

# Buyers Guide

Prepared by

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**Prudential**

**Americana Group,  
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Dear Consumer,

Buying a home is all about decision making. Working on your behalf, I can provide you with the important details regarding real estate market prices and data in the areas you are considering, as well as information regarding the necessary steps involved in the home buying process, so that you feel comfortable when you ultimately make that home buying decision.

I have helped many home buyers work through this crucial decision making process: decisions based on location, the market, financing options, the condition of a home as it relates to sale price, and recommendations of service providers related to the details of moving.

Also, as a member of the Multiple Listing Service, I have instant access to the information for any listing that is available in the area – so you have the luxury of one-stop shopping should you be curious about a particular home, perhaps something you have seen on the internet, an advertisement or a for sale sign on a home. Please feel free to contact me, and I can provide you with the property information.

I look forward to working with you, and appreciate the opportunity to assist you through the home buying process.

Sincerely,

Aldo M. Martinez  
Broker/Branch Manager  
Prudential Americana Group Realtors®

## Prudential Americana Group Realtors®

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Expect the best. At Prudential Americana Group it's more than just a name, it's the philosophy that makes us the only Prudential in the Las Vegas and Henderson Area

At Prudential Americana Group we take pride in a reputation for quality customer service. Our sales associates and employees form an elite international network backed by comprehensive training, powerful advertising, extensive relocation programs, and exclusive marketing systems.

To help guide our customers through the complex process of buying and selling a home, our sales associates are equipped with the most powerful tools available anywhere in the real estate industry – tools designed to communicate and to get results.

We are committed to serving you with honesty and integrity. We stand committed to these ideals because we want you to be our customer FOR LIFE!

# Aldo M. Martinez

## Prudential Americana Group Realtors®

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### Career Summary

Aldo M. Martinez is the Managing Broker of our Prudential Americana Groups Southwest Branch's Residential and Commercial operations. He directly oversees over 200 Sales executives, 4 Commercial teams, and 10 REO Groups servicing over 1300 assets and 500 listings. Aldo has over 17 years experience in Residential and Commercial operations in the Greater Las Vegas Area.

### Experience

Prior to Joining Americana group in 1993, Aldo was the Recruiting and Retention Sergeant Major, overseeing the operations and Budgets of 7 west coast states, including Hawaii, Guam, Puerto Rico and the Virgin Islands. Since his joining Americana Group, Aldo finished as best new agent in 1994, averaging sales in excess of 5 million dollars and has become the Managing Broker of the Southwest office upon its grand opening in April 2005. Since then the Southwest Branch has risen to become the Number three office in Las Vegas and was recognized in 2009 as the 3 Prudential Office Nation Wide over 300million in gross sales and over 2000 units closed.

### Education

- Associates in Science-Associates Degree Vincennes University, Vincennes, IN
- Attended University of Nevada Las Vegas, BA in Sociology (21 Credits to complete)
- Sergeants Major Academy, United States Sergeants Major Academy, FT. Bliss, TX
- GRI, Graduate REALTOR Institute of the Nevada Association of Realtors
- ABR, Graduate Accredited Buyers Representation
- ABRM, Graduate Accredited Buyers Representative Manager
- ITI, Instructor Training Institute Certification Course
- CSP, Certified Short Sale Professional
- RDCPro, REO Default Certified Professional
- Vice Dean of Faculty Greater Las Vegas Association of Realtors
- Property Management Certification Permit

### Professional Affiliations

- NAHREP National Association of Hispanic Real Estate Professionals, Nevada Chapter
- NAR National Association of REALTORS®
- NVAR Nevada Association of REALTORS®
- GLVAR Greater Las Vegas Association of REALTORS®

## WORKING WITH A BUYER'S AGENT

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So, what is a Buyer's Agent and why should you work with one? A Buyer's Agent represents you, the home buyer, during every step of the real estate transaction. That means your interests and preferences are always the first consideration, from the moment you start looking to the moment you receive the keys to your new home. This type of focus and dedication allows you to shop for a home with the ease and confidence of knowing you have someone looking out for your best interest.

