REALTOR®

PURCHASE CONTRACT FOR NEW HOME
(With Lot)

EQUAL HOUSING OPPORTUNITY

THE PRINTED PORTION OF THIS CONTRACT HAS BEEN APPROVED BY THE ARIZONA ASSOCIATION OF REALTORS®. THIS IS INTENDED TO BE A BINDING CONTRACT. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OR THE TAX CONSEQUENCES THEREOF. IF YOU DESIRE LEGAL, TAX OR OTHER PROFESSIONAL ADVICE, CONSULT YOUR ATTORNEY, TAX ADVISOR OR PROFESSIONAL CONSULTANT.

RECEIPT

Received From: ____ ("Buyer")

Agency Confirmation: Broker named on Line 19 is the agent of (check one):
☐ the Buyer exclusively; or ☐ the Seller exclusively; or ☐ both the Buyer and Seller

Earnest Money: Earnest money shall be held by Broker until offer is accepted. Upon acceptance, Broker shall promptly deposit the earnest money with any escrow company to which the check is payable. If the check is payable to Broker, Broker may deposit the check in Broker's trust account or endorse the check without recourse and deposit it with a duly licensed escrow company. Buyer agrees that, if Buyer breaches this Contract, any earnest money is subject to forfeiture. If any check for earnest money is dishonored for any reason, Seller may, at Seller's option, immediately cancel this Contract pursuant to Lines 273-276. Unless otherwise provided herein, all earnest money is considered to be part of the purchase price for the Premises described below.

a. Amount of Earnest $ __________
b. Form of Earnest Money: ☐ Personal Check ☐ Other: ________
c. Deposited With: ☐ Seller ☐ Broker's Trust Account ☐ Escrow Company: ______________

EARNEST MONEY AND DOWN PAYMENT DEPOSITS WITH SELLER: THE BUYER IS ADVISED THAT EARNEST MONEY DEPOSITS, DOWN PAYMENTS AND OTHER ADVANCED MONIES DEPOSITED WITH SELLER WILL NOT BE PLACED IN A NEUTRAL ESCROW. SUCH MONIES WILL BE PAID DIRECTLY TO THE SELLER AND MAY BE USED BY THE SELLER. THIS MEANS THE BUYER ASSUMES A RISK OF LOSING SUCH MONIES IF THE SELLER IS UNABLE OR UNWILLING TO PERFORM UNDER THE TERMS OF THE CONTRACT.

(BUYER'S INITIALS REQUIRED) SAMPLE (BUYER) SAMPLE (BUYER)

Received By: ____
(PRINT SALESPERSON'S NAME AND AGENT CODE) (SALESPERSON'S SIGNATURE) (MO/DA/YR)

____
(PRINT NAME OF FIRM) (OFFICE CODE) (TELEPHONE)

OFFER

Property Description and Offer: Buyer agrees to purchase the real property and all fixtures and improvements thereon and appurtenances incidental thereto, plus personal property described below (collectively the "Premises").

Premises Address: ______________________________ Assessor's #: ______________
City: ______________________ County: ______________ AZ, Zip Code: __________
Legal Description: ____

Additional Personal Property Included: ____
Additional personal property included herein shall be transferred with no monetary value, in AS-IS CONDITION, FREE AND CLEAR OF ANY LIENS OR ENCUMBRANCES, and CONTRACTOR MAKES NO WARRANTY of any kind, express or implied (including, without limitation, ANY WARRANTY OF MERCHANTABILITY).

a. $__________ **Full Purchase Price**, paid as outlined below. Buyer acknowledges that failure to pay the required funds by the scheduled Close of Escrow other than as described in any of the following sections, shall be construed as a material breach, and all earnest money shall be subject to forfeiture.

b. $__________ Earnest money as indicated above

c. ____

d. $__________ Balance of down payment to be paid by ☐ Buyer on or before start of construction; or ☐ ______________ to ☐ Escrow Company ☐ Seller; **(BUYER'S INITIALS REQUIRED)** SAMPLE (OWNER) SAMPLE (OWNER)

e. $____________ Balance due on Purchase Price shall be paid by:

☐ Certified check at Closing Date
☐ Cash (with draws as indicated on Lines 52-61.)
☐ Net Proceeds of a new first loan which shall be:
- ☐ Conventional (refer to Lines 62-90)
- ☐ FHA [Note: Terms of FHA financing to be negotiated by separate agreement between Buyer, Seller and Lender].
- ☐ VA [Note: Terms of VA financing to be negotiated by separate agreement between Buyer, Seller and Lender].

Closing Date: Seller and Buyer will comply with all terms and conditions of this Contract and close escrow within five (5) days of completion of construction of the Premises, as provided for on Lines 334-345. Buyer and Seller hereby agree that the Close of Escrow shall be defined as recordation of the documents. Close of Escrow shall occur no earlier than ______________________________.

Ownership: Buyer understands that Buyer is not the legal owner of the Premises until Close of Escrow. Buyer agrees that, should Buyer enter the Premises or allow any other person to enter the Premises during the course of construction or at any time prior to Close of Escrow, Buyer will indemnify and hold Seller harmless for any and all damages resulting from such entry.

