as of the date of the commitment. The report may then be reviewed and discussed by the parties to a real estate transaction and their agents.

Thus, a commitment provides the opportunity to seek the removal of items referenced in the report which are objectionable to the buyer prior to purchase.

## **When and how is the Title Commitment produced?**

Shortly after escrow is opened, an order will be placed with Old Republic Title which will then begin the process involved in producing the report.

This process calls for the assembly and review of certain recorded matters relative to both the property and the parties to the transaction. Examples of recorded matters include a deed of trust recorded against the property or a lien recorded against the buyer or seller for an unpaid court award or unpaid taxes.

These recorded matters are listed numerically as "exceptions" in the commitment. They will remain exceptions from title insurance coverage unless eliminated or released prior to the transfer of title.



## **What should I look for when reading my Title Commitment?**

A. You will be interested, primarily, in the extent of your ownership rights. This means you will want to review the ownership interest in the property you will be buying and the description of the property, as well as any claims, restrictions or interests of other people involving the property.

The commitment will note in a statement of vesting the degree, quantity, nature and extent of the owner's interest in the real property. The most common form of interest is "fee simple" or "fee" which is the highest type of interest an owner can have in land.

Liens, restrictions and interests of others which are being excluded from coverage will be listed numerically as "exceptions" in the commitment. These may be claims by creditors who have liens or liens for payment of taxes or assessments. There may also be recorded restrictions which have been placed in a prior deed or contained in what are termed CC&Rs--covenants, conditions and restrictions. Finally, interests of third parties are not uncommon and may include easements given by a prior owner which limit your use of the property. When you buy property you may not wish to have these claims or restrictions on your property. Instead, you may want to clear the unwanted items prior to purchase.

In addition to the limitations noted above, a printed list of standard exceptions and exclusions listing items not covered by your title insurance policy may be attached as an exhibit item to your report. Unlike the numbered exclusions, which are specific to the property you are buying, these are standard exceptions and exclusions appearing in title insurance policies. The review of this section is important, as it sets forth matters which will not be covered under your title insurance policy, but which you may wish to investigate, such as governmental laws or regulations governing building and zoning.

## **Will the Commitment disclose the complete condition of the title to a property?**

No. It is important to note that the commitment is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land, but merely report the current ownership and matters that the title company will exclude from coverage if a title insurance policy should later be issued.

## **Is a Commitment the same thing as title insurance?**

Definitely not. A commitment is an offer to insure, it is not a report of a complete history of recorded documents relating to the property. A commitment is a statement of terms and conditions of the offer to issue a title insurance policy, not a representation as to the condition of title.

These distinctions are important for the following reasons: first, no contract or liability exists until the title insurance policy is issued; second, the title insurance policy is issued to a particular insured person and others cannot claim the benefit of the policy.

## **How do I go about clearing unwanted liens and encumbrances?**

You will wish to carefully review the commitment. Should the title to the property be clouded, you and your agents will work with the seller and the seller's agents to clear the unwanted liens and encumbrances prior to taking title.

# Is an Owner's Policy Worth the Investment?

Title Insurance is based on loss prevention. A typical title search involves searching public records as well as our own Title Plant. No other insurance does this level of due diligence before issuing a policy.

When there is a claim against the title policy it is often due to a title defect that was undetected during the title search. The most common problems are FRAUD and FORGERY. When there is a loss it is usually significant and oftentimes in the hundreds of thousands of dollars.

## Some of the Risks Covered By Title Insurance Policy

The following are risks covered by a Homeowner's form of title insurance policy (subject to insuring provisions, exclusions, exceptions and the conditions and stipulations):

- Someone else claims to have rights affecting your title arising out of forgery, fraud or impersonation.
- Someone else owns an interest in your title or has a recorded lien or encumbrance on your title.
- Someone else has rights affecting your title arising out of leases, contracts or options.
- Someone else has an easement on the land or recorded right to limit your use of the land.
- You are forced to correct or remove an existing violation of any covenant, condition or restriction affecting the land.
- Because of an existing violation of a subdivision law or regulation affecting the land:
  - You are unable to obtain a building permit.
  - You are forced to correct or remove the violation.
  - Someone else has a legal right to, and does, refuse to perform a contract to purchase the land, lease it or make a mortgage loan on it.
- You are forced to remove or remedy your existing structures, or any part of them, because any portion was built without obtaining a building permit or because they violate existing zoning law or zoning regulation.
- Your existing improvements made after the policy date, including lawns, shrubbery or trees, are damaged because of the future exercise of a right to use the surface of the land for the extraction development of minerals, water or any other substance.
- Someone else tried to enforce a discriminatory covenant, condition or restriction which is based upon race, color, religion, gender, handicap, familial status or national origin.
- A document upon which your title is based is invalid because it was not properly signed, sealed, acknowledged, delivered or recorded.
- The residence with the address shown is not located on the land.





# 06 TITLE INSURANCE

## What Is Title Insurance?

Title insurance is an agreement to indemnify against damage or loss from a defect in title as evidenced by a policy of title insurance to a specific parcel of real property. Following a search and examination of public records and in exchange for a premium paid, title insurance companies will assume the risk that title to a parcel of real property is as stated to be in the policy of title insurance.

## Types of Title Insurance (Policies)

### **Owner's Policy:**

Insures an owner of any type of real property against loss by reason of those matters covered under the policy of insurance for as long as they own the property. There are several versions of each policy. Consult with your Real Estate Professional to determine which policy is best for you.

### **Lender's Policy:**

Insures the priority of the lender's security interest over claims that others may have in the property.

## Title Companies – What they handle

Title companies provide services to buyers, sellers, real estate developers, builders, mortgage lenders and others who have an interest in the real estate transaction. Title companies provide assurances that the transfer of title takes place efficiently and that your interests as an insured are protected under the terms and conditions of the policy. Title insurance is different from many other types of insurances (casualty, auto, etc.). These other types of insurances assume risks by providing financial protection for losses arising from an unforeseen future event such as a fire, theft or accident. With title insurance, risks are examined and mitigated before the property changes hands.

## Refinancing: Why Lenders Require Title Insurance

Your lender will want to insure that your new loan is protected by title insurance, just as the original lender required. Even if you already purchased a lender's policy, the policy remains in force only during the life of the loan that was insured. So, if you refinance, the old loan is paid off and a new loan is issued with a new title insurance policy. You will not need to purchase a new owner's policy of title insurance.

## Frequently Asked Questions About Title Insurance

### **Q. WHAT DOES TITLE INSURANCE INSURE?**

**A.** Title Insurance offers protection against claims resulting from various defects (as set out in the policy) which may exist in the title to a specific parcel of real property effective on the issue date of the policy. For example, a person might claim to have a deed or lease giving them ownership or the right to possess your property. Another person could claim to hold an easement giving them a right of access across your land. Yet another person may claim that they have a lien on your property securing the repayment of a debt. That property may be an empty lot or it may hold a 50-story office tower. Title companies work with all types of real property.

**Q. HOW MUCH CAN I EXPECT TO PAY FOR TITLE INSURANCE?**

**A.** This point is often misunderstood. Although the title company or escrow office usually serves as a meeting ground for closing the sale, only a small percentage of total closing fees are actually for title insurance protection. Your title insurance premium may actually amount to less than one percent of the purchase price of your home and less than ten percent of your total closing costs. The title policy is good for as long as you and your heirs own the property with the payment of only one premium.

**Q. WHO WILL PAY FOR TITLE INSURANCE CHARGES, THE BUYER OR THE SELLER?**

**A.** Surprisingly, “who pays” is not uniform. In some areas the buyer will pay while in others the seller will pay. In some places, the seller will pay for the owner’s title policy and the buyer will pay for the lender’s policy. But in every case, the question of who pays closing costs is a matter of agreement between the buyer and seller. Usually this agreement is based on the customary practice in your area.

**Q. WHY ARE SEPARATE OWNER’S AND LENDER’S TITLE INSURANCE POLICIES ISSUED?**

**A.** Both you and your lender will want the security offered by title insurance. As the owner, you will want assurances that the home is yours and that you are protected against certain title defects. Your lender will likely want title insurance in order to protect its loan security interest, and may even be required to have a lender’s policy in place in order to sell the loan to secondary market investors.

**Q. WHAT ARE MY CHANCES OF EVER USING MY TITLE POLICY?**

**A.** In essence, by acquiring your policy, you derive the important knowledge that recorded matters have been searched and examined so that title insurance covering your property can be issued. Because title insurance companies are risk eliminators, the probability of exercising your right to make a claim is very low. However, claims against your property may not be valid, making the continuous protection of the policy all the more important.

