RESIDENTIAL SELLER DISCLOSURE ADVISORY

ARIZONA association of REALTORS

WHEN IN DOUBT – DISCLOSE!



Document updated:

October 2017

Arizona law <u>requires</u> the seller to disclose material (important) facts about the property, even if you are not asked by the buyer or a real estate agent. These disclosure obligations remain even if you and the buyer agree that no Seller's Property Disclosure Statement ("SPDS") will be provided.

The SPDS is designed to assist you, the seller, in making these legally required disclosures and to avoid inadvertent nondisclosures of material facts. To satisfy your disclosure obligations and protect yourself against alleged nondisclosure, you should complete the SPDS by answering all questions as truthfully and as thoroughly as possible. Attach copies of any available invoices, warranties, and leases, to insure that you are disclosing accurate information. Use the blank lines to explain your answers. If you do not have the personal knowledge to answer a questions, it is important not to guess – use the blank lines to explain the situation.



If the buyer asks you about an aspect of the property, you have a duty to disclose the information, even if you do not consider the information material.* You also have a legal duty to disclose facts when disclosure is necessary to prevent a previous statement from being misleading or misrepresented: for example, if something changes.

If you do not make the legally required disclosures, you may be subject to civil liability. Under certain circumstances, nondisclosure of a fact is the same as saying that the fact does not exist. Therefore, nondisclosure may be given the same legal effect as fraud.

If you are using the Arizona Association of REALTORS® ("AAR") Residential Resale Real Estate Purchase Contract, the seller is required to deliver "a completed AAR Residential SPDS form to the Buyer within three (3) days after Contract acceptance." If the Seller does not provide the SPDS as the Contract requires, the Seller is potentially in breach of the Contract, thereby enabling the Buyer to cancel the transaction and receive the earnest money deposit.

* By law, sellers are not obligated to disclose that the property is or has been: (1) a site of a natural death, suicide, homicide, or any other crime classified as a felony; (2) owned or occupied by a person exposed to HIV, or diagnosed as having AIDS or any other disease not known to be transmitted through common occupancy of real estate; or (3) located in the vicinity of a sex offender. However, the law does not protect a seller who makes an intentional misrepresentation. For example, if you are asked whether there has been a death on the property and you know that there was such a death, you should not answer "no" or "I don't know." Instead you should either answer truthfully or respond that you are not legally required to answer the question.

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RESIDENTIAL SELLER'S PROPERTY DISCLOSURE STATEMENT (SPDS) (To be completed by Seller)

consult your attorney, tax advisor or professional consultant.

Document updated: October 2017



AL SOLUTIONS. REALTOR® SUCCESS. MESSAGE TO THE SELLER:

ARIZONA

REALTORS[®]

Sellers are obligated by law to disclose all known material (important) facts about the Property to the Buyer. The SPDS is designed to assist you in making these disclosures. If you know something important about the Property that is not addressed on the SPDS, add that information to the form. Prospective Buyers may rely on the information you provide.

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

INSTRUCTIONS: (1) Complete this form yourself. (2) Answer all questions truthfully and as fully as possible. (3) Attach all available supporting documentation. (4) Use explanation lines as necessary. (5) If you do not have the personal knowledge to answer a question, use the explanation lines to explain. By signing on page 7, you acknowledge that the failure to disclose known material information about the Property may result in liability.

MESSAGE TO THE BUYER:

Although Sellers are obligated to disclose all known material (important) facts about the Property, there are likely facts about the Property that the Sellers do not know. Therefore, it is important that you take an active role in obtaining information about the Property.

INSTRUCTIONS: (1) Review this form and any attachments carefully. (2) Verify all important information. (3) Ask about any incomplete or inadequate responses. (4) Inquire about any concerns not addressed on the SPDS. (5) Review all other applicable documents, such as CC&R's, association bylaws, surveys, rules, and the title report or commitment. (6) Obtain professional inspections of the Property. (7) Investigate the surrounding area.

THE FOLLOWING ARE REPRESENTATIONS OF THE SELLER(S) AND ARE NOT VERIFIED BY THE BROKER(S) OR AGENT(S).

