

Section 2

COMMON PHYSICAL CONDITIONS IN THE PROPERTY A BUYER SHOULD INVESTIGATE

Because every buyer and every property is different, the physical property conditions requiring investigation will vary.

1 Repairs, Remodeling and New Construction

The seller may have made repairs or added a room to the property. The buyer should feel comfortable that the work was properly done or have an expert evaluate the work. Request copies of permits, invoices or other documentation regarding the work performed.

<https://roc.az.gov/before-hire>

(Before You Hire a Contractor – Tips)

www.greaterphoenixnari.org (National Association of Remodeling Industry – Greater Phoenix Chapter)

<http://www.nariosouthernarizona.memberlodge.com/>

(National Association of Remodeling Industry – Southern Arizona)

<https://apps-secure.phoenix.gov/PDD/Search/Permits>

(City of Phoenix – Building Permit Records)

2 Square Footage

Square footage on the MLS printout or as listed by the county assessor's records is often only an estimate and generally should not be relied upon for the exact square footage in a property. An appraiser or architect can measure the property's size to verify the square footage. If the square footage is important, you should have it confirmed by one of these experts during the inspection period in a resale transaction and prior to executing a contract in a new home transaction.

<https://boa.az.gov/directories/appraiser>

(AZFI - Arizona Board of Appraisers Directory)

3 Roof

If the roof is 10 years old or older, a roof inspection by a licensed roofing contractor is highly recommended.

www.azroofing.org

(Arizona Roofing Contractors Association)

<https://roc.az.gov/before-hire>

(Before You Hire a Contractor – Tips)

4 Swimming Pools and Spas

If the property has a pool or a spa, the home inspector may exclude the pool or spa from the general inspection so an inspection by a pool or spa company may be necessary.

The Arizona REALTORS® Residential Purchase Contract provides guidance for the buyer to investigate all applicable state, county, and municipal Swimming Pool Barrier regulations and acknowledge receipt of the Arizona Department of Health Services approved private pool safety notice. The state requirements contained in the notice may be superseded by local swimming pool barrier ordinances that are equal to or more restrictive than the state requirements.

<http://bit.ly/20ZG8tp> (AAR)

bit.ly/2dhVPdw (A.R.S. 36-1681 Swimming Pool Enclosures)

5 Septic and Other On-Site Wastewater Treatment Facilities

If the home is not connected to a public sewer, it is probably served by an on-site wastewater treatment facility (conventional septic or alternative system). A qualified inspector must inspect any such facility within six months prior to transfer of ownership. For information on current inspection and transfer of ownership requirements, contact the specific county environmental/health agency where the property is located or the Arizona Department Environmental Quality (ADEQ).

<http://bit.ly/2pIVsZe>

(ADEQ – AZ Statewide Inspection Program)

<http://az.gov/app/own/home.xhtml>

(File a Notice of Transfer Online)

6 SEWER

Even if the listing or SPDS indicates that the property is connected to the city sewer, a plumber, home inspector, or other professional should verify it. Some counties and cities can perform this test as well.

7 Water/Well Issues

You should investigate the availability and quality of the water to the property.

<http://bit.ly/1rj4DFW> or <http://bit.ly/VaUDO8>
(Wells & Assured/Adequate Water Information)

Adjudications: Arizona is undertaking several Stream Adjudications, which are court proceedings to determine the extent and priority of water rights in an entire river system.

For information regarding water uses and watersheds affected by these adjudications, and the forms upon sale of the property, visit the Department of Water Resources online.

<http://bit.ly/1AsX14w>
(Department of Water Resources – Adjudications)

Additionally, the Verde Valley Water Users assists members in matters pertaining to the Gila River System Adjudication.

www.verdevalleywaterusers.org (Verde Valley Water Users Association)

CAGRDs: The Central Arizona Groundwater Replenishment District (CAGRD) functions to replenish groundwater used by its members, individual subdivisions and service areas of member water providers. Homeowners in a CAGRD pay an annual assessment fee which is collected through the county property tax process based on the amount of groundwater served to member homes.

www.cagrd.com
(Central Arizona Ground Water Replenishment District)

8 Soil Problems

The soil in some areas of Arizona has “clay-like” tendencies, sometimes referred to as “expansive soil.”

Other areas are subject to fissure, subsidence and other soil conditions. Properties built on such soils may experience significant movement causing a major problem.