When a title company provides a legal defense against claims covered by your title insurance policy the savings to you for that legal defense alone will greatly exceed the one-time premium.





**Q. WHAT IF I AM BUYING PROPERTY FROM SOMEONE I KNOW?**

**A.** You may not know the owner as well as you think you do. People undergo changes in their personal lives that may affect title to their property. People get divorced, change their wills and engage in transactions that limit the use of the property and have liens and judgments placed against them personally for various reasons.

There may also be matters affecting the property that are not obvious or known, even by the existing owner, which a title search and examination seeks to uncover as part of the process leading up to the issuance of the title policy.

Just as you wouldn't make an investment based on a phone call, you shouldn't buy real property without assurances as to your title. Title insurance provides these assurances.

The process of risk identification and elimination performed by the title companies, prior to the issuance of a title policy, benefits all parties in the property transaction.

Title Insurance minimizes the chances that adverse claims might be raised, and by doing so reduces the number of claims that need to be defended or satisfied. This process keeps costs and expenses down for the title company and maintains the traditional low cost of title insurance.

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# 07 CLOSING COSTS

The buyer and seller will pay “closing” or settlement costs, an accumulation of separate charges paid to different entities for the professional services associated with the buying and selling of property.

Some closing costs might include real estate commissions, appraisal fees, loan fees, escrow charges, advance payments like property taxes (city and county), hazard insurance, title insurance, pest inspections, etc.

Keep in mind that your closing funds should be in the form of a cashier’s check made payable to the title company or escrow office in the amount requested, or by wired funds.

## Examples of Additional Closing Costs:

TITLE INSURANCE PREMIUMS	REAL ESTATE COMMISSION
ESCROW AND NOTARY FEES	DOCUMENTATION PREPARATION FEE FOR TRANSFERRED DEED
DOCUMENTATION PREPARATION FEE	FIRE INSURANCE PREMIUM FOR FIRST YEAR IMPOUNDS, IF APPLICABLE
RECORDING CHARGES FOR ALL DOCUMENTS IN BUYER’S NAME	PAYOFF ALL LOANS IN SELLER’S NAME (OR EXISTING LOAN BALANCE IF BEING ASSUMED BY BUYER)
INTEREST ON NEW LOAN FROM DATE OF FUNDING TO 30 DAYS PRIOR TO FIRST PAYMENT	INTEREST ACCRUED TO LENDER BEING PAID OFF, STATEMENT FEES, RECONVEYANCE FEES AND ANY PREPAYMENT PENALTIES
INSPECTION FEES (PROPERTY, ROOF, GEOLOGICAL)	TERMITE WORK (ACCORDING TO CONTRACT)
ALL NEW LOAN CHARGES (EXCEPT THOSE REQUIRED BY LENDER FOR SELLER TO PAY)	NATURAL HAZARD DISCLOSURE REPORT
TAX PRORATION FROM DATE OF ACQUISITION	ANY JUDGMENTS, DELINQUENT TAXES, TAX LIENS, ETC. AGAINST SELLER
ASSUMPTION/CHANGE OF RECORD FEES FOR TAKE OVER OF EXISTING LOAN	TAX PRORATION (FOR ANY UNPAID TAXES)
BENEFICIARY STATEMENT FEE FOR ASSUMPTION OF EXISTING LOAN	RECORDING CHARGES TO CLEAR ALL DOCUMENTS OF RECORD AGAINST SELLER
HOMEOWNERS ASSOCIATION TRANSFER FEE	ANY BONDS OR ASSESSMENTS
HOME WARRANTY (ACCORDING TO CONTRACT)	ANY UNPAID HOMEOWNERS DUES, HOMEOWNERS DOCUMENT AND DEMAND FEES
ANY CITY TRANSFER TAX/CONVEYANCE TAX (PER CUSTOM)*	DOCUMENTARY TRANSFER TAX

(\*Based on City/County of where property is located. Check with your Real Estate Professional.)

## Arizona Rate Schedule

POLICY LIABILITY SALE PRICE	HOMEOWNER’S POLICY	ALTA LOAN POLICY CONCURRENT W/OWNER’S POLICY	ESCROW SERVICES*
\$150,000	1,012	598	870
\$300,000	1,498	885	1,065
\$500,000	2,064	1,220	1,355
\$750,000	2,728	1,612	1,630
\$1,000,000	3,392	2,004	1,880

The escrow rates listed herein are pursuant to our current posted schedule of fees dated 4/26/2021. Title rates effective July 1, 2016.

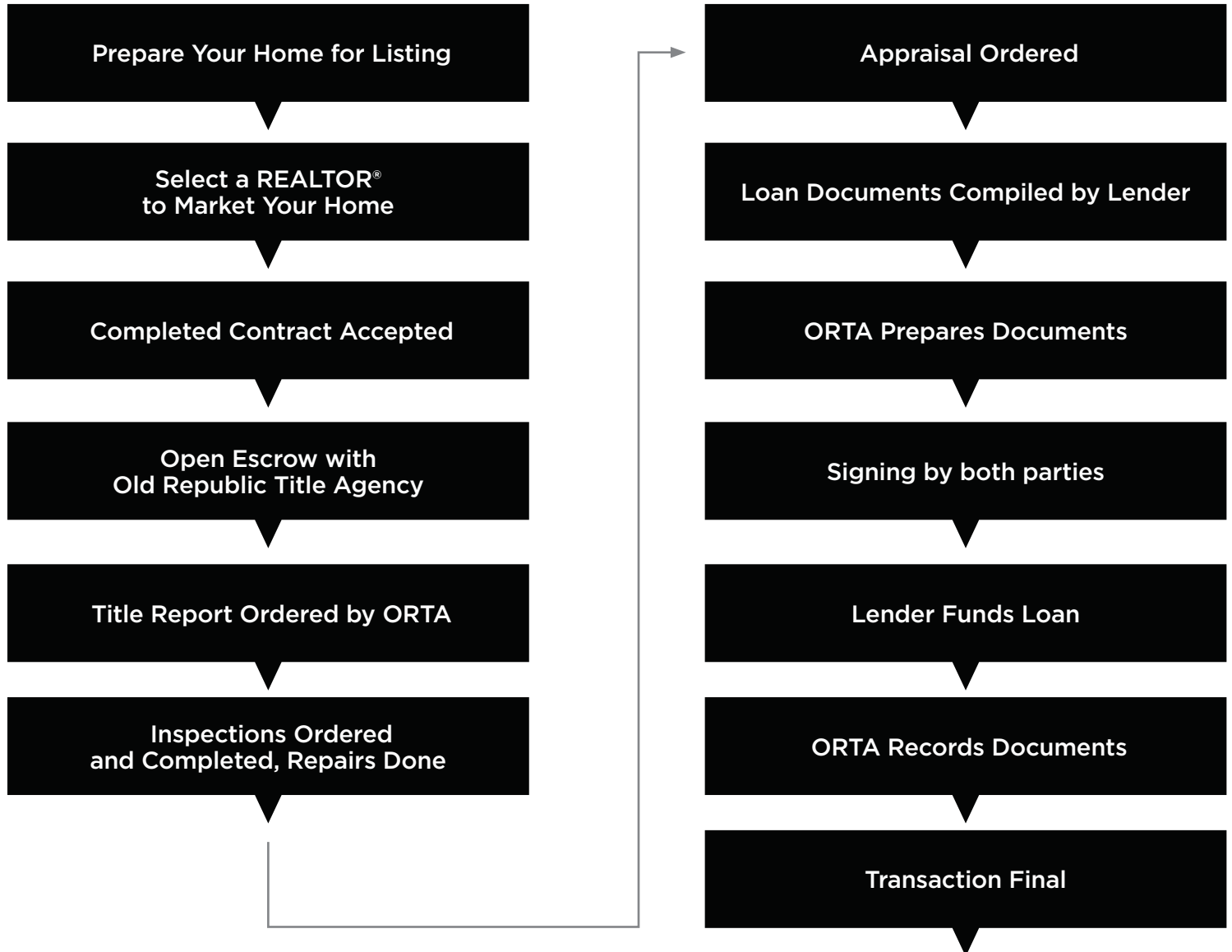
\*If Buyer requires financing, an additional \$200 will be added to base escrow fee.

\*If Seller has a mortgage payoff, an additional \$200 will be added to base escrow fee.