Possession and Keys: Possession and occupancy shall be delivered to Buyer at Close of Escrow. Seller shall provide keys and/or means to operate all locks, mailbox, security systems/alarms, and access to all common area facilities.

Occupancy: Buyer intends to occupy the Premises as ☐ primary residence; ☐ secondary residence; or ☐ Buyer does not intend to occupy the Premises.

CASH

If this is an all-cash sale with draws, the draw schedule shall be as follows:

Draw Schedule: The Balance due shall be paid by certified funds directly to the Seller, based upon the following schedule.

$________________ First Draw, to be delivered by Buyer to Seller upon completion of ______________________
$________________ Second Draw, to be delivered by Buyer to Seller upon completion of ______________________
$________________ Third Draw, to be delivered by Buyer to Seller upon completion of ______________________
$________________ Fourth Draw, to be delivered by Buyer to Seller upon completion of ______________________
$________________ Fifth Draw, to be delivered by Buyer to Seller upon completion of ______________________
$________________ Final Draw, to be delivered by Buyer to Seller upon completion of the Premises, per Lines 43-45 (Closing Date)

Contractor agrees to provide: ☐ notarized lien waivers to the Owner for the completion of work performed for each successive draw; or
☐ ____

FINANCING

This sale is contingent upon Buyer qualifying for a: ☐ permanent loan only ☐ permanent loan and interim loan

Conditional Loan Approval: Conditional Loan Approval ("CLA") is attached, or ☐ shall be delivered to Seller within ________ days after acceptance of the Contract. The written CLA from the Buyer's lender must be based on a loan application and Trimerged Residential Credit Report ("TMRCR") and for FHA or VA loans, show that the Seller's loan costs, pursuant to Line 88, are sufficient to obtain the loan. Buyer agrees to supply all documentation required by the lender. If such CLA is not received within the time specified, then Seller may give Buyer a five (5) day written notice to perform. If Buyer does not deliver to Escrow Company written CLA within said five (5) days, then this Contract shall be deemed cancelled and all earnest money shall be released to Buyer without further written consent of the parties and without regard to cancellation provisions provided for elsewhere in this Contract. Buyer instructs lender to send copies of such approval to Broker(s) and Seller. Buyer authorizes the lender to provide loan status updates to Broker(s).

Permanent Loan Amount: $__________________________ If applicable, upfront MIP or VA funding fee may be added to the loan.

Term of Loan: ____

Type Of Loan: ☐ Fixed Rate ☐ Adjustable Rate ☐ Other ______________________________

Interim Loan: If an interim loan is required, within twenty (20) days or ☐ _________ days after acceptance of this contract, Seller and Buyer shall agree with the lender upon the terms, conditions and costs of the interim loan.

Appraisal: The Buyer's obligation to complete this sale is contingent upon an appraisal of the Premises by an appraiser acceptable to the lender for at least the sales price. The party responsible for paying for the appraisal shall do so within **five (5) days after Contract acceptance or** ☐ ____________________________________**.** Failure to pay for appraisal within the time specified shall constitute a material breach of this Contract rendering the Contract subject to cancellation as provided in Lines 273-276 of this Contract.

Loan Costs: Private Mortgage Insurance is required for certain types of loans and will be paid by Buyer at the Close of Escrow in a manner acceptable to lender. The following may be paid by either party:

Discount points paid by: ☐ Buyer ☐ Seller ☐ Other ______________________________

Discount points shall not exceed: __________ total points. (does not include origination fee)

	Buyer	Seller			Buyer	Seller
A.L.T.A. Lender Title Insurance Policy	☐	☐		Loan Origination Fee (Not to exceed _____ % of loan amount)	☐	☐
Appraisal Fee	☐	☐	☐ Paid by Buyer and reimbursed by Seller at closing	☐ Paid by Seller and reimbursed by Buyer at closing		

Other Loan Costs: In the event of FHA or VA loans, Seller agrees to pay up to $ _________________ of loan costs not permitted to be paid by the Buyer. In addition, in VA loans, Seller agrees to pay the escrow fee. All other costs of obtaining the loan shall be paid by the Buyer.

Notice To FHA Buyer (Initials Required): HUD does not warrant the condition of the property. By initialing below, Buyer acknowledges receipt of Form **HUD-92564-CN, "For Your Protection: Get a Home Inspection"**. Buyer further acknowledges that such form was signed at or before the Contract date. Signed HUD-92564-CN is attached and made a part of this Purchase Contract.

(FHA Buyer's Initials Required) SAMPLE (BUYER) SAMPLE (BUYER)

GENERAL LOAN PROVISIONS

Release Of Broker: Any loan described in this Contract will be independently investigated and evaluated by Seller and/or Buyer, who hereby acknowledge that any decision to enter into any loan arrangements with any person or entity will be based solely upon such independent investigation and evaluation. Buyer and Seller further release, hold harmless and indemnify Broker(s) from any and all liability regarding loan arrangements and acknowledge that no Broker is responsible for Buyer's or Seller's decisions concerning the desirability or acceptability of any loan or any terms thereof.

