

Seller Advisory

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 of disclosure if you are selling property in an unincorporated area of a county.

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® 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/Wastewater 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)



THE PRINTED PORTION OF THIS FORM HAS BEEN APPROVED BY THE ARIZONA ASSOCIATION OF REALTORS®. THIS IS NOT INTENDED TO BE A BINDING CONTRACT.

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:

Although Seller's 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, 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).

OWNERSHIP AND PROPERTY

1. As used herein, "Property" shall mean the real property and all fixtures and improvements thereon and appurtenances incidental there-
2. to, plus fixtures and personal property described in the Contract.
3. PROPERTY ADDRESS: _____
(STREET ADDRESS) (CITY) (STATE) (ZIP)
4. 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
5. land are being transferred, the Seller must furnish the Buyer with a written Affidavit of Disclosure in the form required bylaw.
6. LEGAL OWNER(S) OF PROPERTY: _____ Date Purchased: _____
7. Is the legal owner(s) of the Property a foreign person or a non-resident alien pursuant to the Foreign Investment in Real Property
8. Tax Act (FIRPTA)? Yes No If yes, consult a tax advisor; mandatory withholding may apply.
9. Is the property located in a community defined by the fair housing laws as housing for older persons? Yes No
10. Explain: _____
11. Approximate year built: _____. If Property was built prior to 1978, Seller must furnish the Buyer with a lead-based paint disclosure form.
12. The Property is currently: Owner-occupied Leased Estate Foreclosure Vacant If vacant, how long? _____
13. If a rental property, how long? _____ Expiration date of current lease: _____ (Attach a copy of the lease if available.)
14. If any refundable deposits or prepaid rents are being held, by whom and how much? Explain: _____
15. _____

YES NO

16. Have you entered into any agreement to transfer your interest in the Property in any way, including rental renewals
17. or options to purchase? Explain: _____
18. Are you aware if there are any association(s) governing this Property?
19. If yes, provide contact(s) information: Name: _____ Phone #: _____
20. If yes, are there any fees? How much? \$ _____ How often? _____
21. Are you aware of any proposed or existing association assessment(s)? Explain: _____
22. _____
23. Are you aware of any pending or anticipated disputes or litigation regarding the Property or the association(s)?
24. Explain: _____
25. Are you aware of any of the following recorded against the Property? (Check all that apply):
26. Judgment liens Tax liens Other non-consensual liens
27. Explain: _____

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- YES NO
28. Are you aware of any assessments affecting this Property? (Check all that apply):
 29. Paving Sewer Water Electric Other _____
 30. Explain: _____
31. Are you aware of any title issues affecting this Property? (Check all that apply):
 32. Recorded easements Use restrictions Lot line disputes Encroachments
 33. Unrecorded easements Use permits Other _____
 34. Explain: _____
35. Are you aware of any public or private use paths or roadways on or across this Property?
 36. Explain: _____
37. Are you aware of any problems with legal or physical access to the Property? Explain: _____
 38. The road/street access to the Property is maintained by the County City Homeowners' Association Privately
 39. If privately maintained, is there a recorded road maintenance agreement? Explain: _____
40. Are you aware of any violation(s) of any of the following? (Check all that apply):
 41. Zoning Building Codes Utility Service Sanitary health regulations
 42. Covenants, Conditions, Restrictions (CC&R's) Other _____ (Attach a copy of notice(s) of violation if available.)
 43. Explain: _____
 44. _____
45. Are you aware of any homeowner's insurance claims having been filed against the the Property?
 46. Explain: _____
47. NOTICE TO BUYER: YOUR CLAIMS HISTORY, YOUR CREDIT REPORT, THE PROPERTY'S CLAIMS HISTORY AND
 48. OTHER FACTORS MAY AFFECT THE INSURABILITY OF THE PROPERTY AND AT WHAT COST. UNDER ARIZONA
 49. LAW, YOUR INSURANCE COMPANY MAY CANCEL YOUR HOMEOWNER'S INSURANCE WITHIN 60 DAYS AFTER
 50. THE EFFECTIVE DATE. CONTACT YOUR INSURANCE COMPANY.