# 08 SELLING A HOME

## The Process of Selling Your Home





# The Process of Selling Your Home

## HOME SELLING CHECKLIST

### **Gauge your need to sell.**

- Define your goals for the next 5-10 years.
- Weigh the pros and cons of selling.
- Figure out if you can afford to sell, move and buy a new home.
- Calculate your home equity. Research the local housing market.
- Consider remodeling the home to fit your needs. Weigh the pros and cons of renting out your home.

### **Calculate your selling expenses.**

- List the repairs and projects you'll have to do to get your home in selling condition and estimate the costs of supplies and contractors.
- See what projects you can afford and adjust how much you expect to get for your home.
- To get top dollar, consider remodeling projects and green upgrades that increase your home value.
- Expect to pay about 7 percent to 10 percent of the home's sale price in closing costs, including:
  - Real estate agent commissions
  - Transfer taxes -- based on the property's sale price
  - Prorated property taxes -- based on closing date

### **Factor in these other costs**

- Professional home inspection -- will reveal problems with your home before a buyer finds them
- Capital gains tax
- Mortgage payoff penalties
- Staging and marketing expenses -- supplies to prep the house, such as new paint, furniture, light fixtures, window treatments, rugs and other accents
- Moving expenses -- ranges from a few hundred dollars for a local move to thousands of dollars for a cross-country relocation
- Cost of living in new city or neighborhood
- Costs related to getting a mortgage for new home

### **Prepare and stage the home.**

- Have a yard sale. Sell, donate or trash everything you don't need.
- Make necessary repairs.
- Make improvements to increase your home's external attractiveness when viewed from the street, such as:
  - Fresh coat of paint
  - Replacing old siding
  - Clearing the clutter
  - Cleaning the entryway, sidewalks and windows

- Professional landscaping
- Hire a professional home stager or research staging tips.
- De-clutter, depersonalize and decorate every room and outdoor areas so buyers can imagine themselves living in the home.
- Paint interior rooms neutral colors.
- Replace outdated lighting fixtures and window treatments.

### **Hire and Work with Your Real Estate Professional**

- Keep the home in show-ready condition at all times.
- Your REALTOR® will have you fill out a Sellers' Property Disclosure Statement (SPDS) which will help buyers when choosing a property and address any issues that should come up.
- Home Warranty – optional coverage is available to the seller during the listing period and enhances the chance of the home selling quickly for a higher price. A home warranty offers the seller added peace of mind regarding repair coverage if problems arise after closing. Consider Old Republic Home Protection at [www.orhp.com](http://www.orhp.com) or 800-445-6999
- Your REALTOR® will hold an exclusive open house for local agents to introduce them to the home and get feedback.
- Include food and refreshments.
- Your REALTOR® will hold an open house for potential buyers and advertise in local publications and put up signage in the area.

### **Review purchase offers.**

### **Make counteroffers and negotiate.**

### **Get through escrow.**

- Create a formal plan for handling repairs, including when they should be made and who pays for them.
- Plan move.
- Clean and prepare the home for the appraisal and home inspections.
- Sign documents at the title company.
- Give keys to real estate agent and move out on date closing records.
- Keep copies of your documents for reporting the sale on federal and state tax forms.





## Sellers Guide to Closing Costs

### Typical Seller's Closing Costs

- Owner's title insurance premium
- Real estate commission fees
- One-half of the escrow fee, except VA loans, (where seller pays 100%)
- Any loan charges as specified from the buyer's lender
- Payoff of all loans in the seller's name
- Any fees from existing loan including statement fees, prepayment penalties, interest accrued on loan being paid off, or reconveyance fees
- Home warranty premium as stated in the contract
- Seller may have to pay 1/2 of the Homeowner's Association transfer fee
- All liens, judgments, and the like against the seller
- Recording charges to clear all documents of record against seller
- Property taxes, pro-rated to the date title was transferred
- All delinquent property taxes
- All outstanding Homeowner's Association dues
- As specified in the contract, all bonds and assessments
- As stated in the contract, any other fees or repairs
- Courier fees, if required

Prior to your closing, the Escrow Officer will provide you with a Settlement Statement. It is recommended that you review this document prior to closing.

# 09

## DISTRESSED PROPERTY GUIDE

By: Thomson Law, PLC - [www.ThomsonLawPLC.com](http://www.ThomsonLawPLC.com)

### **When Does It Make Sense to Short Sell My Home?**

There is no easy answer to this question. Emotions play a big part of this decision, but when the negative equity in the home reaches a level that justifies the potential damage to credit or when the homeowner is simply unable or unwilling to continue making payments, the decision becomes easier. It is important to have all the facts before making your decision. An experienced REALTOR® and/or real estate attorney can help you determine the value of your property and which options best suit your needs so you can make a more informed decision.

### **Who Pays the Fees In a Short Sale?**

The lender may pay some or all of the fees associated with the short sale of a property. However, it is not unusual for either a 1st/2nd lienholder or MI company to require funds or a promissory note from the homeowner prior to close. It is important for the homeowner to know their obligations prior to listing a home for short sale.

### **How Does A Short Sale Work and How Do I Get Started?**

Typically this is a difficult process, complicated by overwhelmed lenders that are hard to reach and slow to make decisions. The lender has to approve any offers, but the decision also lies with the homeowner. An experienced REALTOR® can help you get started and simplify this process by taking on much of the work with the lender.

### **Do I Need To Be Delinquent on My Mortgage to Short Sale My Home?**

No, in most cases if the homeowner is unable to continue making payments due to a hardship such as a job loss, income reductions, or illness in the family, a lender will accept short sale offers for consideration of approval without the loan being in default. Some people are in a position to continue to make their mortgage payments and make the financial decision to continue making their payments until the home's sale transaction is closed. According to the new FHA guideline on short sales, those homeowners who keep their payments current during a short sale may qualify to buy a new home through FHA immediately after closing.

### **Must I Have a Hardship to Qualify for a Short Sale?**

No, lenders often approve short sales for homeowners that do not have a hardship simply because the alternative is to take the home back in a foreclosure, which would only increase the lender's losses.

What Constitutes a Hardship?

- Death of Income Earner
- Military Service
- Reduction of Income
- Medical Expenses
- Loss Of Job

### **Will I Still Owe the Bank After a Short Sale?**

It is commonly misstated that Arizona is a non-recourse state. Although Arizona has strong anti-deficiency statutes, there are circumstances in which a lender could pursue a deficiency judgment against the homeowner. There are statutes to protect homeowners from deficiency liability in a foreclosure that may not apply in a short sale. The upside to a short sale is it will typically reduce the potential tax obligation when a 1099 is filed after the lender takes a loss. This is why it is very important to consult an attorney before signing any documents or even listing the home for short sale.

### **Can I Stay in My Home if I Am Not Making My Mortgage Payments?**

Typically, if a homeowner stops making their payments, after 90 days they will receive a notice of default and then a notice of sale. The notice of sale must give the homeowner 90 days notice. So from the time a homeowner stops making payments, the minimum time before the home could be sold at trustee sale and the homeowner forced out is 6 months. Many lenders are extending these times in order to slow the number of foreclosures. Additionally, lenders will usually extend trustee sale dates to accommodate a short sale.

### **What is Required From the Property Owner?**

The homeowner must provide a listing agreement with a qualified REALTOR®, provide the lender with requested documents, and allow access to show the property.



# Distressed Property Guide

By: Thomson Law, PLC - [www.ThomsonLawPLC.com](http://www.ThomsonLawPLC.com)

## Short Sale vs. Foreclosure?

1. A foreclosure is typically more damaging to the credit than a short sale or deed-in-lieu.
2. A foreclosure can create more of a tax liability for the homeowner than a short sale, since a short sale is likely to result in a higher payout to the lender.
3. Once a foreclosure is complete, the borrower has no bargaining power if the lender decides to pursue a deficiency lawsuit. If a short sale is completed on a property that may present deficiency risk, it may be possible for an attorney to negotiate language that minimizes this risk.
4. A foreclosure can provide additional anti-deficiency protection to the homeowner that may not apply in a short sale.