Changes: Buyer shall not make any changes in the loan program or financing terms described in this Contract without the prior written consent of Seller unless such changes do not adversely affect Buyer's ability to qualify for the loan, increase Seller's closing costs, or delay the closing date.

Return Of Earnest Money: Unless otherwise provided herein, Buyer is entitled to a return of the earnest money if, after a diligent and good faith effort, Buyer does not qualify for a loan described in this Contract. Buyer is aware that failure to have the funds necessary to obtain the loan and close this transaction shall be considered a material breach of contract and not a failure to qualify for the loan. Buyer acknowledges that prepaid items paid separately from earnest money are not refundable.

RESPA: The Real Estate Settlement Procedures Act ("RESPA") requires that no Seller of property that will be purchased with the assistance of a federally-related mortgage loan shall require, directly or indirectly, as a condition of selling the property, that title insurance covering the property be purchased by the Buyer from any particular title company.

TITLE AND ESCROW

Escrow: This Contract will be used as escrow instructions. The Escrow Company employed by the parties to carry out the terms of this Contract shall be:

____
("ESCROW COMPANY") (TELEPHONE)

Title and Vesting: Taking title may have significant legal, estate planning and tax consequences. **Buyer should obtain legal and tax advice.**

Buyer's marital status is: ______________________________

Buyer will take title as:

☐ determined before Close of Escrow ☐ community property with right of survivorship ☐ community property
☐ joint tenants with right of survivorship ☐ sole and separate property ☐ tenants in common
☐ Other: ______________________________

Escrow Company is hereby instructed to obtain and distribute to Buyer 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; deed restrictions; and easements. Any portion of documents that contain provisions prohibited by state or federal fair housing laws are void and unenforceable. Buyer shall have five (5) days after receipt of the Title Commitment and after receipt of notice of any subsequent exceptions to provide written notice to Seller of any of the exceptions reasonably disapproved. REFER TO LINES 206-222 FOR IMPORTANT TERMS. Seller shall convey title by general warranty deed. Buyer shall be provided at Seller's expense an American Land Title Association ("ALTA") Homeowner's Title Insurance Policy, or if not available, an ALTA Residential Title Insurance Policy ("Plain Language"/"1-4 units") or, if not available, a Standard Owner's Title Insurance Policy, showing the title vested in Buyer as provided in Lines 115-117. Buyer may acquire extended coverage at Buyer's own additional expense.

(a) If the Escrow Company is also acting as the title agency but is not the title insurer issuing the title insurance policy, the Buyer and Seller hereby instruct the Escrow Company to deliver to the Buyer and Seller, upon deposit of funds, a closing protection letter from the title insurer indemnifying the Buyer and Seller for any losses due to fraudulent acts or breach of escrow instructions by the Escrow Company. (b) All documents necessary to close this transaction shall be executed promptly by Seller and Buyer in the standard form used by Escrow Company. Escrow Company is hereby instructed to modify such documents to the extent necessary to be consistent with this Contract. (c) All closing and escrow costs, unless otherwise stated herein, shall be allocated between Seller and Buyer in accordance with local custom and applicable laws and regulations. (d) Escrow Company is hereby instructed to send to Broker(s) copies of all notices and communications directed to Seller or Buyer. Escrow Company shall provide to such Broker(s) access to escrowed materials and information regarding the escrow. (e) Any documents necessary to close the escrow may be signed in counterparts, each of which shall be effective as an original upon execution, and all of which together shall constitute one and the same instrument.

Prorations: Taxes, homeowners' association fees, rents, irrigation fees, and, if assumed, insurance premiums, interest on assessments, interest on encumbrances, and service contracts shall be prorated as of **Close of Escrow** or ☐ Other: ____________________________.

Insurance: Buyer understands that any fire, casualty, or other insurance desired by Buyer should be in place at Close of Escrow. Buyer specifically releases Broker(s) from any obligations relating to such insurance.

Assessments: The amount of any assessment, other than homeowners' association assessments on Lines 152-168, which is a lien as of the Close of Escrow, shall be ☐ paid in full by Seller ☐ prorated and assumed by Buyer. Any assessment that becomes a lien after Close of Escrow is the Buyer's responsibility.

IRS and FIRPTA Reporting: Seller agrees to comply with IRS reporting requirements. If applicable, Seller agrees to complete, sign, and deliver to Escrow Company a certificate indicating whether Seller is a foreign person or a non-resident alien pursuant to the Foreign Investment in Real Property Tax Act ("FIRPTA"). Buyer acknowledges that if the Seller is a foreign person, the Buyer must withhold a tax equal to 10% of the purchase price, unless an exemption applies.

DISCLOSURES

Seller's Notice of Violations: Seller represents that Seller has no knowledge of any notice of violations of City, County, State, or Federal building, zoning, fire, or health laws, codes, statutes, ordinances, regulations, or rules filed or issued regarding the Premises. If Seller receives notice of violations prior to Close of Escrow, Seller shall immediately notify Buyer in writing. Buyer is allowed five (5) days after receipt of notice to provide written notice to Seller of any items reasonably disapproved. REFER TO LINES 206-222 FOR IMPORTANT TERMS.