As you can imagine, there is a lot involved in the purchase of any home. As a potential home buyer, there are numerous items to be addressed before you finally move into the right home for you. Working with a knowledgeable agent, that you are comfortable with, who will take on the responsibility of handling the details of your home purchase, is a very important first step.

### **To help you FIND a home I will:**

- Discuss your home requirements, including size, location and price.
- Explain financing alternatives and assist you in the selection of a mortgage lender, if necessary.
- Provide information on properties available meeting your search criteria, and arrange viewing appointments.

### **To help you CHOOSE a home I will:**

- Discuss the benefits and drawbacks of each home in relation to your specific needs.
- Gather data regarding comparable sales information to assist in determining market value.
- Give you a complete estimated Buyer's Cost Analysis Statement for any property on which you make an offer to purchase.

### **To help you BUY a home I will:**

- Prepare and negotiate a Real Estate Purchase Agreement for the price and terms which are right for you.
- Handle all the details and negotiations, and carefully explain all written documents.
- Accompany you to the closing, making sure you understand the entire settlement process.

# FINANCING YOUR NEW HOME

## The Lender

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Most people use financing of one type or another to buy a house. The amount you can afford will depend upon how much cash you have for the initial investment, or down payment, plus the amount of mortgage you can afford according to your income and debt levels.

There are many advantages in working with a reliable, professional mortgage company. Some of the more important services that good lenders provide:

**Pre-approval of your loan:** A mortgage lender can provide a loan pre-approval through an examination of your credit status and current financial situation. It will save you valuable time.

**Ability to find the right loan at competitive prices:** Today there are hundreds of different loan programs, all with different terms, rates, and fees. A professional mortgage lender can help you choose the best program at the most competitive rate.

**Efficient and timely follow-up:** Once the transaction has been negotiated, a skilled mortgage consultant works to insure that the loan is processed and funded within the specifications of the purchase agreement.

# FINANCING YOUR NEW HOME

## Pre-approval vs. Pre-qualification

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What could be more comforting than the peace of mind that goes with knowing your mortgage is fully approved?

You will have a greatly improved negotiating position when you are pre-approved for a mortgage. Sellers are more apt to negotiate with someone who already has a mortgage approval in hand. The pre-approval letter lets the seller know they are working with a serious buyer, and that your offer is solid. A pre-approved buyer can also close on a property more quickly- -another major consideration for a motivated seller. In today's market, it is not unusual for multiple offers to be made on a property, and a pre-approved mortgage is almost essential in that situation.

**Pre-qualification** is not a commitment by a lender to loan you money, it's merely an indication of what you can probably afford to pay. A pre-qualification includes an analysis of your income, monthly debt, employment and available cash for down payment to determine the best loan for you and the amount you might qualify for.

**Pre-approval** takes this process another step further and uses basic information as well as electronic credit reporting. When you are pre-approved, you actually have a lender's written mortgage commitment. It is a true mortgage commitment to financing your home and an indication of the total mortgage amount available to you.

# FINANCING YOUR NEW HOME

Information to have available when you  
contact the mortgage lender

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## About You

- Name and Social Security number of each applicant
- Address of landlord or address of mortgage company and mortgage account

## Assets

- Source(s) of down payment and closing costs
- Bank account, account number and approximate balance
- Value of assets (Stocks, bonds, mutual funds, etc)

## Debts

- Confirmation of credit cards and installment loans
- Information on any other properties owned (rental, investment, second homes)
- Alimony/child support payments (if applicable)

## Income

- Monthly salary and sources of income
- Information on employment

## FINANCING YOUR NEW HOME

### Things you should not do when applying for a home loan

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**Don't buy or lease an auto.** The lender looks carefully at the debt-to-income ratio and a large payment such as a car lease or purchase can greatly impact those ratios and prevent you from qualifying for a home loan.

**Don't move assets from one bank account to another.** These transfers show up as new accounts and complicate the application process, as you must then disclose and document the source of funds for each new account. The lender can verify each account as it stands. You can consolidate your accounts later.