## Short Sale Seller Checklist

In the event that you do decide to short sale your home your bank will require certain documents from you. Each lender will vary in their required documents, but here are a few that you may need:

- Authorization to release loan information for short selling processing.
- Authorization to Old Republic Title Agency to release loan information to real estate agents(s)/financial counselors for short sale processing
- Hardship Letter – This letter must be directed to your lender(s) and state the reasons you request a short sale. For example, unemployment, change income, divorce, poor money management, etc.
- Copies of the last 2 years tax returns
- Copies of last 2 months bank statements
- Copies of pay stubs for last 2 pay periods
- Copies of most recent W-2 forms
- Any and/or all communication you have received from your existing lender(s)
- Other documents as may be required by lender
- Copies of statements from lenders (1st & 2nd)
- Financial statement or worksheet



Old Republic Title offers this dictionary as a reference tool for individuals and organizations in the real estate community. We hope you find useful its brief definitions of real estate-related terminology. We welcome the opportunity to be of service to you. Old Republic Title – your single source for answers to today’s title insurance questions.

## Why Old Republic Title?

Old Republic Title has been a respected member of the American title insurance community for over 100 years. Our experienced title professionals would be pleased to answer any questions regarding title insurance or entries in this dictionary. You also may access [ortc.com](http://ortc.com) for a thorough overview of our capabilities.

### A

**ABSTRACT OF TITLE:** A CONDENSED HISTORY OR SUMMARY OF ALL TRANSACTIONS AFFECTING A PARTICULAR TRACT OF LAND.

**ACCESS:** THE LEGAL RIGHT TO ENTER AND LEAVE A TRACT OF LAND FROM A PUBLIC WAY. CAN INCLUDE THE RIGHT TO ENTER AND LEAVE OVER THE LAND OF ANOTHER.

**ACCRETION:** THE SLOW BUILDUP OF LAND BY NATURAL FORCES SUCH AS WIND OR WATER.

**ADJUSTABLE RATE MORTGAGE (ARM):** A RESIDENTIAL MORTGAGE THAT HAS AN INTEREST RATE THAT IS SUBJECT TO CHANGE. THE TIMES OF ADJUSTMENT ARE AGREED UPON AT THE INCEPTION OF THE LOAN.

**ADMINISTRATOR:** A PERSON APPOINTED BY A PROBATE COURT TO SETTLE THE AFFAIRS OF AN INDIVIDUAL DYING WITHOUT A WILL. THE TERM IS “ADMINISTRATRIX” IF SUCH A PERSON IS A WOMAN. ALSO SEE “PERSONAL REPRESENTATIVE.”

**ADVERSE POSSESSION:** A CLAIM MADE AGAINST THE LAND OF ANOTHER BY VIRTUE OF OPEN AND NOTORIOUS POSSESSION OF SAID LAND BY THE CLAIMANT.

**AFFIDAVIT:** A SWORN STATEMENT IN WRITING.

**AGENT:** A PERSON OR COMPANY THAT HAS THE POWER TO ACT ON BEHALF OF ANOTHER OR TO TRANSACT BUSINESS FOR ANOTHER, E.G., A TITLE AGENT UNDER CONTRACT WITH OLD REPUBLIC TITLE IS AN AGENT SOLELY FOR THE PURPOSE OF ISSUING POLICIES OF TITLE INSURANCE AND OTHER TITLE INSURANCE PRODUCTS.

**AIR RIGHTS:** THE RIGHT TO OWNERSHIP OF EVERYTHING ABOVE THE PHYSICAL SURFACE OF THE LAND.

**ALTA:** AMERICAN LAND TITLE ASSOCIATION, A NATIONAL ASSOCIATION OF TITLE INSURANCE COMPANIES, ABSTRACTORS AND ATTORNEYS SPECIALIZING IN REAL PROPERTY LAW. ITS HEADQUARTERS ARE IN WASHINGTON, D.C.

**ANNUAL PERCENTAGE RATE (APR):** AN EXPRESSION OF THE PERCENTAGE RELATIONSHIP OF THE TOTAL FINANCE CHARGES TO THE TOTAL AMOUNT TO BE FINANCED AS REQUIRED UNDER THE FEDERAL TRUTH-IN-LENDING ACT.

**APPRAISAL:** A WRITTEN OPINION OF MARKET VALUE BASED UPON A FACTUAL ANALYSIS OF RELEVANT LOCAL MARKET INFORMATION.



## A (Continued)

**Appurtenance:** Anything so annexed to land or used with it that it will pass with the conveyance of the land.

**ARM:** Adjustable Rate Mortgage.  
Also see "Variable Rate Mortgage."

**Assessment:** The imposition of a tax, charge or levy, usually according to established rates.

**Assessor:** A public official who evaluates property for the purpose of taxation.

**Assignee:** One to whom a transfer of interest is made. For example, the assignee of a mortgage or contract.

**Assignor:** One who makes an assignment. For example, the assignor of a mortgage or contract.

**Assumable Mortgage:** A mortgage which, by its terms, allows a new owner to take over its obligations.

**Attachment:** Legal seizure of property to force payment of a debt.

**Attorney in Fact:** One who holds a power of attorney from another, allowing him or her to execute legal documents such as deeds, mortgages, etc., on behalf of the grantor of the power.

## B

**Balloon Mortgage:** A mortgage that is amortized over a specific period of years, but requires a lump-sum payment in full at an earlier date.

**Bankruptcy:** A federal court proceeding in which debtors may be relieved of liability for their debts after surrender of their nonexempt assets to a court-appointed trustee.

**Bureau of Land Management:** The branch of government in charge of surveying and managing public land.

## C

**CC&R's:** Covenants, Conditions and Restrictions.  
Also see "Conditions and Restrictions."

**Changed Circumstance:** In accordance with the TRID Rule, events which allow a creditor to revise a Loan Estimate or a Closing Disclosure include: (i) an extraordinary event beyond the control of any interested party or other unexpected event specific to the consumer or transaction; (ii) information specific to the consumer or transaction that the creditor relied upon when providing the Loan Estimate and that was inaccurate or changed after the disclosures were provided; (iii) new information specific to the consumer or transaction that the creditor did not rely on when providing the Loan Estimate; (iv) revisions requested by the consumer; (v) when the Loan Estimate expires; or (vi) on the day of the rate lock.

**Chain of Title:** A term applied to the past series of transactions and documents affecting the title to a particular parcel of land.

**Cloud on Title:** An irregularity, possible claim, or encumbrance which, if valid, would affect or impair the title.

**Closing:** Also known as "escrow" or "settlement." The process of executing legally binding documents, such as deeds and mortgages, most commonly associated with the purchase of real estate and the borrowing of money to assist in the purchase.

**Closing Costs:** Expenses for services incidental to a sale of real estate, such as sales commissions, loan fees, title fees, appraisal fees, etc.

**Closing Disclosure:** The five-page Closing Disclosure, also referred to as CD, must be provided to the consumer three business days before they close on the loan. The Closing Disclosure details all of the costs associated with the mortgage transaction.

**Closing Statement:** A summation, in the form of a balance sheet, made at a closing showing the amounts of debits and credits to which each party to a real estate transaction is entitled.

**Clouded Title:** An encumbered title.

**Coinsurance:** A form of insurance underwritten by two or more title insurers sharing a single risk under separate title insurance policies in proportional amounts.

**Common Interest Community (CIC):** Ownership characterized by mutual ownership of common areas, either jointly or through membership in an association, e.g., condominiums, planned unit developments and townhomes.

**Condemnation:** Taking private property for public use through court proceedings.  
Also see "Eminent Domain."

**Condition or Conditions:** A proviso in a deed, will or other instrument that, upon the happening or failure to happen of a certain event, limits, enlarges, changes or terminates the title of the purchaser or devisee.

**Conditions and Restrictions:** Limitations placed on the use and enjoyment of land. May include penalties for failure to comply. These are found most often on condominiums and planned unit developments.

**Condominium:** A system of individual fee ownership of units in a multi-unit structure, combined with joint ownership of common areas of the structure and land.

**Conservator:** See "Guardian."

## C (Continued)

**Consummation:** Consummation is not the same thing as closing or settlement. Consummation occurs when the consumer becomes legally obligated to the creditor on the loan, not, for example, when the consumer becomes contractually obligated to a seller on a real estate transaction.

**Consumer's Intent to Proceed:** Unless a particular manner of communication is required by the creditor, a consumer indicates intent to proceed with the transaction when the consumer communicates, in any manner, that the consumer chooses to proceed after the Loan Estimate has been delivered. This may include (i) oral communication in person immediately upon delivery of the Loan Estimate; or (ii) oral communication over the phone, written communication via email, or signing a preprinted form after receipt of the Loan Estimate. A consumer's silence is not indicative of intent to proceed.

**Contract for Deed:** An agreement to sell and purchase, under which title is held as security by the seller until such time as the required payments to the seller have been completed.