H.O.A./Condominium/P.U.D.: If the Premises are located within a homeowners' association/condominium/planned unit development:

(a) the current regular association dues are $________________ ☐ monthly, or ☐ ________________________________;

additional homeowners' association fees are $________________ ☐ monthly, or ☐ ________________________________;

(b) If the homeowners' association has less than 50 units, no later than ten (10) days after acceptance of the Contract, the Seller shall: (1) disclose in writing to Buyer any known existing or pending special assessments, claims or litigation, and (2) provide to Buyer copies of Covenants, Conditions and Restrictions; Articles of Incorporation; bylaws; other governing documents; homeowners' association approval of transfer, if applicable; current financial statement including reserve statement and/or budget, and any other documents and information required by law.

(c) If the homeowners' association has 50 or more units, Seller shall furnish written notice of pending sale that contains the name and address of the Buyer to the homeowners' association within five (5) days after acceptance of the Contract.

(d) Buyer is allowed five (5) days after receipt of the information from the Seller or homeowners' association to provide written notice to Seller of any items reasonably disapproved; REFER TO LINES 206-222 FOR IMPORTANT TERMS.

(e) Any current homeowners' association assessment which is a lien as of Close of Escrow to be:

☐ paid in full by Seller ☐ prorated and assumed by Buyer

Any assessment that becomes a lien after the Close of Escrow is the Buyer's responsibility.

(f) Fees related to the transfer of the Premises shall be paid by ☐ Seller ☐ Buyer ☐ Other: ______________________________

(g) Any inspection or certification fee charged by a homeowners' association shall be paid **by Seller.**

Insulation:
☐ Ceiling insulation of ________________ type will be installed at a thickness of _______ and a R-value of _______
☐ Exterior wall insulation of _______________ type will be installed at a thickness of _______ and a R-value of _______
☐ The type of insulation is yet to be determined. Seller agrees to provide Buyer with a receipt stating the type, thickness and R-value of the insulation as soon as the determination regarding insulation is made.

Notice to Buyer of Swimming Pool Barrier Regulations (Initials Required): Seller and Buyer acknowledge that the State of Arizona has swimming pool barrier regulations which are outlined in the Arizona Department of Health Services Private Pool Safety Notice. A swimming pool is defined as an above or below ground swimming pool or contained body of water intended for swimming, exclusive of public or semi-public swimming pools ("Swimming Pool"). The parties further acknowledge that the county or municipality in which the Premises are located may have different Swimming Pool barrier regulations than the state. Buyer agrees to investigate all applicable state, county, and municipal Swimming Pool barrier regulations and agrees to comply with and pay all costs of compliance with said regulations prior to possession of the Premises.

BUYER'S INITIALS ACKNOWLEDGE 1) EXISTENCE OF SWIMMING POOL BARRIER REGULATIONS and 2) If these Premises contain a Swimming Pool, RECEIPT OF THE ARIZONA DEPARTMENT OF HEALTH SERVICES APPROVED PRIVATE POOL SAFETY NOTICE AS REQUIRED BY A.R.S. §36-1681 (E). **(BUYER'S INITIALS ARE REQUIRED)** SAMPLE BUYER SAMPLE BUYER

Owner and Contractor expressly relieve and indemnify Broker(s) from any and all liability and responsibility for compliance with the applicable swimming pool barrier regulations.

INSPECTIONS AND WARRANTIES

INSPECTIONS (INITIALS REQUIRED)

SQUARE FOOTAGE: BUYER IS AWARE THAT ANY REFERENCE TO THE SQUARE FOOTAGE OF THE PREMISES, BOTH THE REAL PROPERTY (LAND) AND IMPROVEMENTS THEREON, IS APPROXIMATE. IF SQUARE FOOTAGE IS A MATERIAL MATTER TO THE BUYER, IT MUST BE VERIFIED PRIOR TO CLOSE OF ESCROW.

Flood Hazard: If the Premises are situated in an area identified as having any special flood hazards by any governmental entity including, but not limited to, being designated as a special flood hazard area by the Federal Emergency Management Agency ("FEMA"), the Buyer's lender may require the purchase of flood hazard insurance at the Close of Escrow or some future date. Special flood hazards may affect the ability to encumber or improve the Premises now or at some future date. **Flood hazard designation of the Premises or cost of flood hazard insurance shall be determined by Buyer within ______ days from date of acceptance. Buyer shall provide written notice to seller of any flood hazard items reasonably disapproved during this time period. REFER TO LINES 206-222 FOR IMPORTANT TERMS.**

Buyer Responsibility Regarding Inspections and Investigations: Buyer is advised by Broker to obtain inspections and investigations of the Premises. Buyer acknowledges that Buyer should make inquiries and consult government agencies, lenders, insurance agents, architects, and other appropriate persons and entities concerning the use of the Premises and the surrounding areas under applicable building, zoning, fire, health, and safety codes, and for evaluation of potential hazards. Buyer acknowledges that more than one inspection may be required. Buyer shall keep the Premises free and clear of liens, shall indemnify and hold Seller harmless from all liability, claims, demands, damages, and costs, and shall repair all damages arising from the inspections. Buyer shall provide Seller and Broker(s) upon receipt, at no cost, copies of all reports concerning the Premises obtained by Buyer.