If it has been disclosed that the property is subject to any such soil conditions or if the buyer has any

concerns about the soil condition or observes evidence of cracking, the buyer should secure an independent assessment of the property and its structural integrity by a licensed, bonded, and insured professional engineer.

<http://www.re.state.az.us/PublicInfo/Fissures.aspx>
(ADRE – Overview of Arizona Soils)

<http://data.azgs.az.gov/hazard-viewer/>
(AZGS – Natural Hazards Viewer)

http://www.azgs.az.gov/hazards_problemsoils.shtml
(Arizona’s Swelling & Shrinking Soils)

<http://azgs.az.gov/efmaps.shtml> (Area Maps)

<http://bit.ly/XvZEE0> (Information on Land Subsidence & Earth Fissures)

www.btr.state.az.us (State Certified Engineers & Firms)

9 Previous Fire/Flood

If it is disclosed there has been a fire or flood on the property, a qualified inspector should be hired to advise you regarding any possible future problems as a result of the fire or flood damage and/or any subsequent repairs. For example, if the property was not properly cleaned after a flood, mold issues may result. Your insurance agent may be able to assist you in obtaining information regarding fire, flood, or other past damage to the property.

10 Pests

Cockroaches, rattlesnakes, black widow spiders, scorpions, termites and other pests are common in parts of Arizona. Fortunately, most pests can be controlled with pesticides.

Scorpions: Scorpions, on the other hand, may be difficult to eliminate. If the buyer has any concerns or if the SPDS indicates the seller has seen scorpions or other pests on the property, seek the advice of a pest control company.

Bed bugs: Infestations are on the rise in Arizona and nationally.

Roof Rats: Roof Rats have been reported in some areas by Maricopa County Environmental Services.

Termites: Consumer Information is available from the Office of Pest Management (OPM).

Bark Beetles: OPM reports bark beetles have been Reported in some forested areas.

<http://bit.ly/1HLWvS5> (Information on Scorpions)
<http://bit.ly/1PFP9Y2> (Information on Bed Bugs)
<http://www2.epa.gov/bedbugs> (Bed Bugs: Get Them Out and Keep Them Out)
<http://www.maricopa.gov/FAQ.aspx?TID=104> (Maricopa County – Roof Rats)
<http://www.sb.state.az.us/ReTermites.php> (Termite Information)
<http://www.sb.state.az.us/BarkBeetles.php> (Bark Beetle Information)

11 Endangered & Threatened Species

Certain areas in the state may have issues related to federally listed endangered or threatened species that may affect land uses. Further information may be obtained on the U.S. Fish and Wildlife website or by contacting the appropriate planning/development service department.

<http://www.fws.gov/southwest/es/arizona/> (Arizona Ecological Services)
<http://www.fws.gov/endangered/map/state/AZ.html>
(Arizona Endangered Species)

12 Deaths and Felonies on the Properties

Arizona law states that sellers and real estate licensees have no liability for failure to disclose to a buyer that the property was ever the site of a natural death, suicide, murder or felony.

This information is often difficult to uncover; however, the local law enforcement agency may be able to identify incidents related to a property address.

<http://bit.ly/2lo53MZ> (A.R.S. § 32-2156)

13 Indoor Environmental Concerns

MOLD: Mold has always been with us, and it is a rare property that does not have some mold. However, over the past few years a certain kind of mold has been identified as a possible contributor to illnesses. Allergic individuals may experience symptoms related to mold.

The Arizona Department of Health Services, Office of Environmental Health, states:

“If you can see mold, or if there is an earthy or musty odor, you can assume you have a mold problem.”

Imported Drywall: There have been reports of problematic drywall, produced in China, used in

Arizona homes. Residents in homes with problem drywall report health issues such as respiratory irritation, and other problems such as copper corrosion and sulfur odors. Visit the Consumer Product Safety Commission website for more information.

Radon Gas and Carbon Monoxide: Radon gas and carbon monoxide poisoning are two of the more common and potentially serious indoor air quality (IAQ) concerns. Both of these concerns can be addressed by the home inspector, usually for an additional fee. For information on radon levels in the state, visit Arizona Radiation Regulatory Agency online.

Drug labs: Residual contamination arising from the illicit manufacture of methamphetamine and other drugs carried out in clandestine drug laboratories presents a serious risk of harm to human and environmental health.

Other: For information on other indoor environmental concerns, the EPA has a host of resource materials and pamphlets online.