**Convey:** The act of deeding or transferring title to another.

**Conveyance:** An instrument by which title is transferred, e.g., a deed. Also the act of transferring title.

**Covenant:** An agreement written into deeds and other instruments promising performance or nonperformance of certain acts, or stipulating certain uses or non-uses of the property.

**Cul-de-Sac:** The terminus of a street or alley. Usually laid out by modern engineers to provide a circular turnaround for vehicles.

## D

**Deed:** A written document by which the ownership of land is transferred from one person to another.

**Deed of Trust:** An instrument used in many states in place of a mortgage. Property is transferred to a trustee by the trustor (borrower), in favor of the beneficiary (lender) and reconveyed (satisfied) upon payment in full.

**Devise:** The disposition of real property by will.

**Due-on-Sale Clause:** Provision in a mortgage or deed of trust which requires loan to be paid in full if property is sold or transferred.

## E

**Earnest Money:** Advance payment of part of the purchase price to bind a contract for property.

**Easement:** An interest in land owned by another that entitles its holder to a specific limited use, such as laying a sewer, putting up electric power lines or crossing the property. Also see "Right of Way."

**Egress:** The right to leave a tract of land.

**Eminent Domain:** The power of the state to take private property for public use upon payment of just compensation.

**Encroachment:** A trespass or intrusion onto another's property, usually by a structure, wall or fence.

**Encryption:** The conversion of data into a form that cannot be easily understood by unauthorized people. The process of encoding a message so that it can be read only by the sender and the intended recipient. Encryption is the most effective way to achieve data security.

**Encumber:** To burden a parcel of land with a lien or charge.

**Encumbrance:** A lien, liability or charge upon a parcel of land, e.g. a mortgage or easement.

**Escheat:** A reversion of property to the state in those cases where an individual dies without heirs or devisees, and, in some states, without a will.

**Escrow:** A procedure whereby a disinterested third party handles legal documents and funds on behalf of a seller and buyer, and delivers them upon performance by the parties.

**Estate:** A person's possessions. The extent of a person's interest in real property.

**Examination of Title:** The investigation and interpretation of the record title to real property based on the title search or abstract.

**Exception:** In legal descriptions, that portion of land to be deleted or excluded. The term often is used in a different sense to mean an encumbrance on title, excluded from coverage in a title insurance policy.

**Executor:** A person appointed by the probate court to carry out the terms of a will. The term is "executrix" if that person is a woman.  
Also see "Personal Representative."

## F

**Fannie Mae:** Federal National Mortgage Association (also FNMA) is a private corporation, federally chartered to provide financial products and services that increase the availability and affordability of housing by purchasing mortgage loans.

**Fee Simple Estate:** The greatest possible estate in land where the title is held completely and without any limitations or conditions. Sometimes designated simply as "Fee."

**Financing Statement:** A document filed with the Register of Deeds or Secretary of State to give notice that a creditor (lender) has or may have a security interest in the personal property of the debtor (borrower).

**Fixed Rate Mortgage:** A mortgage on which the same rate of interest is charged for the life of the mortgage.

**Fixtures:** Any item of property so attached to real property that it becomes a part of the real property.

**Flood Certification:** A common term for a Federal Emergency Management Agency (FEMA) Standard Flood Hazard Determination Form (SFHDF). This determines whether land or a building is located within a Special Flood Hazard Area for purposes of flood insurance requirements under the National Flood Insurance Program.

**Forfeiture of Title:** Provision in a deed creating a condition which will cause title to be passed to another, should certain circumstances occur.

**Freddie Mac:** Federal Home Loan Mortgage Corporation (also FHLMC) is a stockholder-owned corporation chartered by Congress that purchases mortgage loans.

## G

**Ginnie Mae:** Government National Mortgage Association (also GNMA) is a wholly owned United States corporation that guarantees privately issued securities backed by pools of mortgages insured by FHA (Federal Housing Administration), FMHA (Farmers Home Administration) or VA (Veterans Administration).

**Graduated Payment Mortgage:** A loan in which monthly payments are relatively small in the beginning and gradually increase in dollar amount over the life of the mortgage.

**Grantee:** A person who acquires an interest in land by deed, grant or other written instrument.

**Grantor:** A person, who, by a written instrument, transfers to another an interest in land.

**Guardian:** One appointed by the court to administer the affairs of an individual not capable of administering his or her own affairs.

## H

**Harbor Line:** An arbitrary line set by authorities on navigable rivers, beyond which wharves and other structures may not be built. Also designated as line of navigation.

**Hazard Insurance:** Insurance protecting a property owner against loss, such as: fire, windstorm, lightning, hail, explosion, riot, smoke, property damage, flood or mudslide. It is usually purchased as part of the Homeowner's Insurance Policy.

**Heir:** One who might inherit or succeed to an interest in land of an individual who dies without leaving a will (intestate).

**Home Equity Conversion Mortgage:** A reverse or reverse annuity mortgage in which HUD, through FHA, guarantees that the borrower will receive monthly payments from the insurer (FHA), in the event the lender is unable to make payments to the borrower.

**Home Equity Line of Credit (HELOC):** A loan in which the lender agrees to lend a maximum amount within an agreed period (called a term), where the collateral is the borrower's equity in his/her house.

**Homeowners Insurance:** Insurance protection paying benefits for damage to improved real property or possessions in the home. Also provides liability coverage against accidents in the home or on the property.

**HUD-1:** The HUD-1 is a type of settlement statement which, prior to the TILA-RESPA Integrated Disclosure (TRID) Rule, was required for use with all federally related mortgage loans. It has been supplanted by the "Closing Disclosure" as a required form, but the HUD-1 will continue to be used for reverse mortgage and HELOC transactions. In addition, it may remain in use for some transactions that do not involve federally related mortgage loans since it functions well as a balance sheet of the settlement.

## I

**Improvements:** Those additions to raw land tending to increase value, such as buildings, streets, sewer, etc.

**Indemnify:** To make payment for a loss or to hold another harmless from loss.

**Ingress:** The right to enter a tract of land.

**Insurance:** A contract of indemnity against specified perils.

**Interim Financing:** Temporary or short-term loans. Often used with new construction. Usually replaced with permanent long-term financing.

**Intestate:** Designates the estate or condition of failing to leave a will at death. "To die intestate."

## J

**Joint Tenancy:** An estate where two or more persons hold real estate jointly for life, the survivors to take the entire interest on the death of one of the joint tenants.

**Judgment:** A decree of a court. In practice, this is the lien or charge upon the land of a debtor resulting from the court's award of money to a creditor. Also see "Judgment Lien."

**Judgment Docket:** The record book of a County Clerk, where a judgment is entered in order that it may become a lien upon the property of the debtor.

**Judgment Lien:** The charge upon the land of a debtor resulting from the decree of a court properly entered into the judgment docket.

## L

**Land Contract:** See "Contract for Deed."

**Lease:** A grant of the use of land for a term of years in consideration of the payment of a monthly or annual rental.

**Lender's Policy:** A form of title insurance policy which insures the validity, enforceability and priority of a lender's lien. This policy does not provide protection for the owner.

**Lessee:** One who takes land under a lease.

**Lessor:** One who grants land under a lease.

**Lien:** A hold, claim or charge allowed a creditor upon the land of a debtor. Some examples are mortgage liens, judgment liens and mechanics' liens.

**Life Estate:** A grant or reservation of the right of use, occupancy and ownership for the life of an individual.

**Lis Pendens:** A notice recorded in the official records of a county to indicate that a suit is pending affecting title to the land in the jurisdiction where the notice is recorded.

**Loan Estimate:** A three-page Loan Estimate (also called LE) must be provided to the consumer no later than three business days after they submit a loan application for most mortgages. The Loan Estimate provides information about key features, costs and risks of the mortgage loan for which the consumer is applying.

**Loan Policy:** See "Lender's Policy."

**Loss Payable Clause:** A clause in a contract of insurance which says any loss will be paid to two or more parties as their interest may appear. Usually the owner and the mortgage lender.

**Lot:** A part of a subdivision or block having fixed boundaries ascertainable by reference to a plat or survey.

## M

**Marketable Title:** A good title about which there is not fair or reasonable doubt.

**Mechanic's Lien:** A lien allowed by statute to contractors, laborers and material suppliers on buildings or other structures upon which work has been performed or materials supplied.

**Metes and Bounds:** A description of land by courses and distances.

**Mortgage:** An instrument used to encumber land as security for a debt.

**Mortgage Banker:** A specialized lending institution that lends money solely with respect to real estate and secures its loans with mortgages on the real estate.

