## RESIDENTIAL SELLER ADVISORY

Document updated: August 2012



# WHEN IN DOUBT - DISCLOSE!





Sellers are obligated by law to disclose all known material (important) facts about the property to the buyer. Arizona law requires that you disclose material facts about the property whether or not you are asked by the buyer or a real estate agent, or when asked to complete a disclosure form. There are also some very specific seller disclosures that you are required by statute to make. For example, sellers are required to disclose information on lead based paint in homes built prior to 1978, and if the property is in the vicinity of a military or public airport. You may also be required to complete and record an Affidavit Disclosure if you are selling property in an unincorporated area of a county.

> "...you have a duty to disclose the information, regardless of whether or not you consider the information material."

If the buyer asks you about an aspect of the property, you have a duty to disclose the information, regardless of whether or not you 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. However, a seller does not generally have a legal obligation to correct defects in the property, as long as the defects are disclosed. Any correction of the defects is a matter of contract negotiation between you and the buyer.

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.

The Arizona Association of REALTORS® Residential Seller's Property Disclosure Statement ("SPDS") is designed to assist you in making these legally required disclosures and to avoid inadvertent nondisclosures of material facts.

You should complete the SPDS by answering all questions as truthfully and as thoroughly as possible. Attach copies of any available invoices, warranties, inspection reports, and leases, to insure that you are disclosing accurate information. Also, use the blank lines to explain your answers. If you do not have the personal knowledge to answer a question, it is important not to guess - use the blank lines to explain the situation.

### The SPDS is divided into six general sections:

- (1) Ownership and Property: This section asks for general information about the property, such as location, ownership and occupancy. Any seller, whether or not that seller has actually lived in the property, should be able to answer most, if not all, of the questions in this section.
- (2) Building and Safety Information: This section asks for information regarding the physical aspects of the property. You should disclose any past or present problems with the property and any work or improvements made to the property. You are also asked specifically to disclose any knowledge of past or current presence of termites or other wood destroying organisms on the property, and whether scorpions or other possible "pests" have ever been present on the property. Although many sellers will answer affirmatively to these questions, they were necessitated by lawsuits involving the alleged non-disclosure of these natural inhabitants.
- (3) Utilities: You are asked whether the property currently receives the listed utilities, and if so, to identify the provider. The water source and any known information about drinking water problems should also be disclosed.
- (4) Environmental Information: A variety of environmental information is requested. In addition to questions regarding environmental hazards, you are asked to disclose any issues relating to soil settlement/expansion, drainage/grade, or erosion; noise from the surrounding area including airport and traffic noise; and any odors or other nuisances. As a result of recent lawsuits and potential health concerns, you are asked specifically if you are aware of any past or present mold growth on the property. Mold spores are everywhere and when mold spores drop in places where there is water damage or excessive moisture, or where there has been flooding, mold will grow. Thus, you are asked to disclose any conditions conducive to mold growth, such as past or present dampness/moisture, flooding, and water damage or water leaks of any kind.
- (5) Sewer/Waste Water Treatment: There are many questions dealing with the topic of sewer or wastewater treatment as a result of claims involving alleged misrepresentations that the property was connected to a sewer, when in fact it was not. You are asked if the entire property is connected to a sewer and if so, whether the sewer connection has been professionally verified. If the property is served by an on-site wastewater treatment facility, i.e., a septic or alternative wastewater system, a variety of additional information is required.
- (6) Other Conditions and Factors Additional Explanations: These blank lines provide space for you to disclose any other important information concerning the property that might affect the buyer's decision-making process, the value of the property, or its use, and to make any other necessary explanations.

**Please note:** By law, sellers are not obligated to disclose that the property is or has been: (1) the 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)

Document updated: August 2012



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.





### **MESSAGE TO THE SELLER:**

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.

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 below you acknowledge that the failure to disclose known material information about the Property may result in liability.

### **MESSAGE TO THE BUYER:**

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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).