BUILDING AND SAFETY INFORMATION

- YES NO
51. STRUCTURAL:
52. Are you aware of any past or present roof leaks? Explain: _____
 53. _____
54. Are you aware of any other past or present roof problems? Explain: _____
 55. _____
56. Are you aware of any roof repairs? Explain: _____
 57. _____
58. Is there a roof warranty? (Attach a copy of warranty if available.)
 59. If yes, is the roof warranty transferable? Cost to transfer _____
60. NOTICE TO BUYER: CONTACT A PROFESSIONAL TO VERIFY THE CONDITION OF THE ROOF.
61. Are you aware of any interior wall/ceiling/door/window/floor problems? Explain: _____
 62. _____
63. Are you aware of any cracks or settling involving the foundation, exterior walls or slab? Explain: _____
 64. _____
65. Are you aware of any chimney or fireplace problems, if applicable? Explain: _____
 66. _____
67. Are you aware of any damage to any structure on the Property by any of the following? (Check all that apply):
 68. Flood Fire Wind Expansive soil(s) Water Hail Other _____
 69. Explain: _____
70. WOOD INFESTATION
71. Are you aware of any of the following:
72. Past presence of termites or other wood destroying organisms on the Property?
 73. Current presence of termites or other wood destroying organisms on the Property?

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- YES NO
74. Past or present damage to the Property by termites or other wood destroying organisms?
75. Explain: _____
76. _____
77. Are you aware of past or present treatment of the Property for termites or other wood destroying organisms?
78. If yes, date last treatment was performed: _____
79. Name of treatment provider: _____
80. Is there a treatment warranty? (Attach a copy of warranty if available.)
81. If yes, is the treatment warranty transferrable?
82. NOTICE TO BUYER: CONTACT STATE OF ARIZONA STRUCTURAL PEST CONTROL COMMISSION
83. FOR PAST TERMITE REPORTS OR TREATMENT HISTORY.

84. HEATING & COOLING:
85. Heating: Type(s) _____
86. Cooling: Type(s) _____
87. Are you aware of any past or present problems with the heating or cooling system(s)?
88. Explain: _____

89. PLUMBING:
90. Are you aware of the type of water pipes, such as galvanized, copper, PVC, CPVC or polybutylene?
91. If yes, identify: _____
92. Are you aware of any past or present plumbing problems? Explain: _____
93. _____
94. Are you aware of any water pressure problems? Explain: _____
95. Type of water heater(s): Gas Electric Solar Approx. age(s): _____
96. Are you aware of any past or present water heater problems? Explain: _____
97. _____
98. Is there a landscape watering system? If yes, type: automatic timer manual both
99. If yes, are you aware of any past or present problems with the landscape watering system?
100. Explain: _____
101. Are there any water treatment systems? (Check all that apply):
102. water filtration reverse osmosis water softener Other _____
103. Is water treatment system(s) owned leased (Attach a copy of lease if available.)
104. Are you aware of any past or present problems with the water treatment system(s)?
105. Explain: _____

106. SWIMMING POOL/SPA/HOT TUB/SAUNA/WATER FEATURE:
107. Does the Property contain any of the following? (Check all that apply):
108. Swimming pool Spa Hot tub Sauna Water feature
109. If yes, are either of the following heated? Swimming pool Spa If yes, type of heat: _____
110. Are you aware of any past or present problems relating to the swimming pool, spa, hot tub, sauna or water feature?
111. Explain: _____

112. ELECTRICAL AND OTHER RELATED SYSTEMS:
113. Are you aware of any past or present problems with the electrical system? Explain: _____
114. _____
115. Is there a security system? If yes, is it (Check all that apply):
116. Leased (Attach copy of lease if available) Owned Monitored Other _____
117. Are you aware of any past or present problems with the security system? Explain: _____
118. _____

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YES NO
 119. Does the property contain any of the following systems or detectors? (Check all that apply):
 120. Smoke/fire detection Fire suppression (sprinklers) Carbon monoxide detector
 121. If yes, are you aware of any past or present problems with the above system? Explain: _____
 122. _____