PROPERTY AND OWNERSHIP

1. As used herein, "Property" shall mean the real property and all fixtures and improvements thereon and appurtenances incidental thereto, 2. plus fixtures and personal property described in the Contract.

3. PROPERTY ADDRESS:

(CITY)

Date Purchased:

(STATE)

(ZIP)

4.	Does the	property	include	any	leased	land?		Yes	🗆 No
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5. Explain:

6. Is the Property located in an unincorporated area of the county? 🗆 Yes 🗆 No If yes, and five or fewer parcels of land other than subdivided land 7. are being transferred, the Seller must furnish the Buyer with a written Affidavit of Disclosure in the form required by law.

8. LEGAL OWNER(S) OF PROPERTY:

9. The Property is currently:

(STREET ADDRESS)

10. If a rental property, how long? _____ Expiration date of current lease: _____ (Attach a copy of the lease if available.) 11. If any refundable deposits or prepaid rents are being held, by whom and how much? Explain:

12.

13. Is the legal owner(s) of the Property a foreign person pursuant to the Foreign Investment in Real Property Tax Act (FIRPTA)? 14. Yes No If ves. consult a tax advisor: mandatory withholding may apply.

15. Is the Property located in a community defined by the fair housing laws as housing for older person

16. Explain:

18. NOTICE TO BUYER: If the Property is in a subdivision, a subdivision public report, which contains a variety of information about the subdivision at the time the subdivision was approved, may be available by contacting the Arizona 19. Department of Real Estate or the homebuilder. The public report information may be outdated. www.azre.gov. 20.

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Open House Realty - Corporate, 16427 N. Scottsdale, Suite 410 Scottsdale, AZ 85254				
Phone: 623-299-4954 Fax: 623-486-9055 Open House Realty - Corporate				- C.S.

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Listing -

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	YES	NO	
21. 22.			Have you entered into any agreement to transfer your interest in the Property in any way, including rental renewals or options to purchase? Explain:
23.			Are you aware if there are any association(s) governing the Property?
24.			If yes, provide contact(s) information: Name: Phone #:
25.			Name: Phone #:
26.			If yes, are there any fees? How much? \$ How often?
27.			How much? \$ How often?
28. 29.			Are you aware of any association fees payable upon transfer of the Property? Explain:
30. 31.			Are you aware of any proposed or existing association assessment(s)? Explain:
32. 33.			Are you aware of any pending or anticipated disputes or litigation regarding the Property or the association(s)? Explain:
34. 35. 36.			Are you aware of any of the following recorded against the Property? (Check all that apply): Judgment liens Tax liens Other non-consensual liens Explain:
37. 38. 39.			Are you aware of any assessments affecting this Property? (Check all that apply): Paving Sewer Water Electric Other Explain:
40. 41. 42. 43.			Are you aware of any title issues affecting this Property? (Check all that apply):
44. 45. 46.			Are you aware if the Property is located within the boundaries of a Community Facilities District (CFD)? If yes, provide the name of the CFD:
47. 48.			Are you aware of any public or private use paths or roadways on or across the Property? Explain:
49. 50.			Are you aware of any problems with legal or physical access to the Property? Explain:
51. 52. 53. 54. 55. 56.			If privately maintained, is there a recorded road maintenance agreement? Explain:
57. 58.			Are you aware of any homeowner's insurance claims having been filed against the Property? Explain:
59. 60. 61.			NOTICE TO BUYER: Your claims history, your credit report, the Property's claims history and other factors may affect the insurability of the Property and at what cost. Under Arizona law, your insurance company may cancel your homeowner's insurance within 60 days after the effective date. Contact your insurance company.
	BUIL	.DING	AND SAFETY INFORMATION
62.	YES	NO	ROOF / STRUCTURAL:
63.			NOTICE TO BUYER: Contact a professional to verify the condition of the roof.
64. 65.			Are you aware of any past or present roof leaks? Explain:
66. 67.			Are you aware of any other past or present roof problems? Explain:

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68.	YES	NO □	Are you aware of any roof repairs? Explain:
69. 70. 71.			Is there a roof warranty? (Attach a copy of warranty if available.) If yes, is the roof warranty transferable? Cost to transfer
72. 73.			Are you aware of any interior wall/ceiling/door/window/floor problems? Explain:
73. 74. 75.			Are you aware of any cracks or settling involving the foundation, exterior walls or slab? Explain:
76. 77.			Are you aware of any chimney or fireplace problems, if applicable? Explain:
78. 79. 80.			Are you aware of any damage to any structure on the Property by any of the following? (Check all that apply):
81. 82. 83. 84. 85. 86. 87.			WOOD INFESTATION: Are you aware of any of the following: Past presence of termites or other wood destroying organisms on the Property? Current presence of termites or other wood destroying organisms on the Property? Past or present damage to the Property by termites or other wood destroying organisms? Explain:
88. 89.			Are you aware of past or present treatment(s) of the Property for termites or other wood destroying organisms? If yes, date last treatment was performed:
90. 91. 92.			Name of treatment provider(s):
93. 94.			NOTICE TO BUYER: Contact Office of Pest Management for past termite reports or treatment history.
95. 96. 97. 98. 99. 100. 101.			HEATING & COOLING: Heating: Type(s)
102. 103.			PLUMBING: Are you aware of the type of water pipes, such as galvanized, copper, PVC, CPVC or polybutylene?
104.			If ves. identify:
105. 106.			Are you aware of any past or present plumbing problems? Explain:
107. 108.			Are you aware of any water pressure problems? Explain: Type of water heater(s):
109. 110.			Are you aware of any past or present water heater problems? Explain:
111. 112. 113.			Is there a landscape watering system? If yes, type:
114. 115.			Are there any water treatment systems? (Check all that apply):
116. 117. 118.			Is water treatment system(s) over owned leased (Attach a copy of lease if available.) Are you aware of any past or present problems with the water treatment system(s)? Explain:
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	YES	NO	
119.			SWIMMING POOL/SPA/HOT TUB/SAUNA/WATER FEATURE:
120.			Does the Property contain any of the following? (Check all that apply):
121.			□ Swimming pool □ Spa □ Hot tub □ Sauna □ Water feature
122.			If yes, are either of the following heated? Swimming pool Spa If yes, type of heat:
123. 124.			Are you aware of any past or present problems relating to the swimming pool, spa, hot tub, sauna or water feature? Explain:
125.			ELECTRICAL AND OTHER RELATED SYSTEMS:
126. 127.			Are you aware of any past or present problems with the electrical system? Explain:
128. 129.			Is there a security system? If yes, is it (Check all that apply): □ Leased (Attach copy of lease if available.) □ Owned □ Monitored □ Other
130.			Are you aware of any past or present problems with the security system? Explain:
131.			
132. 133.			Does the Property contain any of the following systems or detectors?(Check all that apply):
133. 134.			If yes, are you aware of any past or present problems with the above systems? Explain:
134.			If yes, are you aware of any past of present problems with the above systems? Explain.
136.			MISCELLANEOUS:
137. 138.			Are you aware of any animals/pets that have resided in the Property? If yes, what kind:
139.			Are you aware of or have you observed any of the following on the Property? (Check all that apply):
140.			□ Scorpions □ Rabid animals □ Bee swarms □ Rodents □ Reptiles □ Bed Bugs □ Other:
141.			Explain:
142.			Has the Property been serviced or treated for pests, reptiles, insects, birds or animals? If yes, how often:
143.	_	_	Name of service provider(s): Date of last service:
144.			Are you aware of any work done on the Property, such as building, plumbing, electrical or other improvements or
145. 146.			alterations or room conversions? (If no, skip to line 156.)
147.			Explain:
148.			
149.			
150.			Were permits for the work required? Explain:
151.			If yes, were permits for the work obtained? Explain:
152.			Was the work performed by a person licensed to perform the work? Explain:
153.			Was approval for the work required by any association governing the property? Explain:
154.			If yes, was approval granted by the association? Explain:
155.			Was the work completed? Explain:
156.			Are there any security bars or other obstructions to door or window openings? Explain:
157.			Are you aware of any past or present problems with any built-in appliances? Explain:
158.	_		
159. 160.			Are there any leased propane tanks, equipment or other systems on the Property? (Attach a copy of lease if available.) Explain:
161.			