BUYER SPECIFICALLY RELEASES, HOLDS HARMLESS AND INDEMNIFIES BROKER(S) FROM ANY LIABILITY FOR ANY DEFECTS IN THE PREMISES WHICH COULD HAVE BEEN DISCOVERED BY SUCH INSPECTIONS AND INVESTIGATIONS.

(BUYER'S INITIALS ARE REQUIRED) SAMPLE BUYER SAMPLE BUYER

Buyer Reasonable Disapproval: If Buyer reasonably disapproves of items as provided herein, Buyer shall deliver to Seller written notice of the items reasonably disapproved [Notice shall be provided on AAR's Buyer's Inspection Notice and Seller's Response form or equivalent.], and state in the written notice that Buyer elects to either:

(a) immediately cancel this Contract without further written consent of the parties, in which event all earnest money will be released to Buyer, or

(b) provide the Seller an opportunity to correct the items reasonably disapproved. If Buyer elects option (b), Seller shall respond in writing within **five (5) days or** ________ **days** after delivery to Seller of Buyer's notice of items reasonably disapproved.

If Seller is unwilling or unable to agree to correct any of the items reasonably disapproved by Buyer, including making any repairs in a workmanlike manner, Buyer may either:

(a) cancel this Contract by written notice to Seller within five (5) days after receipt of Seller's response or after expiration of the time period for Seller's response, whichever occurs first, in which case all earnest money shall be released to Buyer; or

(b) proceed with the transaction, in which case Seller is not obligated to correct those items Seller has not agreed to correct in writing.

Any extensions of these time periods must be agreed to in a writing signed by Seller and Buyer.

BUYER'S FAILURE TO GIVE WRITTEN NOTICE OF REASONABLE DISAPPROVAL OF ITEMS OR CANCELLATION OF THIS CONTRACT WITHIN THE SPECIFIED TIME PERIODS SHALL CONCLUSIVELY BE DEEMED BUYER'S ELECTION TO PROCEED WITH THE TRANSACTION WITHOUT CORRECTION OF ANY REASONABLY DISAPPROVED ITEMS WHICH SELLER HAS NOT AGREED TO CORRECT IN WRITING.

Seller Warranties: Seller expressly warrants that all work performed by Seller in connection with the construction of the Premises will be performed in a workmanlike manner and be of a quality which is standard in the industry, and in conformance with the requirements of the Arizona Registrar of Contractors. Seller warrants the construction of the Premises against defects in workmanship and materials as provided for by Arizona law and Seller will, at Seller's own expense, make any and all repairs and replacements made necessary as a result of defective workmanship or materials, provided however, Seller is granted reasonable access to the Property during normal business hours. This warranty is applicable only to requests for repair and replacement reported in writing to Seller. This warranty does not apply to defects caused by normal wear and tear, insubstantial variances or defects, acts of God, faulty maintenance, operation or abusive use, or other acts or events beyond Seller's control. Seller's warranty shall in no event extend to any consumer product, appliance, air conditioning unit, furnace, water heater, or other products included in the Premises that are considered "consumer products" as defined by the Federal Trade Commission for purposes of the Magnuson Moss Warranty - Federal Trade Commission Improvement Act (15 U.S.C. §2301, et seq.) that may be included in this transaction. If a manufacturer's warranty has been issued to Seller, Seller hereby assigns to Buyer, to be effective upon closing, without recourse to Seller, all rights under said manufacturer's warranties, as are assignable, on appliances and any other consumer products included in the Premises. BUYER MAY HAVE ADDITIONAL RIGHTS, REMEDIES, AND WARRANTIES BEYOND THOSE CONTAINED IN THIS CONTRACT.

Final Walkthrough: Prior to the Close of Escrow the Buyer shall inspect the Premises in the presence of the Seller. Upon the conclusion of this inspection, the Buyer will immediately notify the Seller in writing of any claim by the Buyer for deficiencies in workmanship or materials. The Seller shall correct at Seller's cost within a reasonable period of time any items noted by the Buyer or Buyer's representative that are, in the good faith judgment of the Seller, deficient in workmanship and/or materials according to the standard in the industry and the requirements of the Arizona Registrar of Contractors. Unless otherwise required by law, the Seller has no obligation to correct any items not due to deficient workmanship and/or materials. Buyer understands that the Seller may encounter delays in correcting any defects because the primary responsibility for correcting the defects may be that of a subcontractor or a supplier whose time schedule is not controlled by the Seller. Seller's obligation to correct any defects noted by the Buyer shall not entitle Buyer to delay Close of Escrow, or to demand any conditions upon the Close of Escrow not specified in this Contract.