YES NO
 123. MISCELLANEOUS:
 124. Are you aware of or have you observed any of the following on the Property? (Check all that apply):
 125. Scorpions Rabid animals Bee swarms Rodents Owls Reptiles Other _____
 126. Explain: _____
 127. How often is the Property serviced or treated for pests, reptiles, insects or animals? _____
 128. Name of service provider: _____ Date of last service: _____
 129. Are you aware of any work done on the Property, such as building, plumbing, electrical or other improvements?
 130. (If no, skip to line 139.)
 131. Explain: _____
 132. Are you aware of any rooms added to the Property or converted to bedrooms?
 133. Were permits for the work required? Explain: _____
 134. If yes, were permits for the work obtained? Explain: _____
 135. Was the work performed by a person licensed to perform the work? Explain: _____
 136. Was approval for the work required by any association governing the property? Explain: _____
 137. If yes, was approval granted by the association? Explain: _____
 138. Was the work completed? Explain: _____
 139. Are there any security bars or other obstructions to door or window openings? Explain: _____
 140. Are you aware of any past or present problems with any built-in appliances? Explain: _____
 141. _____
 142. Are there any leased propane tanks, equipment or other systems on the Property? Explain: _____
 143. _____

UTILITIES

144. DOES THE PROPERTY CURRENTLY RECEIVE THE FOLLOWING SERVICES?
 YES NO PROVIDER
 145. Electricity: _____
 146. Fuel: Natural gas Propane Oil _____
 147. Cable: _____
 148. Telephone: _____
 149. Garbage Collection: _____
 150. Fire: _____
 151. Irrigation: _____
 152. Water Source: Public Private water co. Private well Shared well Hauled water _____
 153. If water source is a private or shared well, complete and attach DOMESTIC WATER WELL/WATER USE ADDENDUM.
 154. If source is public, a private water company, or hauled water, Provider is: _____
 155. Are you aware of any past or present drinking water problems? Explain: _____
 156. _____
 157. Are there any alternate power systems serving the Property? If yes, indicate type (Check all that apply):
 158. Solar Wind Generator Other _____
 159. If yes, are you aware of any past or present problems with the alternate power system(s)? Explain: _____
 160. _____

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ENVIRONMENTAL INFORMATION

- | | YES | NO | |
|------|--------------------------|--------------------------|--|
| 161. | <input type="checkbox"/> | <input type="checkbox"/> | Are you aware of any past or present issues or problems with any of the following on the Property? (Check all that apply): |
| 162. | | | <input type="checkbox"/> Soil settlement/expansion <input type="checkbox"/> Drainage/grade <input type="checkbox"/> Erosion <input type="checkbox"/> Dampness/moisture <input type="checkbox"/> Other |
| 163. | | | Explain: _____ |
| 164. | <input type="checkbox"/> | <input type="checkbox"/> | Are you aware of any past or present issues or problems in close proximity to the Property related to any of |
| 165. | | | the following? (Check all that apply): |
| 166. | | | <input type="checkbox"/> Soil settlement/expansion <input type="checkbox"/> Drainage/grade <input type="checkbox"/> Erosion <input type="checkbox"/> Other _____ |
| 167. | | | Explain: _____ |
| 168. | <input type="checkbox"/> | <input type="checkbox"/> | Are you aware if the Property is subject to any present or proposed effects of any of the following? (Check all that apply): |
| 169. | | | <input type="checkbox"/> Airport noise <input type="checkbox"/> Traffic noise <input type="checkbox"/> Rail line noise <input type="checkbox"/> Neighborhood noise <input type="checkbox"/> Landfill <input type="checkbox"/> Toxic waste disposal |
| 170. | | | <input type="checkbox"/> Odors <input type="checkbox"/> Nuisances <input type="checkbox"/> Sand/gravel operations <input type="checkbox"/> Other _____ |
| 171. | | | Explain: _____ |
| 172. | <input type="checkbox"/> | <input type="checkbox"/> | Are you aware if the Property is located in the vicinity of an airport (military, public, or private)? |
| 173. | | | Explain: _____ |
| 174. | <input type="checkbox"/> | <input type="checkbox"/> | Are you aware of the presence of any of the following on the Property, past or present? (Check all that apply): |
| 175. | | | <input type="checkbox"/> Asbestos <input type="checkbox"/> Radon gas <input type="checkbox"/> Lead-based paint <input type="checkbox"/> Pesticides <input type="checkbox"/> Underground storage tanks <input type="checkbox"/> Fuel/chemical storage |
| 176. | | | Explain: _____ |
| 177. | <input type="checkbox"/> | <input type="checkbox"/> | Are you aware if the Property is located within any of the following? (Check all that apply): |
| 178. | | | <input type="checkbox"/> Superfund/ WQARF/ CERCLA <input type="checkbox"/> Wetlands area |
| 179. | <input type="checkbox"/> | <input type="checkbox"/> | Are you aware of any open mine shafts/tunnels or abandoned wells on the Property? |
| 180. | | | If yes, describe location: _____ |
| 181. | <input type="checkbox"/> | <input type="checkbox"/> | Are you aware if any portion of the Property is in a flood plain/way? Explain: _____ |
| 182. | | | _____ |
| 183. | <input type="checkbox"/> | <input type="checkbox"/> | Are you aware of any portion of the Property ever having been flooded? Explain: _____ |
| 184. | | | _____ |
| 185. | <input type="checkbox"/> | <input type="checkbox"/> | Are you aware of any water damage or water leaks of any kind on the Property? Explain: _____ |
| 186. | | | _____ |
| 187. | <input type="checkbox"/> | <input type="checkbox"/> | Are you aware of any past or present mold growth on the Property? If yes, explain: _____ |
| 188. | | | _____ |