<http://1.usa.gov/1it5voK> (Indoor Air Quality)
www.epa.gov/mold (EPA)
<http://www.epa.gov/iaq/pubs/index.html> (Publications & Resources)
www.cdc.gov/mold (Mold Information)
bit.ly/2kRk7jm (Drywall Information Center)
<https://arra.az.gov/radon/about-radon> (About Radon)
<http://www2.epa.gov/asbestos> (Asbestos Information)
bit.ly/2gUZcSt (Voluntary Guidelines for Methamphetamine)
<http://1.usa.gov/1OC9Yji> (EPA Formaldehyde Information)

14 Property Boundaries

If the property boundaries are of concern, a survey may be warranted. For example, a survey may be advisable if there is an obvious use of property by others, i.e., a well-worn path across a property and/or parked cars on the property or fences or structures of adjacent property owners that appear to be built on the property. For more information, visit the Arizona Professional Land Surveyors online. A search for surveyors may be found online at the Board of Technical Registration.

www.azpls.org/ (AZ Professional Land Surveyors)
<https://btr.az.gov/search/node/land%20surveyors> (AZ BTR Land Surveyors)

15 Flood Insurance/Flood Plain Status

Your mortgage lender may require you to purchase flood insurance in connection with your purchase of the property. The National Flood Insurance Program provides for the availability of flood insurance and established flood insurance policy premiums based on the risk of flooding in the area where properties are located. Changes to the federal law (The Biggert-Waters Flood Insurance Reform Act of 2012 and the Homeowner Flood Insurance Affordability Act of 2014, in particular) will result in changes to flood insurance premiums that are likely to be higher, and in the future may be substantially higher, than premiums paid for flood insurance prior to or at the time of sale of the property. As a result, purchasers of property should not rely on the premiums paid for flood insurance on the property previously as an indication of the premiums that will apply after completion of the purchase. In considering purchase of the property you should consult with one or more carriers of flood insurance for a better understanding of flood insurance coverage, current and anticipated future flood insurance premiums, whether the prior owner's policy may be assumed by a subsequent purchase of the property, and other matters related to the purchase of flood insurance for the property.

If community floodplain information is not available for a specific property, and in order to obtain flood insurance, it may be necessary to have an elevation survey and obtain an elevation certificate. This is necessary to determine a properties insurability and premium rate. You may also wish to contact the Federal Emergency Management Agency (FEMA) for

more information about flood insurance as it relates to the property.

[National Flood Insurance Program](#) (FEMA)

<https://msc.fema.gov/portal> (Flood Map Service Center)

bit.ly/2egwpza (Elevation Certificates: Who Needs Them and Why - fact sheet)

http://www.azgs.az.gov/hazards_floods.shtml (AZ Flood & Debris)

<http://www.fcd.maricopa.gov/3847/Flood-Control-District> (Maricopa County Flood Control District-Services)

<http://pdsd.tucsonaz.gov/pdsd/floodplain-information> (Tucson Flood Information)

Other Arizona Counties: Consult County Websites.

16 Insurance (Claims History)

Many factors affect the availability and cost of homeowner's insurance. Property owners may request a five-year claims history from their insurance company, an insurance support organization or consumer reporting agency.

<https://insurance.az.gov/consumers/help-hometitleflood-insurance>

(AZ Department of Insurance)

<http://bit.ly/VDp15E> (Home Seller's Disclosure Report)

17 Other Property Conditions

Plumbing: Check functionality.

Cooling/Heating: Make sure the cooling and heating systems are adequate.

Electrical Systems: Check for function and safety.

Section 3

CONDITIONS AFFECTING THE AREA SURROUNDING THE PROPERTY THE BUYER SHOULD INVESTIGATE

Every property is unique; therefore, important conditions vary.

Environmental Concerns

It is often very difficult to identify environmental hazards. The Arizona Department of Environmental Quality (ADEQ) website contains environmental information regarding the locations of open and

closed landfills (Solid Waste Facilities), wildfire information, as well as, air and water quality information (and more).

<http://www.azdeq.gov/> (ADEQ)

<http://legacy.azdeq.gov/environ/waste/solid/plan.html> (ADEQ-Solid Waste Facilities)

www.azdeq.gov/function/programs/wildfire.html (Wildfire Information)

1 Environmentally Sensitive Land

Ordinance: Approximately two-thirds of the City of Scottsdale is affected by the Environmentally Sensitive Land Ordinance (ESLO), which requires some areas on private property be retained in their natural state and designated as National Area Open Space (NAOS).