REMEDIES

Remedies for Breach: If either party breaches in any respect on any material obligation under this Contract, the non-breaching party may elect to be released from all obligations under this Contract by cancelling this Contract as provided in Lines 273-276. The non-breaching party may thereafter proceed against the party in breach upon any claim or remedy that the non-breaching party may have in law or equity. In the case of the Seller, because it would be difficult to fix actual damages in the event of Buyer's breach, the amount of the earnest money may be deemed a reasonable estimate of the damages; and Seller may, at Seller's option, accept the earnest money deposit, subject to any compensation to Broker(s), as Seller's sole right to damages. In the event that the non-breaching party elects not to cancel this Contract, the non-breaching party may proceed against the party in breach for specific performance of this Contract or any of its terms, in addition to any claim or remedy that the non-breaching party may have in law or equity. In the event that either party pursues specific performance of this Contract, that party does not waive the right to cancel this Contract pursuant to Lines 273-276 at any time and proceed against the breaching party as otherwise provided herein, or in law or equity. If Buyer or Seller files suit against the other to enforce any provision of this Contract or for damages sustained by reason of its breach, all parties prevailing in such action, on trial and appeal, shall receive their reasonable attorneys' fees and costs as awarded by the court. In addition, both Seller and Buyer agree to indemnify and hold harmless all Brokers against all costs and expenses that any Broker may incur or sustain in connection with any lawsuit arising from this Contract, and will pay the same on demand unless the court grants judgment in such action against the party to be indemnified. Costs shall include, without limitation: attorneys' fees, expert witness fees, fees paid to investigators, and court costs.

Liquidated Damages for Delay: Should Buyer not timely perform all of Buyer's obligations on or before the date set for closing, Buyer shall pay to Seller at Close of Escrow, to compensate Seller for the delay, as liquidated damages, and not as a penalty, the amount of $ __________ per day from the day following the date scheduled for Close of Escrow until the date that Close of Escrow actually occurs, unless Seller elects to pursue Seller's remedies as set forth on Lines 246-261 (Default and Remedies), or unless such non-performance by the Buyer is caused by the Seller's non-performance of any terms or conditions hereof. Should Seller not timely perform all of Seller's obligations hereunder, including, but not limited to, the failure to complete construction on or before the date set forth on Lines 334-345 (Construction Schedule), Seller shall pay to Buyer at Close of Escrow, to compensate Buyer for the delay, as liquidated damages, and not as a penalty, the amount of $______________ per day from the 5th day following the date construction should have been completed, until the date that Close of Escrow actually occurs, unless Buyer elects to pursue Buyer's remedies as set forth on Lines 246-261 (Default and Remedies), or unless such non-performance by the Seller is caused by the Buyer's non-performance of any terms or conditions hereof.

Cancellation: Except as otherwise provided herein, any party who wishes to cancel this Contract because of any material breach by the other party, and who is not in material breach except as occasioned by a material breach by the other party, may cancel this Contract by delivering written notice of cancellation to either the breaching party or to the Escrow Company stating the nature of the breach. Cancellation shall become effective immediately upon delivery of the written notice of cancellation to either the breaching party or Escrow Company.

Release of Earnest Money: In the event of a dispute between Buyer and Seller regarding earnest money deposited with Escrow Company, Buyer and Seller authorize Escrow Company to release earnest money pursuant to the terms and conditions of this Contract. Buyer and Seller specifically authorize Escrow Company to act in its sole and absolute discretion in the release of earnest money. Buyer and Seller agree to hold harmless and indemnify Escrow Company against any claim, action or lawsuit of any kind, and from any loss, judgment, or expense, including costs and attorneys' fees, arising from or relating in any way to the release of earnest money.

Mediation: Buyer and Seller agree to mediate any dispute or claim arising out of or relating to this Contract, any alleged breach of this Contract, or services provided in relation to this Contract before resorting to court action. Any agreement signed by the parties pursuant to the mediation conference shall be binding. All mediation costs will be paid equally by the parties to the Contract. Disputes shall include claims for earnest money or representations made by the Buyer or Seller in connection with the sale, purchase, financing, condition, or other aspect of the Premises to which this Contract pertains, including, without limitation, allegations of concealment, misrepresentation, negligence and/or fraud.

Exclusions from Mediation: The following matters are excluded from mediation hereunder: (a) any action brought in the Small Claims Division of an Arizona Justice Court (up to $2,500), so long as the matter is not thereafter transferred or removed from the Small Claims Division; (b) judicial or nonjudicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or agreement for sale; (c) an unlawful entry or detainer action; (d) the filing or enforcement of a mechanic's lien; or (e) any matter that is within the jurisdiction of a probate court. The filing of a judicial action to enable the recording of a notice of pending action, or order of attachment, receivership, injunction, or other provisional remedies shall not constitute a waiver of the obligation to mediate under this provision, nor shall it constitute a breach of the duty to mediate.

UNDER ARIZONA REVISED STATUTES SECTION §32-1155, A BUYER OF A DWELLING HAS THE RIGHT TO FILE A WRITTEN COMPLAINT AGAINST THE HOMEBUILDER WITH THE ARIZONA REGISTRAR OF CONTRACTORS WITHIN TWO YEARS OF THE COMMISSION OF AN ACT IN VIOLATION OF ARIZONA REVISED STATUTES SECTION §32-1154, SUBSECTION A.