SEWER/WASTEWATER TREATMENT

- | | YES | NO | |
|------|--------------------------|--------------------------|---|
| 189. | <input type="checkbox"/> | <input type="checkbox"/> | Is the entire Property connected to a sewer? Explain: _____ |
| 190. | <input type="checkbox"/> | <input type="checkbox"/> | If yes, has a professional verified the sewer connection? If yes, how and when: _____ |
| 191. | | | NOTICE TO BUYER: CONTACT A PROFESSIONAL TO CONDUCT A SEWER VERIFICATION TEST. |
| 192. | | | Type of sewer: <input type="checkbox"/> Public <input type="checkbox"/> Private <input type="checkbox"/> Planned and approved sewer system, but not connected |
| 193. | | | Name of Provider _____ |
| 194. | <input type="checkbox"/> | <input type="checkbox"/> | Are you aware of any past or present problems with the sewer? Explain: _____ |
| 195. | <input type="checkbox"/> | <input type="checkbox"/> | Is the Property served by an On-Site Wastewater Treatment Facility? (If no, skip to line 205.) |
| 196. | | | If yes, the Facility is: <input type="checkbox"/> Conventional septic system <input type="checkbox"/> Alternative system; type: _____ |
| 197. | <input type="checkbox"/> | <input type="checkbox"/> | If the Facility is an alternative system, is it currently being serviced under a maintenance contract? |
| 198. | | | If yes, name of contractor: _____ Phone #: _____ |
| 199. | | | Approximate year Facility installed: _____ (Attach copy of permit if available.) |
| 200. | <input type="checkbox"/> | <input type="checkbox"/> | Are you aware of any repairs or alterations made to this Facility since original installation? |
| 201. | | | Explain: _____ |
| 202. | | | _____ |
| 203. | | | Approximate date of last Facility inspection and/or pumping of septic tank: _____ |

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YES NO

- 204. Are you aware of any past or present problems with the Facility? Explain: _____
- 205. _____
- 206. NOTICE TO SELLER AND BUYER: THE ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
- 207. REQUIRES A PRE-TRANSFER INSPECTION OF ON-SITE WASTEWATER TREATMENT FACILITIES ON
- 208. RE-SALE PROPERTIES.

OTHER CONDITIONS AND FACTORS

- 209. What other material (important) information are you aware of concerning the Property that might affect the buyer's decision-making
- 210. process, the value of the Property, or its use? Explain: _____
- 211. _____
- 212. _____
- 213. _____
- 214. _____
- 215. _____

ADDITIONAL EXPLANATIONS

- 216. _____
- 217. _____
- 218. _____
- 219. _____
- 220. _____
- 221. _____
- 222. _____
- 223. _____
- 224. _____
- 225. _____
- 226. _____
- 227. _____
- 228. _____

229. SELLER CERTIFICATION: Seller certifies that the information contained herein is true and complete to the best of Seller's
 230. knowledge as of the date signed. Seller agrees that any changes in the information contained herein will be disclosed in writing by
 231. Seller to Buyer prior to Close of Escrow, including any information that may be revealed by subsequent inspections.

232. _____ MO/DA/YR SELLER _____ MO/DA/YR SELLER _____ MO/DA/YR

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

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

238. NOTICE: Buyer acknowledges that by law, Sellers, Lessors and Brokers are not obligated to disclose that the Property is or has been:
 239. (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
 240. to HIV, diagnosed as having AIDS or any other disease not known to be transmitted through common occupancy of real estate; or (3)
 241. located in the vicinity of a sex offender.

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

244. _____ MO/DA/YR BUYER _____ MO/DA/YR BUYER _____ MO/DA/YR