	OWN	ERSE	HIP AND PROPERTY				
2.	plus fix	ctures a	rein, "Property" shall mean the real property and all fixtures and and personal property described in the Contract.	improvements thereo	on and appurtenances	incidental	thereto,
3.	PROP	ERTY A	ADDRESS: (STREET ADDRESS)				
			(STREET ADDRESS)	(CITY)	(STATE)	(ZIP)	
5.	Is the F	Propert	perty include any leased land? ☐ Yes ☐ No ty located in an unincorporated area of the county? ☐ Yes ☐ No If y ng transferred, the Seller must furnish the Buyer with a written Affid	es, and five or fewe lavit of Disclosure in	r parcels of land oth the form required by	er than sub law.	divided
7.	LEGAI	L OWN	NER(S) OF PROPERTY:	Date Pur	chased:		
8.	Is the	legal	owner(s) of the Property a foreign person or a non-resident PTA)?   Yes No If yes, consult a tax advisor; mandatory with	alien pursuant to th	ne Foreign Investmen	t in Real I	<sup>2</sup> roperty
			ty located in a community defined by the fair housing laws as housing for year built: If Property was built prior to 1978, Seller must			Park	
12.	Approx	kimate	year built: If Property was built prior to 1978, Seller must	furnish the Buyer w	ith a lead-based paint	disclosure	form.
14.	MATIC	ON AB	BUYER: IF THE PROPERTY IS IN A SUBDIVISION, A SUBDIVISION BOUT THE SUBDIVISION AT THE TIME THE SUBDIVISION WAS EPARTMENT OF REAL ESTATE OR THE HOMEBUILDER. THE PUBL	APPROVED, MAY	BE AVAILABLE BY	CONTACTIN	INFOR- IG THE
16	The Pr	onerty	is currently: Owner-occupied Leased Estate Foreclo	sure □ Vacant If	vacant how long?		
17. 18.	NOTICE MATION ARIZON. The Prop If a renta If any ref	ntal pro refunda	operty, how long? Expiration date of current lease able deposits or prepaid rents are being held, by whom and how much? I	e:	(Attach a copy of the	ne lease if av	ailable.)
19.	YES	NO					
20			Have you entered into any agreement to transfer your interest in the F	Property in any way in	cluding rental renewals		
20. 21.	ш	ш	or options to purchase? Explain:	Toperty in any way, in	icidaling rental renewals		
22.			Are you aware if there are any association(s) governing this Property	)			
23.			If yes provide contact(s) information: Name:		Phone #		
24.			If yes, provide contact(s) information: Name:  If yes, are there any fees? How much? \$	How	often?		
25.			Are you aware of any transfer fees or other fees due upon transfer of	the Property? Explain	:		
26.	_	_	. To you arrain or arry trained in 1995 or ourse 1995 and aport trained or	a.o. roporty i Explain			
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27. 28.	YES	NO	Are you aware of any proposed or existing association assessment(s)? Explain:
			Are you aware of any pending or anticipated disputes or litigation regarding the Property or the association(s)?
			Explain: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:Are you aware of any assessments affecting this Property? (Check all that apply):  Paving Sewer Water Electric Other  Explain:
			Are you aware of any title issues affecting this Property? (Check all that apply):  ☐ Recorded easements ☐ Use restrictions ☐ Lot line disputes ☐ Encroachments ☐ Unrecorded easements ☐ Use permits ☐ Other
			Explain:Are you aware of any public or private use paths or roadways on or across this Property?  Explain:
44.			Are you aware of any problems with legal or physical access to the Property? Explain:
			If privately maintained, is there a recorded road maintenance agreement? Explain:  Are you aware of any violation(s) of any of the following? (Check all that apply):  Zoning Building Codes Utility Service Sanitary health regulations  Covenants, Conditions, Restrictions (CC&R's) Other (Attach a copy of notice(s) of violation if available.)  Explain:
51. 52. 53. 54. 55.			Are you aware of any homeowner's insurance claims having been filed against the Property?  Explain:  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
57.	YES	NO	STRUCTURAL:
			Are you aware of any past or present roof leaks? Explain:
60. 61.			Are you aware of any other past or present roof problems? Explain:
62. 63.			Are you aware of any roof repairs? Explain:
64. 65. 66.			Is there a roof warranty? (Attach a copy of warranty if available.)  If yes, is the roof warranty transferable? Cost to transfer  NOTICE TO BUYER: CONTACT A PROFESSIONAL TO VERIFY THE CONDITION OF THE ROOF.
67. 68.			Are you aware of any interior wall/ceiling/door/window/floor problems? Explain:
69. 70.			Are you aware of any cracks or settling involving the foundation, exterior walls or slab? Explain:
71. 72.			Are you aware of any chimney or fireplace problems, if applicable? Explain:
			>>