**Mortgage Broker:** A person or company that buys and sells mortgages for another on commission or who arranges for and negotiates mortgage contracts.

**Mortgage Insurance:** Insurance protecting against the nonpayment of, or default on, an individual mortgage or loan involved in a residential mortgage transaction. It protects the mortgage lender against loss incurred by a reason of nonpayment or mortgage default.

**Mortgagee:** The mortgage lender.

**Mortgagee's Policy:** See "Lender's Policy."

**Mortgagor:** The mortgage borrower.

## N

**Non-Public Personal Information (NPPI or NPI):**

Means “personally identifiable financial information” that is (i) provided by a consumer to a financial institution, (ii) about a consumer resulting from a transaction or service performed for the consumer, or (iii) otherwise obtained by the financial institution. Personally identifiable financial information includes any information obtained by a financial institution in connection with its provision of a “financial product or service,” even if the information is not typically considered financial in nature.

**Notary:** One authorized to take acknowledgments.

**Note:** The instrument evidencing the indebtedness. A note is usually secured by a security instrument such as a mortgage or deed of trust.

## O

**Origination Fee:** The administrative fee charged by the lender to prepare loan documents, run credit checks, inspect and sometimes appraise a property, usually computed as a percentage of the face value of the loan.

**Owner’s Policy:** A policy of title insurance, which insures a named owner against loss by reason of defects, liens and encumbrances not excepted to in the policy or unmarketability of the title. The company also agrees to defend covered claims made against the title.

**Ownership:** The right to possess and use property to the exclusion of others.

## P

**Patent:** A document or grant by which the federal or state government originally transferred title to public land to an individual. The first in the series of transfers by which title comes down to present owners.

**Personal Representative:** A person appointed by the probate court to administer a decedent’s estate. Also see “Executor” or “Administrator.”

**Plat or Plot:** A map representing a piece of land subdivided into lots with streets shown thereon.

**P.M.I.:** Private Mortgage Insurance. An insurance contract which insures that the named lender will recover a specific percentage of the loan amount from the insurer in the event the loan goes bad.

**Points:** A one-time special fee or extra charge paid to a lender in order to secure a loan. Expressed as a percentage of face amount of mortgage.

**Policy:** See Title Insurance Policy.

**Policyowner:** The insured on a title insurance policy.

**Power of Attorney:** An instrument authorizing another to act on one’s behalf in legal matters.

**Power of Sale:** A clause in a will, mortgage, deed of trust or trust agreement authorizing the sale or transfer of land in accordance with the terms of the clause.

**Pre-Settlement Inspections:** See “Walk Through.”

**Prepayment Penalty:** A clause in a mortgage or loan contract that says if the mortgage is prepaid within a certain time period, a penalty will be assessed. The penalty can be based on percentage of the remaining mortgage balance or some other calculation as described in the clause.

**Premium Tax:** A tax imposed on all premiums from the business of title insurance. Only applies in some states.

**Privacy Rule:** The GRAMM-LEACH-BLILEY ACT requires financial institutions (which includes title insurance companies) to give notice to all of their “customers” about their privacy practices. The Privacy Policy is a “clear and conspicuous” written notice describing their privacy policies and practices.

**Prorate:** To allocate between seller and buyer their proportionate share of an obligation paid or due. For example, a proration of real property taxes or fire insurance premiums.

## Q

**Quiet Title:** An action in a proper court to remove record defects or possible claims of other parties named in the action.

## R

**Range:** A part of the government survey, being a strip of land six miles in width, and numbered east or west of the principal meridian.

**Real Property:** Land, together with fixtures, improvements and appurtenances.

**Realtor®:** A federally registered collective membership mark which identifies a real estate professional who is a member of the National Association of Realtors® and subscribes to its strict Code of Ethics.

**Realty:** A brief term for real property.

**Redeem:** Literally “to buy back.” The act of buying back land after a mortgage foreclosure, tax foreclosure, or other execution sale.



## R (Continued)

**Redisclosure:** For covered transaction under the TILA-RESPA Integrated Disclosure (TRID) Rule and under very specific circumstances, the Loan Estimate and/or the Closing Disclosure may be revised and delivered to the consumer.

**Registered Land:** See "Torrens Title."

**Reinsurance:** To insure again by transferring to another insurance company all or part of an assumed liability, thus spreading the loss risk any one company has to carry.

**Reverse or Reverse Annuity Mortgage:** A mortgage for which the borrower pledges home equity in return for regular (monthly) payments, rather than a lump sum distribution of loan proceeds. Repayment is usually not required until the home is sold or the borrower's estate is settled, provided the borrower continues to live in the home and keeps current all taxes and insurance. Also see "Home Equity Conversion Mortgage."

**Right of Way:** The right which one has to pass across the land of another. An easement.

**Riparian:** Rights to use of waterways in adjoining lakes or rivers.

## S

**Second Mortgage:** A second loan on real estate that already has a mortgage. It is subordinate to the first mortgage.

**Section or Section of Land:** A parcel of land comprising approximately one square mile or 640 acres.

**Set Back Lines:** Those lines which delineate the required distances for the location of structures in relation to the perimeter of the property.

**Sub-Surface Right:** The right of ownership to things lying beneath the physical surface of the property.

**Survey:** The process of measuring land to determine its size, location and physical description, and the resulting drawing or map.

## T

**Tax Lien:** A lien for real property taxes. Attaches only to the property upon which the taxes are due in most jurisdictions. It may be foreclosed for nonpayment.

**Tenancy by the Entirety:** Ownership by married persons. Each owns the entire estate, with the survivor taking the whole upon the other's death.

**Tenancy in Common:** An estate or interest in land held by two or more persons, each having equal rights of possession and enjoyment, but without any right of succession by survivorship between the owners.

**Tenant:** Any person occupying real property with the owner's permission.

**Testament:** Another term for a will. Commonly referred to as "last will and testament."

**Testate:** The state or condition of leaving a will at death. "To die testate."

**Testator:** A man who makes or has made a testament or will.

**Testatrix:** A woman who makes or has made a testament or will.

**Three-Day Review Period:** For covered transactions under the TILA-RESPA Integrated Disclosure (TRID) Rule the creditor is generally required to ensure that the consumer (borrower) receives the Closing Disclosure no later than three business days prior to the consummation of the loan.

**Title:** (i) ownership of real property, which stands against the right of anyone else to claim the property; (ii) the evidence of right which a person has to the ownership and possession of land.

**Title Agent:** See "Agent."

**Title Defect:** Any legal right held by others to claim property or to make demands upon the owner.

**Title Commitment:** A report issued by a title insurance company or its agent, committing the title insurance company to issue the form of policy designated in the commitment upon compliance with and satisfaction of requirements set forth in the commitment.

**Title Examination:** To peruse and study the instruments in a chain of title and to determine their effect and condition in order to reach a conclusion as to the status of the title.

**Title Insurance Underwriter:** An insurance company that issues insurance policies either to the public or to another insurer.

**Title Insurance:** An agreement to indemnify the insured against loss arising from a covered defect in title to a particular parcel of real property, which is typically issued to both the buyer to protect their property rights (through an owner's title insurance policy), and the lender to protect its lien rights (through a lender's title insurance policy).

## T (Continued)

**Title Insurance Policy:** A written contract of title insurance.

**Title Plant:** The total facilities: records, equipment, fixtures, and personnel: required to function as a title insurance operation in some parts of the country. Technically, the organization of official records affecting real property into a system, which allows quick and efficient recovery of title information.

**Title Search:** An examination of public records, laws and court decisions to disclose the current facts regarding ownership of real estate.

**Tolerances:** See "Variances."

**Torrens Title:** A system whereby, after court proceedings, a certificate is issued setting forth the extent of the applicant's estate in land, subject to the exceptions shown.

**Total Interest Percentage (TIP):** The total amount of interest that the consumer will pay over the life of the loan as a percentage of the principal of the loan, assuming the consumer makes each monthly payment in full and on time, and does not make any overpayments.

**Total Loan Costs:** Fees the lender charges to make the loan, as well as fees paid to providers selected by the lender and fees paid to providers chosen by the borrower. Total Loan Costs are found under Section D of the Loan Estimate.

**Township:** A division of territory approximately six miles square, containing approximately 36 sections or 36 square miles.