**Don't change jobs.** A new job may involve a probation period which must be satisfied before income from the new job can be considered for qualifying purposes.

**Don't buy new furniture or major appliances for your "new" home.** If the new purchase increases your debt load, it can disqualify you from the loan or deplete your funds to close.

**Don't run a credit report on yourself.** This will show as an inquiry on your lender's credit report. Inquiries must be explained.

**Don't attempt to consolidate bills before talking to your lender.** The lender can advise you if this needs to be done.

**Don't pack or ship information needed for the loan application.** Important paperwork such as W-2 forms, divorce decrees, Form DD214, and tax returns should not be sent with your household goods. Duplicate copies can take weeks to obtain.

# HOW MUCH CAN YOU AFFORD?

HOME BUYING WORKSHEET		
	EXAMPLE*	YOUR FAMILY
1. Gross Annual Income (before taxes)	\$48,000	\$
2. Gross Monthly Income Line 1 divided by 12 months.	\$4,000	\$
3. Monthly Allowable Housing Expense and Long-Term Obligations Line 2 multiplied by .38 **(38% of gross monthly income is usually allocated for principal, interest, taxes, insurance and monthly long-term obligations.)	\$1,520	\$
4. Monthly Allowable Housing Expense Line 3 minus your monthly obligations*—credit cards, child support, car loan, etc. (Remainder is allowable principal, interest, taxes and insurance payment.) NOTE: Monthly Allowable Housing Expense on line 4 should not exceed 33%** of line 2. If it does, enter the lesser amount of the two on line 4 and continue.	\$400	\$
5. Monthly Principal and Interest Payment Line 4 multiplied by .80 (80% is the amount of the monthly allowable housing expense usually allocated to only the principal and interest payment, <u>excluding</u> taxes and insurance.)	\$1,120	\$
6. Estimated Mortgage Amount Line 5 divided by 7.34 multiplied by \$1,000 (7.34 is the factor for a 8% loan amortized over a 30-year term. Factors for other interest rates and terms are shown in the Interest Rate Factor Chart on the next page.)	\$896	\$
7. Estimated Affordable Price*** Line 6 divided by .80 (80% is the mortgage loan amount, assuming a 20% down payment. Use .90 for a 10% down payment.)	\$122,070	\$
	\$152,600	\$

This material is intended for example purposes only and is not a commitment for financing. This worksheet is intended for use on primary residences. Your rate and affordable price will vary, depending on the size of your down payment, specific terms of your loan, other monthly obligations and the amount of assessment fees, if applicable.

\*The example column is based upon a customer(s) with a gross annual income of \$48,000 and monthly long-term obligations of \$400, an interest rate of 8%, a mortgage amount of \$122,000 and an Annual Percentage Rate of 8.125%.

\*\*These are standard industry guidelines; however, there are a variety of other mortgage products with flexible options.

\*\*\*Rounded to the nearest \$100.