<http://www.scottsdaleaz.gov/codes/eslo>
(Environmentally Sensitive Land Ordinance)

<http://www.scottsdaleaz.gov/codes/eslo/naos>
(Natural Area Open Space)

2 Electromagnetic Fields

For information on electromagnetic fields, and whether they pose a health risk to you or your family, visit the National Institute of Environmental Health Sciences website.

www.niehs.nih.gov/health/topics/agents/emf/
(National Institute of Environmental Health Sciences)

3 Superfund Sites

There are numerous sites in Arizona where the soil and groundwater have been contaminated by improper disposal of contaminants. Maps may be viewed on ADEQ's website to see if a property is in an area designated by the ADEQ as requiring cleanup.

<https://www.azdeq.gov/function/programs/gis.html> (ADEQ)
www.epa.gov/superfund/ (EPA), <http://espanol.epa.gov/> (Spanish)

4 Freeway Construction and Traffic Conditions

Although the existence of a freeway near the property may provide highly desirable access, sometimes it contributes to undesirable noise. To search for roadway construction and planning, visit the Arizona Department of Transportation (ADOT) website.

www.azdot.gov (ADOT)
www.azdot.gov/Highways (Statewide Projects)
www.az511.com (Traffic Conditions – Alerts)

5 Crime Statistics

Crime statistics, an imperfect measurement at best, provide some indication of the level of criminal activity in an area.

<http://1.usa.gov/1kSEpHc> (Phoenix Crime Statistics)

<http://www.tucsonaz.gov/police/statistics> (Tucson Crime Stats)
www.leagueaz.org/lgd (Crime Statistics All Arizona Cities)

6 Sex Offenders

Since June 1996, Arizona has maintained a registry and community notification program for convicted sex offenders. Prior to June 1996, registration was not required, and only the higher-risk sex offenders are on the website. The presence of a sex offender in the vicinity of the property is not a fact that the seller or real estate broker is required to disclose.

www.azdps.gov/Services/Sex_Offender/ (Registered Sex Offenders and Community Notification)

<http://www.nsopw.gov/en> (National Sex Offender Public Site)

7 Forested Areas

Life in a forested area has unique benefits and concerns. Contact county/city fire authority for more information on issues particular to a community.

<http://azsf.az.gov/> or www.firewise.org
(Protecting Your Property from Wildfire)

<http://cals.arizona.edu/firewise>
(Arizona Fire Wise Communities)

8 Military and Public Airports

The legislature has mandated the identification of areas in the immediate vicinity of military and public airports that are susceptible to a certain level of noise from aircraft. The boundaries of these areas have been plotted on maps that are useful in determining if a property falls within one of these areas. The maps for military and public airports may be accessed on the Arizona Department of Real Estate (ADRE) website. Additionally, the boundaries of military and public airports in Maricopa County may be viewed on the county website. These maps are intended to show the area subject to a preponderance of airport-related noise from a given airport. Periodic over-flights that may contribute to noise cannot usually be determined from these maps.

Vacant land or lots may be for sale within areas of high noise or accident potential zones. Because the zoning of these lots may conflict with the buyer's ability to develop the property, the buyer should verify whether development is prohibited.

Zoning regulations for these areas, may be found at A.R.S.§28-8481.

<http://www.re.state.az.us/AirportMaps/MilitaryAirports.aspx>
(ADRE - Maps of Military Airports & Boundaries)

www.re.state.az.us/AirportMaps/PublicAirports.aspx
(ADRE - Maps of Pubic Airports & Boundaries)

9 Zoning/Planning/Neighborhood Services

Information may be found on community websites.

<http://phoenix.gov/business/zoning> (Phoenix)

<http://www.tucsonaz.gov/pdsd/planning-zoning> (Tucson)

<http://www.leagueaz.org/lgd/> (Other Cities and Towns)

10 Schools

Although there is no substitute for an on-site visit to the school to talk with principals and teachers, there is a significant amount of information about Arizona's schools on the Internet. Visit the Arizona Department of Education website for more information.