**Tract:** A particular parcel of land.

**Trust:** A property right held by one as a fiduciary for the benefit of another.

**Trustee:** A person holding property in trust as a fiduciary for the benefit of another.

## V

**Variable Rate Mortgage:** A loan in which the interest rate fluctuates with the cost of funds or some other index.

**Variances:** The comparison made between fees and/or charges listed on the Loan Estimate (or Good Faith Estimate) and those listed on the final Closing Disclosure (or HUD-1). Not all fees are exposed to such scrutiny but for those that are the creditor/lender is held accountable for the excessive charges. There are two levels of tolerance based on the type of fee. Variance may also be referred to as Tolerance.

**Vendee:** A purchaser of real property under land contract.

**Vendor:** A seller of real property under land contract.

**Vest:** To pass to a person an immediate right or interest. Title may be said to vest in John Smith.

## W

**Walk Through:** Depending on the terms of the contract of sale or based on local custom, a walk-through or pre-settlement inspection may be scheduled prior to settlement or closing of the transaction. The primary purpose of this type of inspection is to make certain the property is in the agreed-upon condition, repairs (if any) from the home inspection are complete, and to confirm that nothing has gone wrong with the property since the buyer's last viewing.

**Warranty:** A limited promise by the grantor of real property that he or she is the owner and will be responsible to the buyer if title is other than as represented.

**Will:** A written document providing for the distribution of property owned by a person after his or her death.

## Z

**Zoning:** The right of a municipality to regulate and determine the compatible character and use of property.

The terms contained in this booklet are defined in their most commonly used form. Should more precise interpretations of these terms be necessary, we advise you to seek the counsel of an attorney.

RMS contained in this booklet are defined in their most commonly used form. Should more precise interpretations of these terms be necessary, we advise you to seek the counsel of an attorney.

# 11 SAMPLE PURCHASE CONTRACT

## BUYER ATTACHMENT

Document updated:  
October 2022



ARIZONA  
ASSOCIATION OF  
REALTORS®  
REAL SOLUTIONS. REALTOR® SUCCESS.

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



## ATTENTION BUYER!

*You are entering into a legally binding agreement.*

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

If important to you, hire a qualified:

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

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

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

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

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

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

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



**Buyer's Check List**

Buyer Attachment • Updated: October 2022  
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**OLD REPUBLIC TITLE AGENCY**

# RESIDENTIAL RESALE REAL ESTATE PURCHASE CONTRACT

Document updated:  
October 2022



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/alarm, and all common area facilities to Buyer at COE or ☐ \_\_\_\_\_.  
34. Broker(s) recommend that the parties seek independent counsel from insurance, legal, tax, and accounting professionals regarding  
35. the risks of pre-possession or post-possession of the Premises.
- 1f.** 36. **Addenda Incorporated:** ☐ Additional Clause ☐ Buyer Contingency ☐ Domestic Water Well ☐ H.O.A.  
37. ☐ Lead-Based Paint Disclosure ☐ Loan Assumption ☐ On-site Wastewater Treatment Facility ☐ Seller Financing ☐ Short Sale  
38. ☐ Solar Addendum ☐ Other: \_\_\_\_\_

&gt;&gt;

SELLER	SELLER
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&lt;Initials

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Initials&gt;

Page 1 of 10

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

- 1g. 39. **Fixtures and Personal Property:** For purposes of this Contract, fixtures shall mean property attached/affixed to the Premises.
40. Seller agrees that all existing: fixtures on the Premises, personal property specified herein, and means to operate fixtures and
41. property (i.e., remote controls) shall convey in this sale. Including the following:
42. •built-in appliances, ceiling fans and remotes •media antennas/satellite dishes (affixed) •storage sheds
43. •central vacuum, hose, and attachments •outdoor fountains and lighting •storm windows and doors
44. •draperies and other window coverings •outdoor landscaping (i.e., shrubbery, trees and unpotted plants) •stoves: gas-log, pellet, wood-burning
45. •fireplace equipment (affixed) •shutters and awnings •timers (affixed)
46. •floor coverings (affixed) •smart home devices, access to which shall be transferred (i.e., video doorbell, automated thermostat) •towel, curtain and drapery rods
47. •free-standing range/oven •speakers (flush-mounted) •wall mounted TV brackets and hardware (excluding TVs)
48. •garage door openers and remotes •water-misting systems
49. •light fixtures •window and door screens, sun shades
50. •mailbox
51. If owned by Seller, the following items also are included in this sale:
52. •affixed alternate power systems serving •in-ground pool and spa/hot tub equipment •security and/or fire systems and/or alarms
53. the Premises (i.e., solar) and covers (including any mechanical or other cleaning systems) •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 the
67. notice, whichever is later.
68. **IF THIS IS AN ALL CASH SALE:** Section 2 does not apply - go to Section 3.

**2. FINANCING**

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

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

- 2f. 90. **Loan Application:** Unless previously completed, within three (3) days after Contract acceptance Buyer shall (i) provide lender with Buyer's name, income, social security number, Premises address, estimate of value of the Premises, and mortgage loan amount sought; and (ii) grant lender permission to access Buyer's Trimerged Residential Credit Report.
- 2g. 93. **Loan Processing During Escrow:** Within ten (10) days after receipt of the **Loan Estimate** Buyer shall (i) provide lender with notice of intent to proceed with the loan transaction in a manner satisfactory to lender; and (ii) provide to lender all requested signed disclosures and the documentation listed in the LSU at lines 32-35. Buyer agrees to diligently work to obtain the loan and will promptly provide the lender with all additional documentation requested.
- 2h. 97. **Type of Financing:** ☐ Conventional ☐ FHA ☐ VA ☐ USDA ☐ Assumption ☐ Seller Carryback ☐ \_\_\_\_\_  
98. (If financing is to be other than new financing, see attached addendum.)
- 2i. 99. **Loan Costs:** All costs of obtaining the loan shall be paid by Buyer, unless otherwise provided for herein.
- 2j. 100. **Seller Concessions (if any):** In addition to the other costs Seller has agreed to pay herein, Seller will credit Buyer \_\_\_\_\_% of the Purchase Price OR \$ \_\_\_\_\_ (Seller Concessions). The Seller Concessions may be used for any Buyer fee, cost, charge, or expenditure to the extent allowed by Buyer's lender.
- 2k. 103. **Changes:** Buyer shall immediately notify Seller of any changes in the loan program, financing terms, or lender described in the Pre-Qualification Form attached hereto or LSU provided within ten (10) days after Contract acceptance and shall only make any such changes without the prior written consent of Seller if such changes do not adversely affect Buyer's ability to obtain loan approval without PTD conditions, increase Seller's closing costs, or delay COE.
- 2l. 107. **Appraisal Contingency:** Buyer's obligation to complete this sale is contingent upon an appraisal of the Premises acceptable to lender for at least the purchase price. If the Premises fail to appraise for the purchase price in any appraisal required by lender, Buyer has five (5) days after notice of the appraised value to cancel this Contract and receive a return of the Earnest Money or the appraisal contingency shall be waived, unless otherwise prohibited by federal law.
- 2m. 111. **Appraisal Cost(s):** Initial appraisal fee shall be paid by ☐ Buyer ☐ Seller ☒ Other \_\_\_\_\_  
112. at the time payment is required by lender and is non-refundable. If Seller is paying the initial appraisal fee, the fee ☐ will ☐ will not  
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 terms of this Contract shall be:  
117. \_\_\_\_\_  
118. \_\_\_\_\_  
119. \_\_\_\_\_
- 3b. 120. **Title and Vesting:** Buyer will take title as determined before COE. If Buyer is married and intends to take title as his/her sole and separate property, a disclaimer deed may be required. Taking title may have significant legal, estate planning and tax consequences. Buyer should obtain independent legal and tax advice.
- 3c. 123. **Title Commitment and Title Insurance:** Escrow Company is hereby instructed to obtain and deliver to Buyer and Seller directly, addressed pursuant to 8s and 9c or as otherwise provided, a Commitment for Title Insurance together with complete and legible copies of all documents that will remain as exceptions to Buyer's policy of Title Insurance ("Title Commitment"), including but not limited to Conditions, Covenants and Restrictions ("CC&Rs"); deed restrictions; and easements. Buyer shall have five (5) days after receipt of the Title Commitment and after receipt of notice of any subsequent exceptions to provide notice to Seller of any items disapproved. Seller shall convey title by warranty deed, subject to existing taxes, assessments, covenants, conditions, restrictions, rights of way, easements and all other matters of record. Buyer shall be provided at Seller's expense an American Land Title Association ("ALTA") Homeowner's Title Insurance Policy or, if not available, a Standard Owner's Title Insurance Policy, showing title vested in Buyer. Buyer may acquire extended coverage at Buyer's own additional expense. If applicable, Buyer shall pay the cost of obtaining the ALTA Lender Title Insurance Policy.