# INTEREST RATE FACTOR CHART

<b>FACTORS PER \$1,000</b>					
Interest Rate	Term 15 Years	Term 30 Years	Interest Rate	Term 15 Years	Term 30 Years
4	7.40	4.77	8	9.56	7.34
4 1/8	7.46	4.85	8 1/8	9.63	7.42
4 1/4	7.52	4.92	8 1/4	9.70	7.51
4 3/8	7.59	4.99	8 3/8	9.77	7.60
4 1/2	7.65	5.07	8 1/2	9.85	7.69
4 5/8	7.71	5.14	8 5/8	9.92	7.78
4 3/4	7.78	5.22	8 3/4	9.99	7.87
4 7/8	7.84	5.29	8 7/8	10.07	7.96
5	7.91	5.37	9	10.14	8.05
5 1/8	7.97	5.44	9 1/8	10.22	8.14
5 1/4	8.04	5.52	9 1/4	10.29	8.23
5 3/8	8.10	5.60	9 3/8	10.37	8.32
5 1/2	8.17	5.68	9 1/2	10.44	8.41
5 5/8	8.24	5.76	9 5/8	10.52	8.50
5 3/4	8.30	5.84	9 3/4	10.59	8.59
5 7/8	8.37	5.92	9 7/8	10.67	8.68
6	8.44	6.00	10	10.75	8.77
6 1/8	8.51	6.08	10 1/8	10.82	8.87
6 1/4	8.57	6.16	10 1/4	10.90	8.96
6 3/8	8.64	6.24	10 3/8	10.98	9.05
6 1/2	8.71	6.32	10 1/2	11.05	9.15
6 5/8	8.78	6.40	10 5/8	11.13	9.24
6 3/4	8.85	6.48	10 3/4	11.21	9.33
6 7/8	8.92	6.57	10 7/8	11.29	9.43
7	8.99	6.65	11	11.36	9.52
7 1/8	9.06	6.74	11 1/8	11.44	9.62
7 1/4	9.13	6.82	11 1/4	11.52	9.71
7 3/8	9.20	6.91	11 3/8	11.60	9.81
7 1/2	9.27	6.99	11 1/2	11.68	9.90
7 5/8	9.34	7.08	11 5/8	11.76	10.00
7 3/4	9.41	7.16	11 3/4	11.84	10.09
7 7/8	9.48	7.25	11 7/8	11.92	10.19

This chart will help you calculate your monthly principal and interest payments for both fixed and adjustable rate loans at various interest rates over 15 and 30-year terms.

Start by finding the appropriate interest rate, then look across to the column indicating the desired term of the loan. That number is the interest rate factor. This is the dollar amount required each month to amortize \$1,000 over the specified term. To calculate your principal and interest payment, multiply the interest rate factor by the total loan amount in \$1,000s.

*Here's an example:*

<b>Interest rate:</b>	<b>8%</b>
<b>Term:</b>	<b>30 years</b>
<b>Factors per \$1,000:</b>	<b>7.34</b>
<b>Total mortgage:</b>	<b>\$152,600</b>
<b><math>7.34 \times 152.6 = \\$1,120</math></b>	

*This is a calculation of principal and interest only. It does not include property taxes, insurance, association dues, or other charges.*