(BUYER'S INITIALS REQUIRED) SAMPLE ____ BUYER SAMPLE ____ BUYER

ADDITIONAL TERMS AND CONDITIONS

Risk Of Loss: If there is any loss or damage to the Premises between the date of acceptance of this Contract and the Close of Escrow or possession, whichever is earlier, by reason of fire, vandalism, flood, earthquake, or act of God, the risk of loss shall be on the Seller, provided, however, that if the cost of repairing such loss or damage would exceed ten percent (10%) of the purchase price, either Seller or Buyer may elect to cancel the Contract by written notice.

Permission: Buyer and Seller grant Broker(s) permission to advise the public of this Contract.

Arizona Law: This Contract shall be governed by Arizona law.

Time is of the essence.

Compensation: Seller and Buyer acknowledge that Broker(s) shall be compensated for services rendered as previously agreed by separate written agreement(s). Any separate written agreement(s) shall be delivered to Escrow Company for payment at Close of Escrow, if not previously paid, and shall constitute an irrevocable assignment of Seller's proceeds at Close of Escrow and/or payment will be collected from Buyer as a condition of Closing. If any Broker hires an attorney to enforce the collection of such compensation, the party(ies) responsible for paying such compensation agree(s) to pay such Broker's costs including but not limited to: attorney's fees, expert witness fees, fees paid to investigators, and court costs. **COMMISSIONS PAYABLE FOR THE SALE, LEASING, OR MANAGEMENT OF PROPERTY ARE NOT SET BY ANY BOARD OR ASSOCIATION OF REALTORS®, OR MULTIPLE LISTING SERVICE, OR IN ANY MANNER OTHER THAN BETWEEN THE BROKER AND CLIENT.**

Additional Compensation: RESPA prohibits the paying or receiving of any fee, kickback, or thing of value for the referral of any business related to settlement or closing of a federally-related mortgage loan, including, but not limited to, any services related to the origination, processing, or funding of a federally-related mortgage loan, and includes such settlement-related business as termite inspections and home warranties. RESPA does not prohibit fees, salaries, compensation, or other payments for services actually performed. If any Broker performs any such services for a fee, Seller and Buyer consent to the payment of this additional compensation for such services actually performed as follows:

____

____

Entire Agreement: This Contract, and any addenda and attachments, shall constitute the entire agreement between Seller and Buyer, and shall supersede any other written or oral agreement between Seller and Buyer. This Contract can be modified only by a writing signed by Seller and Buyer. A fully executed facsimile copy of the entire agreement shall be treated as an original Contract. The failure to initial any page of this Contract will not affect the validity or terms of this Contract. This Contract may be executed in any number of counterparts, and will become effective upon delivery as provided for herein. All counterparts shall be deemed to constitute one instrument, and each counterpart shall be deemed an original. Neither Seller, Buyer nor any Broker shall be bound by any understanding, agreement, promise, or representation, express or implied, written or verbal, not specified herein. The Seller and the Buyer acknowledge that the Broker(s) are third-party beneficiaries of this Contract.

Construction of Language: All references to days in this Contract shall be construed as calendar days.

Construction: The construction of the Premises shall be completed in compliance with the plans and specifications in any Addendum referenced on Lines 386-387 and the applicable governmental regulations. Seller shall have the right to substitute any materials or fixtures specified in the plans and specifications with those of comparable or of better quality upon written notice to Buyer.

Construction Schedule: (a) Seller will complete construction of the Premises within ☐ __________ days from date of conditional loan approval or ☐ __________ days from ____________________________. The final inspection and approval of the Premises by the applicable governmental authority, as evidenced by the issuance of a Certificate of Occupancy or other final approval, shall constitute completion of the Premises for closing purposes. Seller makes no representation as to the specific completion date or schedule of construction other than as set forth herein. The time by which the Premises shall be completed may be extended by written agreement of the Seller and Buyer and shall be extended automatically for the length of any delays resulting from matters outside Seller's control that make timely completion impossible, including, but not limited to: labor strikes, slow-downs, lock-outs, material or labor shortages, any action of the federal, state or local authorities having jurisdiction over the Premises or affecting Seller's ability to perform, civil disorder, fire, unusual weather conditions, or acts of God. **Seller shall give Buyer written notice within twenty-one (21) days after occurrence of the event if any such event is the basis for a claim for an extension of time in which construction will be completed. In the event that construction is not completed within the agreed upon time period, or any extension thereof, Buyer shall have the remedies available as provided herein.**

Buyer's Construction Obligation: Buyer shall select all of Buyer's interior and exterior color and material selections, including, but not limited to, carpeting, flooring, cabinetry, counter tops, and all other selections necessary or appropriate to complete construction, from color and material samples provided by the Seller, and communicate all Buyer's selections to Seller within ☐ ________ days of Seller's acceptance of this Contract or ☐ _________ days of Buyer's receipt of samples. Buyer's selections shall be final and binding. If Buyer has not made selections within the time period allowed, Seller, at Seller's discretion, may make such color and material selections for Buyer and Buyer agrees, understands and accepts that in such case Seller's selections shall be binding upon Buyer. Alternatively, Buyer may select certain color schemes, upgrades and appliances not included among the standard selections provided by Seller, which shall otherwise be known as "Cash Extras." If this transaction fails to close for any reason whatsoever (including, but not limited to, the failure of Buyer to obtain a loan, or to satisfy any other loan condition, if applicable, or to satisfy any other contingencies), other than a default by Seller, all amounts paid by Buyer to Seller for Cash Extras shall be non-refundable and Buyer will have no claim or right thereto.