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- 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,  
 193. as to the condition, zoning, or fitness for any particular use or purpose of the Premises. However, Seller shall maintain and repair  
 194. the Premises so that at the earlier of possession or COE: (i) the Premises, including all personal property included in the sale, will  
 195. be in substantially the same condition as on the date of Contract acceptance; and (ii) all personal property not included in the sale  
 196. and debris will be removed from the Premises. Buyer is advised to conduct independent inspections and investigations regarding  
 197. the Premises within the Inspection Period as specified in Section 6a. Buyer and Seller acknowledge and understand they may,  
 198. but are not obligated to, engage in negotiations or address repairs/improvements to the Premises. Any/all agreed upon repairs/  
 199. improvements will be addressed pursuant to Section 6j.
- 5b. 200. **Warranties that Survive Closing:** Seller warrants that Seller has disclosed to Buyer and Broker(s) all material latent defects and  
 201. any information concerning the Premises known to Seller, excluding opinions of value, which materially and adversely affect the  
 202. consideration to be paid by Buyer. Prior to COE, Seller warrants that payment in full will have been made for all labor, professional  
 203. services, materials, machinery, fixtures, or tools furnished within the 150 days immediately preceding COE in connection with the  
 204. construction, alteration, or repair of any structure on or improvement to the Premises. Seller warrants that the information regarding  
 205. connection to a sewer system or on-site wastewater treatment facility (conventional septic or alternative) is correct to the best of  
 206. Seller's knowledge.
- 5c. 207. **Buyer Warranties:** Buyer warrants that Buyer has disclosed to Seller any information that may materially and adversely affect  
 208. Buyer's ability to close escrow or complete the obligations of this Contract. At the earlier of possession of the Premises or COE,  
 209. Buyer warrants to Seller that Buyer has conducted all desired independent inspections and investigations and accepts the Premises.  
 210. **Buyer warrants that Buyer is not relying on any verbal representations concerning the Premises except disclosed as follows:**  
 211. \_\_\_\_\_  
 212. \_\_\_\_\_

**6. DUE DILIGENCE**

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

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

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- 6k. 290. **Home Warranty Plan:** Buyer and Seller are advised to investigate the various home warranty plans available for purchase. The  
 291. parties acknowledge that different home warranty plans have different coverage options, exclusions, limitations, service fees and  
 292. most plans exclude pre-existing conditions.
293. ☐ A Home Warranty Plan will be ordered by ☐ Buyer or ☐ Seller with the following optional coverage  
 294. \_\_\_\_\_, to be issued by \_\_\_\_\_ at a cost  
 295. not to exceed \$ \_\_\_\_\_, to be paid for by ☐ Buyer ☐ Seller ☐ Split evenly between Buyer and Seller  
 296. ☐ Buyer declines the purchase of a Home Warranty Plan.
297. **(BUYER'S INITIALS REQUIRED)** \_\_\_\_\_ BUYER BUYER
- 6l. 298. **Walkthrough(s):** Seller grants Buyer and Buyer's inspector(s) reasonable access to conduct walkthrough(s) of the Premises for  
 299. the purpose of satisfying Buyer that any corrections or repairs agreed to by Seller have been completed, and the Premises are  
 300. in substantially the same condition as of the date of Contract acceptance. If Buyer does not conduct such walkthrough(s), Buyer  
 301. releases Seller and Broker(s) from liability for any defects that could have been discovered.
- 6m. 302. **Seller's Responsibility Regarding Inspections and Walkthrough(s):** Seller shall make the Premises available for all inspections  
 303. and walkthrough(s) upon reasonable notice by Buyer. Seller shall, at Seller's expense, have all utilities on, including any propane,  
 304. until COE to enable Buyer to conduct these inspections and walkthrough(s).
- 6n. 305. **IRS and FIRPTA Reporting:** The Foreign Investment in Real Property Tax Act ("FIRPTA") provides that, if a seller is a Foreign  
 306. Person, a buyer of residential real property must withhold federal income taxes up to 15% of the purchase price, unless an exception  
 307. applies. If FIRPTA is applicable and Buyer fails to withhold, Buyer may be held liable for the tax. Buyer agrees to perform any acts  
 308. reasonable or necessary to comply with FIRPTA and IRS reporting requirements and Buyer is responsible for obtaining independent  
 309. legal and tax advice.

**7. REMEDIES**

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

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**8. ADDITIONAL TERMS AND CONDITIONS**

8a. 344. \_\_\_\_\_  
 345. \_\_\_\_\_  
 346. \_\_\_\_\_  
 347. \_\_\_\_\_  
 348. \_\_\_\_\_  
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SELLER   SELLER		Page 8 of 10		BUYER   BUYER





- >>

 **OLD REPUBLIC TITLE AGENCY**

**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: MONTH DAY, 20 YEAR (SELLER'S INITIALS)

**For Broker Use Only:**

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



# 14 LOCATIONS

ADMIN OFFICE  
MARICOPA | BILTMORE  
COMMERCIAL DIVISION  
2375 E. Camelback Road, Suite 180  
Phoenix, AZ 85016  
(602) 631-3700

MARICOPA  
TITLE DEPARTMENT  
2375 E. Camelback Road, Suite 110  
Phoenix, AZ 85016  
(602) 631-3700

AHWATUKEE  
4505 E Chandler Blvd., Suite 160  
Phoenix, AZ 85048  
(480) 705-0010

ARROWHEAD  
17235 N 75th Ave., Suite A-125  
Glendale, AZ 85308  
(623) 334-5009

CHANDLER  
161 E Rivulon Blvd., Suite 118  
Gilbert, AZ 85297  
(480) 895-9924

GOODYEAR  
1626 N. Litchfield Rd, Suite 320  
Goodyear, AZ 85395  
(623) 882-2400

KIERLAND  
14850 N. Scottsdale Road, Suite 195  
Scottsdale, AZ 85254  
(480) 596-2060

PARADISE VALLEY  
11201 N Tatum Blvd. Suite 130  
Phoenix, AZ 85028  
(602) 996-4301

TEMPE  
4500 S. Lakeshore Drive, Suite 570  
Tempe, AZ 85282  
(480) 413-0000

SOUTHEAST VALLEY  
1630 S. Stapley Drive, Suite 116  
Mesa, AZ 85204  
(480) 820-2255

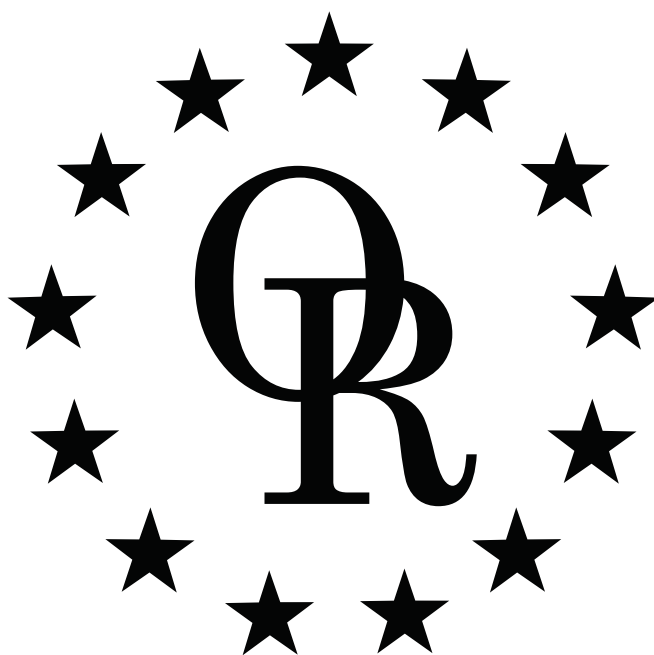
ORO VALLEY  
10445 N Oracle Rd., Suite 161  
Oro Valley, AZ 85737  
(520) 818-0064

## Notes

This image shows a full page of a handwriting practice worksheet. It consists of multiple rows of horizontal dashed lines spaced evenly apart, providing a guide for letter height and placement. The background is plain white, and there are no other markings or text on the page.

## This image shows a full page of white paper with horizontal dashed lines. The lines are evenly spaced and run across the entire width of the page, providing a guide for handwriting practice. There are no margins, text, or other markings on the paper.





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