## UNDERSTANDING ESCROW

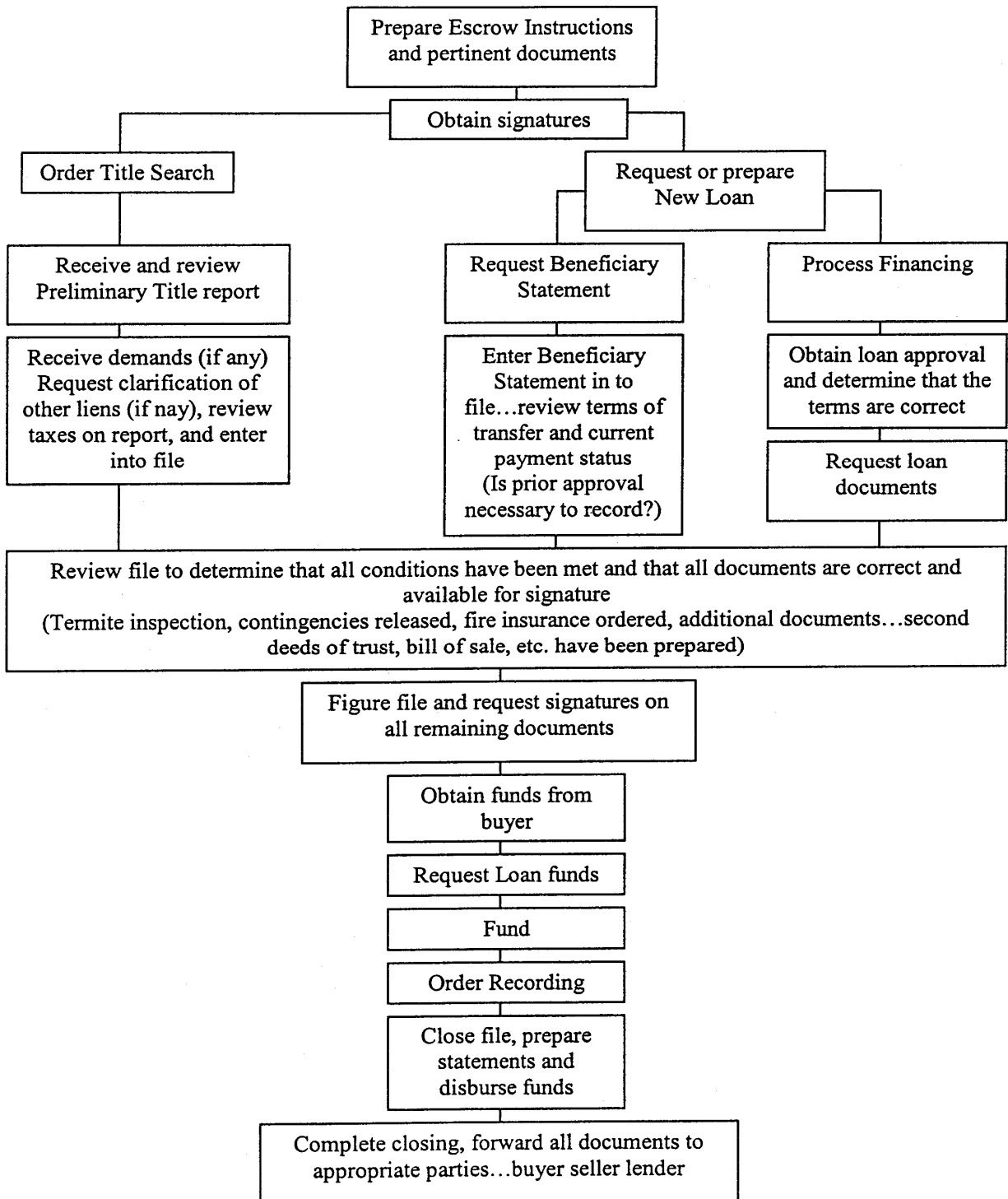
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You may have heard phrase such as “we are in escrow” or “we are waiting for escrow to close”. So just what is escrow anyway? Simply stated, escrow is the involvement of an impartial third party in a real estate transaction. This neutral third party acts as an intermediary between the buyer and seller, and also collects and remits funds as instructed. Generally, this means that when you buy a home, you do not pay the seller directly, instead you deposit funds with the escrow company which then remits to the seller on your behalf. The basic concept of escrow is to ensure that both the buyer and seller are protected during any real property transaction.

Not only does escrow act as the neutral third party receiving and disbursing funds, but it also performs other transaction services: 1) Prepares escrow instructions according to the terms of the purchase agreement. 2) Determines the legal ownership and status of the property through a title search. 3) Requests payoff statements for existing deeds of trust, liens, judgments, special assessments and homeowner association dues. 4) Prorates all of these related financial matters, in addition to taxes, insurance and interest. 5) Records all legal documents as necessary. 6) Closes escrow when all instructions have been fulfilled. 7) Disburses funds as instructed and prepares final closing statements for all parties.

In addition, the escrow officer makes sure that the transaction closes in compliance with its instructions, with no changes made except by mutual written agreement of the buyer and seller. Escrows have clearly defined time limits. If for some reason, the transaction is not closed by the time limit, buyer and seller must agree in writing whether the escrow is to be extended or canceled.

# THE ESCROW PROCESS



# COMMON WAYS OF HOLDING TITLE

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## Sole Ownership

1. A single Man/Woman: A man or woman who has not been legally married.
2. An unmarried Man/ Woman: A man or woman who has previously and is now legally divorced.
3. A Married Man/Woman as His/ Her sole & separate property: A married man or woman who wishes to acquire title in his or her name alone