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	UTIL	UTILITIES							
162.	DOES YES	THE P NO	ROPERTY CURRENTLY RECEIVE THE FOLLOWING SERVICES? PROVIDER						
 163. 164. 165. 166. 167. 168. 169. 170. 171. 172. 173. 174. 			Electricity: Fuel: Natural gas Propane Oil Cable / Satellite: Internet: Telephone: Garbage Collection: Fire: Inrigation: Water Source: Public Private water co. Hauled water Private well Shared well If water source is a private or shared well, complete and attach Domestic Water Well/Water Use Addendum.						
175. 176. 177.			NOTICE TO BUYER: If the Property is served by a well, private water company or a municipal water provider, the Arizona Department of Water Resources may not have made a water supply determination. For more information about water supply, or any of the above services, contact the provider.						
178. 179.			Are you aware of any past or present drinking water problems? Explain:						
180. 181. 182. 183. 184.			U.S. Postal Service delivery is available at: Property Cluster Mailbox Post Office Other Are there any alternate power systems serving the Property? (If no, skip to line 190.) If yes, indicate type (Check all that apply): Solar Wind Generator Other Are you aware of any past or present problems with the alternate power system(s)? Explain:						
 185. 186. 187. 188. 189. 190. 			Are any alternate power systems serving the Property leased? Explain:						
191.			documents and review the cost, insurability, operation, and value of the system, among other items.						
	ENVIE	RONM							
192. 193. 194. 195. 196. 197. 198.	YES		Are you aware of any past or present issues or problems with any of the following on the Property? (Check all that apply): Soil settlement/expansion Drainage/grade Explain:						
199. 200.			NOTICE TO BUYER: The Arizona Department of Real Estate provides earth fissure maps to any member of the public in printed or electronic format upon request and on its website at www.azre.gov.						
201. 202. 203. 204.			Are you aware if the Property is subject to any present or proposed effects of any of the following? (Check all that apply): Airport noise Traffic noise Rail line noise Neighborhood noise Landfill Toxic waste disposal Odors Nuisances Sand/gravel operations Other						
205. 206.			Are you aware if any portion of the Property has ever been used as a "Clandestine drug laboratory" (manufacture of, or storage of, chemicals or equipment used in manufacturing methamphetamine, ecstasy or LSD)?						
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207. 208.	YES	NO □	Are you aware if the Property is located in the vicinity of a public or private airport? Explain:
209. 210. 211. 212. 213.			NOTICE TO SELLER AND BUYER: Pursuant to Arizona law a Seller shall provide a written disclosure to the Buyer if the Property is located in territory in the vicinity of a military airport or ancillary military facility as delineated on a map prepared by the State Land Department. The Department of Real Estate also is obligated to record a document at the County Recorder's Office disclosing if the Property is under restricted air space and to maintain the State Land Department Military Airport Map on its website at www.azre.gov.
214. 215.			Is the Property located in the vicinity of a military airport or ancillary military facility? Explain:
216. 217. 218.			Are you aware of the presence of any of the following on the Property, past or present? (Check all that apply):
219. 220.			Are you aware if the Property is located within or subject to any of the following ordinances? (Check all that apply):
221. 222.			Are you aware of any open mine shafts/tunnels or abandoned wells on the Property? If yes, describe location:
223. 224.			Are you aware if any portion of the Property is in a flood plain/way? Explain:
225. 226. 227. 228. 229. 230. 231. 232. 233. 234. 235. 236. 237. 238.			NOTICE TO BUYER: Your mortgage lender [may] [will] require you to purchase flood insurance in connection with your purchase of this property. The National Flood Insurance Program provides for the availability of flood insurance and establishes flood insurance policy premiums based on the risk of flooding in the area where properties are located. Recent changes to federal law (The Biggert-Waters Flood Insurance Reform Act of 2012 and the Homeowner Flood Insurance Affordability Act of 2014, in particular) will result in changes to flood insurance premiums that are likely to be higher, and in the future may be substantially higher, than premiums paid for flood insurance prior to or at the time of sale of the property. As a result, purchasers of property should not rely on the premiums paid for flood insurance on this property previously as an indication of the premiums that will apply after completion of the purchase. In considering purchase of this property you should consult with one or more carriers of flood insurance for a better understanding of flood insurance coverage, current and anticipated future flood insurance premiums, whether the prior owner's policy may be assumed by a subsequent purchaser of the property, and other matters related to the purchase of flood insurance for the property. You may also wish to contact the Federal Emergency Management Agency (FEMA) for more information about flood insurance as it relates to this property.
239. 240.			Are you aware of any portion of the Property ever having been flooded? Explain:
241. 242. 243. 244.			Are you aware of any water damage or water leaks of any kind on the Property? Explain:
277.	SEWE	ER/WAS	STEWATER TREATMENT
245. 246. 247.		NO □ □	Is the entire Property connected to a sewer? If no, is a portion of the Property connected to a sewer? Explain:
247. 248. 249.			If the entire Property or a portion of the Property is connected to a sewer, has a professional verified the sewer connection? If yes, how and when:
250.			NOTICE TO BUYER: Contact a professional to conduct a sewer verification test.
251. 252.			Type of sewer: Public Private Planned and approved sewer system, but not connected Name of Provider: >>