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73. 74. 75.	YES	NO	Are you aware of any damage to any structure on the Property by any of the following? (Check all that apply):  □ Flood □ Fire □ Wind □ Expansive soil(s) □ Water □ Hail □ Other  Explain:
76. 77. 78. 79. 80. 81.			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:
83. 84. 85. 86.			Are you aware of past or present treatment of the Property for termites or other wood destroying organisms?  If yes, date last treatment was performed:  Name of treatment provider:  Is there a treatment warranty? (Attach a copy of warranty if available.)  If yes, is the treatment warranty transferable?
88. 89.		_	NOTICE TO BUYER: CONTACT STATE OF ARIZONA STRUCTURAL PEST CONTROL COMMISSION FOR PAST TERMITE REPORTS OR TREATMENT HISTORY.
90. 91. 92. 93. 94.			HEATING & COOLING:  Heating: Type(s)  Cooling: Type(s)  Are you aware of any past or present problems with the heating or cooling system(s)?  Explain:
95. 96. 97.			PLUMBING:  Are you aware of the type of water pipes, such as galvanized, copper, PVC, CPVC or polybutylene?  If yes, identify:
98. 99.			Are you aware of any past or present plumbing problems? Explain:
00. 01. 02.			Are you aware of any water pressure problems? Explain:
03. 04. 05. 06.			Is there a landscape watering system? If yes, type:   automatic timer   manual   both  lf yes, are you aware of any past or present problems with the landscape watering system?  Explain:
07. 08. 09.			Are there any water treatment systems? (Check all that apply):  water filtration reverse osmosis water softener Other  swater treatment system(s) water softener copy of lease if available.)
10.  11.			Are you aware of any past or present problems with the water treatment system(s)?  Explain:
12. 13. 14.			SWIMMING POOL/SPA/HOT TUB/SAUNA/WATER FEATURE:  Does the Property contain any of the following? (Check all that apply):  □ Swimming pool □ Spa □ Hot tub □ Sauna □ Water feature
15. 16. 17.			If yes, are either of the following heated?   Swimming pool   Spa If yes, type of heat:   Are you aware of any past or present problems relating to the swimming pool, spa, hot tub, sauna or water feature?   Explain:
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YES	NO	
_	_	ELECTRICAL AND OTHER RELATED SYSTEMS:
		Are you aware of any past or present problems with the electrical system? Explain:
		Is there a security system? If yes, is it (Check all that apply):
_	_	☐ Leased (Attach copy of lease if available) ☐ Owned ☐ Monitored ☐ Other
		Are you aware of any past or present problems with the security system? Explain:
		Does the Property contain any of the following systems or detectors?(Check all that apply):
		☐ Smoke/fire detection ☐ Fire suppression (sprinklers) ☐ Carbon monoxide detector
		If yes, are you aware of any past or present problems with the above systems? Explain:
		MICOSILLANISONO
		MISCELLANEOUS:  Are you aware of or have you observed any of the following on the Property? (Check all that apply):
_	ш	☐ Scorpions ☐ Rabid animals ☐ Bee swarms ☐ Rodents ☐ Reptiles ☐ Other:
		Explain:
		How often is the Property serviced or treated for pests, reptiles, insects or animals?
		Name of service provider: Date of last service:
		Name of service provider: Date of last service: Are you aware of any work done on the Property, such as building, plumbing, electrical or other improvements?
		(If no, skip to line 145.) Explain:
		Are you aware of any rooms added to the Property or converted to bedrooms?
		Were permits for the work required? Explain:
		If yes, were permits for the work obtained? Explain:
		Was the work performed by a person licensed to perform the work? Explain:
		Was approval for the work required by any association governing the property? Explain:
		If yes, was approval granted by the association? Explain:
		Was the work completed? Explain:
		Are you aware of any past or present problems with any built-in appliances? Explain:
_		
		Are there any leased propane tanks, equipment or other systems on the Property? Explain:
UTILI	TIES	
		ROPERTY CURRENTLY RECEIVE THE FOLLOWING SERVICES?
YES	NO	PROVIDER
		Electricity:
		Fuel: Natural gas Propane Oil
		Cable:
		Telephone:
		Garbage Collection:
		Fire:
		Irrigation:
		Water Source:  Public Private water co.  Private well Shared well Hauled water  If water source is a private or shared well, complete and attach DOMESTIC WATER WELL/WATER USE ADDENDUM  If source is public, a private water company, or hauled water, Provider is:

CONTACT THE WATER PROVIDER.

HAVE MADE A WATER SUPPLY DETERMINATION. FOR MORE INFORMATION ABOUT WATER SUPPLY,

163. 164.