## Co-Ownership

1. Community Property: A form of vesting title to property owned by husband and wife during their marriage which they intend to own together. Community property is distinguished from separate property, which is property acquired before marriage by separate gift or bequest, after legal separation, or which is agreed to be owned only by one spouse.
2. Joint Tenancy: A form of vesting title to property owned by two or more persons, who may or may not be married, in equal interest, subject to the right of survivorship in the surviving joint tenants. Title must have been acquired at the same time, by the same conveyance, and the document must expressly declare the intention to create a joint tenancy estate. When a joint tenant dies, title to the property is automatically conveyed by operation of law to the surviving joint tenant. Therefore, joint tenancy property is not subject to disposition by will.
3. Tenancy In Common: A form of vesting title to property owned by two or more individuals in undivided fractional interests. These fractional interests may be unequal in quantity or duration and may arise at different times. Each tenant in common owns a share of the property, is entitled to a comparable portion of the income from the property and must bear an equivalent share of expenses. Each co-tenant may sell, lease and/or will to his/her heirs that share of the property belonging to him/her.

## Other Ways Of Vesting Title

1. As a Corporation: A corporation is a legal entity, created under state law, consisting of one or more shareholders but regarded under law as having an existence and personality separate from such shareholders.
2. A Partnership: A partnership is an association of two or more persons who can carry on business for profit as co-owners as governed by the Uniform Partnership Act. A partnership may hold title to real property in the name of the partnership.
3. A Trust: A trust as an arrangement whereby legal title to property is transferred by the grantor to a person called a trustee, to be held and managed by that person for the benefit of the people specified in the trust agreement, called the beneficiaries.

How title is vested has important legal consequences. You may wish to consult an attorney to determine the most advantageous form of ownership for your particular situation.

## WHAT ARE THE CLOSING COSTS?

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Closing costs are an accumulation of separate charges paid to different entities for the professional services associated with the buying and selling of real estate.

If you are purchasing with a loan, the lender will disclose a good faith estimate of what the closing costs will be, although not all items will be included in that estimate, such as inspection fees or Home Owner Association fees.

An estimate of fees will also be provided for you at the time a purchase agreement is prepared for a property, so that you will have an estimate for a specific property.

Other than the earnest money which is provided when a purchase agreement is prepared, and initial loan application and inspection fees, the balance of funds is required at the time of closing. Some of the items associated with the closing costs are:

**Down Payment:** The cash portion paid by a buyer from his own funds, which in addition to that portion which is borrowed, equal the purchase price.

**Loan Fees:** Fees charged by a lender in connection with the processing of a new loan. These may include: initial application fee, loan origination fee, discount points, credit report, processing fee, appraisal fee.

**Escrow Fee:** Charged by the escrow company for services in preparing documents necessary to the real estate transaction, handling funds, and facilitating the closing.

**Title Insurance:** Required by the lender to protect its lien position. This is in addition to the title insurance policy provided by the seller for the buyer's coverage.

**Hazard Insurance:** You will need to pay for an entire year's hazard insurance premium up front. Also the lender may require you to place an amount into a reserve (impound) account to be held by the lender for future payments on your behalf.

**Prepaid Interest:** Interest on the loan from the date of funding to the end of the month you close.

**Inspection Fee:** Fees charged for various inspections as requested per the purchase agreement, such as the home inspection or termite inspection.

**Document Preparation and Recording:** To cover the preparation of the final legal papers, including the note and deed of trust, and charges paid to the county to record the document.

**Miscellaneous Fees:** Document Processing Fee, HOA dues and transfer fees, express mail or wire fees.

## HOME INSPECTION

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You feel you have found the home you've been looking for! You love the floor plan and it is in the area you want. You know this is the house. But before you complete the purchase, you will want to have a professional home inspector give you an unbiased point of view about the condition of your potential new home. To do this, the inspection must be included as a contingency in the purchase agreement, to occur within a period of time, agreed to by both buyer and seller.

Nevada is one of the only few states that currently requires home inspectors to be State Certified. There are three certification levels for inspectors. The first level is Residential Inspection, which allows the inspection of single family homes, duplex, triplex, four-plex and small commercial buildings under 10,000 square feet. The next level is General Inspector, and this covers all residential and any size commercial building. The final level is Master Inspector, which is a teaching and training certification, allowing the holder to work with inspectors in training.