<http://www.azed.gov/> (Arizona Department of Education)

ADRE ADVISES:

"Call the school district serving the subdivision to determine whether nearby schools are accepting new students. Some school districts, especially in the northwest part of the greater Phoenix area, have placed a cap on enrollment. You may find that your children cannot attend the school nearest you and may even be transported to another community."

www.azre.gov/PublicInfo/PropertyBuyerChecklist.aspx (ADRE)

11 City Profile Report

Information on demographics, finances and other factors are drawn from an array of sources, such as U.S. Census Bureau, Bureau of Labor, Internal Revenue Service, Federal Bureau of Investigation, and the National Oceanic and Atmospheric Administration and may be viewed on Homefair's Website.

<http://www.homefair.com/real-estate/city-profile/index.asp>
(City Profile Report)

Section 4

OTHER METHODS OF GETTING INFORMATION ABOUT A PROPERTY

Talk to the Neighbors

Neighbors can provide a wealth of information. Buyers should always talk to the surrounding residents about the neighborhood and the history of the property the buyer is considering for purchase.

Drive around the Neighborhood

Buyers should always drive around the neighborhood, preferably on different days at several

different times of the day and evening, to investigate the surrounding area.

Investigate your Surroundings:

Google Earth is an additional method to investigate the surrounding area:

<https://www.google.com/earth/>

Section 5

RESOURCES

Market Conditions Advisory

The real estate market is cyclical and real estate values go up and down. The financial market also changes, affecting the terms on which a lender will agree to loan money on real property. It is impossible to accurately predict what the real estate or financial market conditions will be at any given time.

The ultimate decision on the price a buyer is willing to pay and the price a seller is willing to accept for a specific property rests solely with the individual buyer or seller. The parties to a real estate transaction must decide on what price and terms they are willing to buy or sell in light of market conditions, their own financial resources and their own unique circumstances.

The parties must, upon careful deliberation, decide how much risk they are willing to assume in a transaction. Any waiver of contingencies, rights or warranties in the Contract may have adverse consequences. Buyer and seller acknowledge that they understand these risks.

Buyer and Seller assume all responsibility should the return on investment, tax consequences, credit effects, or financing terms not meet their expectations. The parties understand and agree that the Broker(s) do not provide advice on property as an investment. Broker(s) are not qualified to provide financial, legal, or tax advice regarding a real estate transaction. Therefore, Broker(s) make no representation regarding the above items. Buyer and seller are advised to obtain professional tax and legal advice regarding the advisability of entering into this transaction.

<http://bit.ly/1sSTpri>

(AAR - Sample Forms)

Fair Housing and Disability Laws

The Fair Housing Act prohibits discrimination in the sale, rental, and financing of dwellings based on race,

color, national origin, religion, sex, familial status (including children under the age of 18 living with people securing custody of children under the age of 18), and handicap (disability).

<http://1.usa.gov/1pbD5iW> (US Government – HUD)

<http://www.ada.gov/pubs/ada.htm>

(Americans with Disabilities Act)

Wire Fraud

Beware of wiring instructions sent via email. Cyber criminals may hack email accounts and send emails with fake wiring instructions. You should independently confirm wiring instruction in person or via a telephone call to a trusted and verified phone number prior to wiring any money.

<http://bit.ly/2gQNWms> (FTC & NAR - Protect your mortgage closing from scammers)

<http://bit.ly/2vDDvFk> (CFPB- Buying a home? Watch out for mortgage closing scams)

Additional Information

NATIONAL ASSOCIATION OF REALTORS® (NAR)

<https://www.nar.realtor/>

NAR'S Ten Steps to Homeownership

<http://bit.ly/YweGug>

Home Closing 101

www.homeclosing101.org

Information about Arizona Government, State Agencies, City & County Websites

Arizona Department of Real Estate
Consumer Information

www.azre.gov/InfoFor/Consumers.aspx

Arizona Association of REALTORS®

www.aaronline.com

BUYER ACKNOWLEDGMENT

Buyer acknowledges receipt of all 13 pages of this Advisory.

Buyer further acknowledges that there may be other disclosure issues of concern not listed in this Advisory. Buyer is responsible for making all necessary inquiries and consulting the appropriate persons or entities prior to the purchase of any property.

The information in this Advisory is provided with the understanding that it is not intended as legal or other professional services or advice. These materials have been prepared for general informational purposes only. The information and links contained herein may not be updated or revised for accuracy. If you have any additional questions or need advice, please contact your own lawyer or other professional representative.

^ BUYER SIGNATURE

DATE

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