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Initials> BUYER



BUYER

	YES	NO		
253.			Are you aware of any past or present problems with the sewer? Explain:	
254.			Is the Property served by an On-Site Wastewater Treatment Facility? (If no, skip to line 267.)	
255.			If yes, the Facility is: Conventional septic system Alternative system; type:	
256.			If the Facility is an alternative system, is it currently being serviced under a maintenance contract?	
257.			If yes, name of contractor: Phone #:	
258.			Approximate year Facility installed: (Attach copy of permit if available.)	
259.			Are you aware of any repairs or alterations made to this Facility since original installation?	
260.			Explain:	
261.				
262.			Approximate date of last Facility inspection and/or pumping of septic tank:	
263.			Are you aware of any past or present problems with the Facility? Explain:	
264.				
265. 266.			NOTICE TO SELLER AND BUYER: The Arizona Department of Environmental Quality requires a Pre-Tra Inspection of On-Site Wastewater Treatment Facilities on re-sale properties.	nsfer

OTHER CONDITIONS AND FACTORS

ADDITIONAL EXPLANATIONS

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272		
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280. **SELLER CERTIFICATION:** Seller certifies that the information contained herein is true and complete to the best of Seller's 281. knowledge as of the date signed. Seller agrees that any changes in the information contained herein will be disclosed in writing by Seller 282. to Buyer prior to Close of Escrow, including any information that may be revealed by subsequent inspections. Seller acknowledges 283. receipt of Residential Seller Disclosure Advisory titled *When in Doubt — Disclose*.

285. Reviewed and updated: Initials: _____ / _____ SELLER MO/DA/YR

286. **BUYER'S ACKNOWLEDGMENT:** Buyer acknowledges that the information contained herein is based only on the Seller's actual 287. knowledge and is not a warranty of any kind. Buyer acknowledges Buyer's obligation to investigate any material (important) facts in 288. regard to the Property. Buyer is encouraged to obtain Property inspections by professional independent third parties and to 289. consider obtaining a home warranty protection plan.

290. **NOTICE:** Buyer acknowledges that by law, Sellers, Lessors and Brokers are not obligated to disclose that the Property is or has been: (1) the site 291. of a natural death, suicide, homicide, or any other crime classified as a felony; (2) owned or occupied by a person exposed to HIV, diagnosed as 292. having AIDS or any other disease not known to be transmitted through common occupancy of real estate; or (3) located in the vicinity of a sex offender.

293. By signing below, Buyer acknowledges receipt only of this SPDS. If Buyer disapproves of any items provided herein, Buyer 294. shall deliver to Seller written notice of the items disapproved as provided in the Contract.

295.							
		MO/DA/YR	BUYER'S SIGNA	TURE			MO/DA/YR
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