Once you have selected a home inspector, and the appointment has been set, you are encouraged to also attend the inspection. While not required, if you are able to attend the inspection, you can follow the inspector throughout the process. You will be given a written report with the results of the inspection, which will detail the overall condition of the home. Do all the major systems work properly? Is it structurally and mechanically sound?

The report will also let you know of anything that the inspector found that may need to be fixed. There may be items that you would prefer to have the seller repair prior to closing. A request would be presented to the seller to negotiate these items in order to complete the sale.

## HOME WARRANTY PLAN

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When you buy a home, the last thing you want to worry about is what might break down within the first year. A home warranty plan can offer you peace of mind by protecting against costly repair expense for one full year after the closing.

A home warranty policy can be purchased by either the home seller or the buyer. It is designed to cover certain components in your home when they break down due to normal wear and tear. If a service call is needed, you will only pay a set fee, which may be a fraction of what you would have paid had the component not been under warranty, and covered items will be repaired or replaced for a full year.

Basic coverage may include plumbing, electrical and heating/cooling systems, stoves, disposals, and other built-in items such as microwaves or dishwasher. Other items, such as an in ground pool or spa, may be covered for an additional cost.

Many sellers of re-sale homes in our market have already agreed to place home warranties on their properties at closing, at their expense.

## YOU'VE FOUND THE RIGHT HOME WHAT NEXT?

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### **PREPARING THE REAL ESTATE PURCHASE AGREEMENT**

Once you have found the right home, the offer to purchase will be completed, stating exactly what you are willing to offer relative to price, earnest money deposit, down payment, financing, inclusions, and all other details. Today's purchase agreements have become quite lengthy, therefore it is a good idea to review the documents in advance. In our fast paced market, the move to prepare an offer to purchase may come quickly after viewing a home, and having already reviewed the documents will better prepare you for that process.

In addition to the purchase agreement, an estimated closing cost statement will be prepared for you. You will know approximately what your expenses and monthly payments will be before you sign the contract.

After the contract is complete, including receipt of your earnest money deposit, the contract will be submitted to the listing agent to be presented to the seller for consideration. The seller can respond one of three ways- accept the offer as written, reject the offer or make a counter offer indicating a change of some detail of your original offer. When both buyers and seller agree to all terms and sign all documents, the property is removed from the market and an escrow is opened to facilitate the closing of the transaction.

Between the time the contract is accepted and the actual closing is reached, the buyers and sellers go through various steps. They include: any inspections the buyer requested, an appraisal of the home for the lender to make sure that the value of the home is in accordance with the amount of the loan, the final processing of the buyer's loan, and a preliminary title search of the property.

## UNDERSTANDING THE LANGUAGE

### Glossary

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**Adjustable Rate Mortgage (ARM):** A mortgage with an interest rate that changes over time in line with movements in the index.

**Adjustment Period:** The length of time between interest rate changes on an ARM. A loan with an adjustment period of one year means that the interest rate can change once a year.

**Amortization:** Repayment of a loan in installments of principal and interest, rather than interest only payments.

**Annual Percentage Rate (APR):** The total finance charge (interest, loan fees, points) expressed as a percentage of the loan amount.

**Appraisal:** An estimate of the property's value, made by an independent appraiser. This is generally required by the lender to determine if the value of the property is sufficient to secure the loan.

**Balloon Payment:** A lump sum principal payment due at the end of some period.

**Buydown:** Permanent--prepaid interest that brings the note rate on the loan down to a lower, permanent rate. Temporary--prepaid interest that lowers the note rate temporarily on the loan allowing the borrower to more readily qualify and to increase payment as income grows.

**Cap:** The limit on how much an interest rate or monthly payment can change, either at each adjustment or over the life of the mortgage.

**Cash Reserves:** The amount of the borrower's liquid cash remaining after making the down payment and paying all closing costs.

## UNDERSTANDING THE LANGUAGE

### Glossary

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**CC&R's:** Covenants, conditions and restrictions, which controls the use, requirements and restrictions of a property.

**Closing Costs:** Fees paid at closing, including escrow, title and recording fees, mortgage related fees, pre-paid interest, insurance and pro-rations for taxes, assessments or HOA fees.