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165. 166.	YES	NO	Are you aware of any past or present drinking water problems? Explain:
167. 168. 169. 170.			Are there any alternate power systems serving the Property? If yes, indicate type (Check all that apply):  Solar Wind Generator Other  If yes, are you aware of any past or present problems with the alternate power system(s)? Explain:
	ENVI	RONM	IENTAL INFORMATION
171. 172. 173.	YES	NO	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 ☐ Erosion ☐ Fissures ☐ Dampness/moisture ☐ Other Explain:
174. 175. 176. 177. 178. 179.			Are you aware of any past or present issues or problems in close proximity to the Property related to any of the following? (Check all that apply):  Soil settlement/expansion Drainage/grade Erosion Drissures Other  Explain:  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.
181. 182. 183. 184.			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
185. 186. 187. 188. 189.			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)?  NOTICE TO BUYER: THE ARIZONA BOARD OF TECHNICAL REGISTRATION (BTR) MAINTAINS A LIST OF UNREMEDIATED SITES AT www.azbtr.gov. TO DETERMINE IF THE PROPERTY WAS ONCE ON THE LIST BUT HAS BEEN REMEDIATED, CONTACT THE BTR AT 602-364-4948.
190. 191.			Are you aware if the Property is located in the vicinity of an airport (military, public, or private)?  Explain:
192. 193. 194. 195. 196. 197.			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.
198. 199. 200.			Are you aware of the presence of any of the following on the Property, past or present? (Check all that apply):  Asbestos Radon gas Lead-based paint Pesticides Underground storage tanks Fuel/chemical storage Explain:
201. 202.			Are you aware if the Property is located within any of the following? (Check all that apply):  ☐ Superfund/ WQARF/ CERCLA ☐ Wetlands area
203. 204.			Are you aware of any open mine shafts/tunnels or abandoned wells on the Property?  If yes, describe location:
205. 206.			Are you aware if any portion of the Property is in a flood plain/way? Explain:
207. 208.			Are you aware of any portion of the Property ever having been flooded? Explain:
209. 210.			Are you aware of any water damage or water leaks of any kind on the Property? Explain:
210. 211. 212.			Are you aware of any past or present mold growth on the Property? If yes, explain:

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Is the entire Property connected to a sewer? Explain:  If yes, has a professional verified the sewer connection? If yes, how and when:  NOTICE TO BUYER: CONTACT A PROFESSIONAL TO CONDUCT A SEWER VERIFICATION TEST.  Type of sewer: Public Private Planned and approved sewer system, but not connected Name of Provider  Are you aware of any past or present problems with the sewer? Explain:  Is the Property served by an On-Site Wastewater Treatment Facility? (If no, skip to line 232.)	NO
If yes, has a professional verified the sewer connection? If yes, how and when:  NOTICE TO BUYER: CONTACT A PROFESSIONAL TO CONDUCT A SEWER VERIFICATION TEST.  Type of sewer: Public Private Planned and approved sewer system, but not connected Name of Provider  Are you aware of any past or present problems with the sewer? Explain:	
NOTICE TO BUYER: CONTACT A PROFESSIONAL TO CONDUCT A SEWER VERIFICATION TEST.  Type of sewer: Public Private Planned and approved sewer system, but not connected Name of Provider  Are you aware of any past or present problems with the sewer? Explain:	Ц
Type of sewer:   Public Private Planned and approved sewer system, but not connected Name of Provider   Are you aware of any past or present problems with the sewer? Explain:	
Are you aware of any past or present problems with the sewer? Explain:	
Is the Property served by an On-Site Wastewater Treatment Facility? (If no. skip to line 232.)	
If yes, the Facility is:  Conventional septic system Alternative system; type:	_
If the Facility is an alternative system, is it currently being serviced under a maintenance contract?	
If yes, name of contractor: Phone #: (Attach copy of permit if available.)	
Are you aware of any repairs or alterations made to this Facility since original installation?  Explain: (Attach copy of permit if available.)	
Approximate date of last Facility inspection and/or pumping of septic tank:	П
Are you aware of any past or present problems with the Facility? Explain:	
NOTICE TO SELLER AND BUYER: THE ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY REQUIRES A PRE-TRANSFER INSPECTION OF ON-SITE WASTEWATER TREATMENT FACILITIES ON RE-SALE PROPERTIES.  MINDITIONS AND FACTORS  material (important) information are you aware of concerning the Property that might affect the buyer's decision-making alue of the Property, or its use? Explain:	other ss, the v
AL EXPLANATIONS	ITION/
	ER CE
ERTIFICATION: Seller certifies that the information contained herein is true and complete to the best of Seller's of the date signed. Seller agrees that any changes in the information contained herein will be disclosed in writing by Seller	ER CE edge as er prior

246. 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 247. 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

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. 248.

By signing below, Buyer acknowledges receipt only of this SPDS. If Buyer disapproves of any items provided herein, Buyer

250. shall deliver to Seller written notice of the items disapproved as provided in the Contract.

**▼** BUYER'S SIGNATURE MO/DA/YR

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