Change Orders: Any change orders relating to the construction of the Premises shall be between Buyer and Seller by separate written agreement.

Addenda Incorporated: ☐ Assumption and Carryback Addendum ☐ Seller's Construction Specifications Addendum

☐ ____

If Seller is a Subdivider: (1) THE PURCHASER (BUYER) MUST BE GIVEN A COPY OF THE SUBDIVISION PUBLIC REPORT OF THE ARIZONA DEPARTMENT OF REAL ESTATE PRIOR TO THE SIGNING OF THIS CONTRACT AND MUST SIGN THE REQUIRED RECEIPT FOR PUBLIC REPORT. (2) Unless the requirement is waived by the Arizona Department of Real Estate, no subdivided land may be sold without provision for permanent access to the land over terrain which may be traversed by conventional motor vehicle. Seller warrants that there is permanent access to the property. (3) The Arizona Department of Water Resources has determined that the water supply for the subdivision is ☐ adequate ☐ inadequate. If the water supply for the subdivision is inadequate, additional disclosures may be required. (See A.R.S. §§32-2181(F); 32-2195(H), or any successor provisions).

Subsequent Offers: Buyer acknowledges that Seller has the right to accept subsequent offers until Close of Escrow. Seller understands that any subsequent offer accepted by the Seller must be a backup offer, namely, contingent on the cancellation of this Contract.

Release of Broker(s): SELLER AND BUYER HEREBY EXPRESSLY RELEASE, HOLD HARMLESS AND INDEMNIFY ALL BROKER(S) IN THIS TRANSACTION FROM ANY AND ALL LIABILITY AND RESPONSIBILITY REGARDING THE CONDITION, SQUARE FOOTAGE, LOT LINES OR BOUNDARIES, VALUE, RENT ROLLS, ENVIRONMENTAL PROBLEMS, SANITATION SYSTEMS, ROOF, WOOD INFESTATION AND WOOD INFESTATION REPORT, COMPLIANCE WITH BUILDING CODES OR OTHER GOVERNMENTAL REGULATIONS, OR ANY OTHER MATERIAL MATTERS RELATING TO THE PREMISES.

Acceptance: This is an offer to purchase the Premises. Unless acceptance is signed by Seller and a signed copy delivered in person, by mail, or facsimile, and received by Buyer or by Broker named on Lines 18-19 by ____________________, ________ at _________ AM/PM, MST, or unless this offer to purchase has been previously withdrawn by Buyer, this offer to purchase shall be deemed withdrawn and the Buyer's earnest money shall be returned.

THIS CONTRACT CONTAINS NINE (9) PAGES EXCLUSIVE OF ANY ADDENDA AND ATTACHMENTS. PLEASE ENSURE THAT YOU HAVE RECEIVED AND READ ALL NINE (9) PAGES OF THIS OFFER AS WELL AS ANY ADDENDA AND ATTACHMENTS.

THE DEVELOPER SHALL GIVE A PROSPECTIVE PURCHASER A COPY OF THE PUBLIC REPORT AND AN OPPORTUNITY TO READ AND REVIEW IT BEFORE THE PROSPECTIVE PURCHASER SIGNS THIS DOCUMENT.

The undersigned agree to purchase the Premises on the terms and conditions herein stated and acknowledge receipt of a copy hereof.

SAMPLE	SAMPLE
BUYER'S SIGNATURE MO/DA/YR	BUYER'S SIGNATURE MO/DA/YR
ADDRESS	ADDRESS
CITY, STATE, ZIP CODE	CITY, STATE, ZIP CODE

ACCEPTANCE

Agency Confirmation: The following agency relationship(s) is hereby confirmed for this transaction:

Listing Broker: ____
(PRINT SALESPERSON NAME AND AGENT CODE) (PRINT FIRM NAME AND OFFICE CODE) (TELEPHONE)

Is the agent of (check one): ☐ the Seller exclusively; or ☐ both the Buyer and Seller

Seller Receipt of Copy: The undersigned acknowledge receipt of a copy hereof and grant permission to Broker named on Line 413 to deliver a copy to Buyer.

☐ **Counter Offer is attached, and is incorporated herein by reference. Seller should sign both the Contract and the Counter Offer. If there is a conflict between this Contract and the Counter Offer, the provisions of the Counter Offer shall be controlling.**

The undersigned agree to sell the Premises on the terms and conditions herein stated.

SAMPLE	SAMPLE
SELLER'S SIGNATURE MO/DA/YR	SELLER'S SIGNATURE MO/DA/YR
SELLER'S NAME PRINTED	SELLER'S NAME PRINTED
ADDRESS	ADDRESS
CITY, STATE, ZIP CODE	CITY, STATE, ZIP CODE

For Broker Use Only:

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