**Contingency:** A condition that must be satisfied before a contract is binding. For instance, an agreement may be contingent upon the buyer.

**Debt Ratios:** The comparison of a buyer's housing costs to his gross or net effective income, and the comparison of a buyer's total long-term debt to his gross or net effective income. The first ratio is the housing ratio and the second ratio is the total debt ratio.

**Due-On-Sale Clause:** A clause that requires a full payment of a mortgage or deed of trust when the secured property changes ownership.

**Earnest Money:** The portion of the down payment given by the buyer at the time of an accepted offer to purchase, and deposited with the escrow agent, as evidence of good faith.

**Fixed Rate mortgage:** A loan with a single interest rate for the life on the loan.

**Gift Letter:** A letter from a relative stating that an amount will be gifted to the buy and that said amount is not to be loan.

**Index:** A measure of interest rate changes used to determine changes in an ARM's interest rate over the term in the loan.

## UNDERSTANDING THE LANGUAGE

### Glossary

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**Initial Interest Rate:** The introductory interest rate on a loan, signals that there may be rate adjustments later in the loan.

**Lien:** A legal hold or claim in a property as security for a debt or charge.

**Loan Commitment:** A written promise to make a loan for a specified terms.

**Loan-To-Value-Ratio:** The relationship between the amount of the mortgage and the appraised value of the property, expressed as a percentage of the appraised value.

**Lock-in:** The fixing of an interest rate or points at a certain level, usually during the loan application process. It is done for a specific period of time, such as 60 days, and may require a fee or premium in the form of a higher interest rate.

**Margin:** The number of percent points the lender adds to the index rate to calculate the ARM interest rate at each adjustment.

**Mortgage Insurance Premium (MIP):** The mortgage insurance required on FHA loans for the life of the loan.

**Origination Fee:** A fee for work involving in evaluating, preparing, and submitting a proposed mortgage loan.

**Point:** An amount equal to one percent of the principal amount of the investment or note. Lender assesses loan discount points at closing to increase the yield on the mortgage to a position competitive with other types of investments.

## UNDERSTANDING THE LANGUAGE

### Glossary

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**Prepayment Penalty:** A fee charged to a borrower who pays a loan before it is due.

**Private Mortgage Insurance (PMI):** Insurance written by a private company protecting the lender against loss if the borrower defaults on the mortgage.

**Purchase Agreement:** A written document in which the purchaser agrees to buy certain real estate and the seller agrees to sell under stated terms and conditions, also called a sales contract, earnest money contract, or agreement for sale.

**Rate Gap:** The difference between where the rate is now and where it could adjust to on an ARM. Also, used to compare the difference between a current conventional rate and that of an ARM.

**Title Insurance Policy:** A policy that protects the purchaser, mortgagee or other party against losses.

REAL ESTATE PURCHASE AGREEMENT

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**SAMPLE**

**PURCHASE AGREEMENT**

**DOCUMENTS**



1 **2. ADDITIONAL FINANCIAL TERMS & CONTINGENCIES:**

2 **A. NEW LOAN APPLICATION:** Within \_\_\_\_ business days of Acceptance, Buyer agrees to (1) submit a  
3 completed loan application to a lender of Buyer's choice; (2) authorize ordering of the appraisal (per lender's requirements);  
4 and (3) furnish a preapproval letter to Seller based upon a standard factual credit report and review of debt to income ratios. If  
5 Buyer fails to complete any of these conditions within the applicable time frames, Seller reserves the right to terminate this  
6 Agreement. In such event, both parties agree to cancel the escrow and return EMD to Buyer. Buyer  
7  does -OR-  does not  
8 authorize lender to provide loan status updates to Seller's and Buyer's Brokers, as well as Escrow Officer. Buyer agrees to use  
9 Buyer's best efforts to obtain financing under the terms and conditions outlined in this Agreement.

10 **B. CASH PURCHASE:** Within \_\_\_\_ business days of Acceptance, Buyer agrees to provide written evidence  
11 from a bona fide financial institution of sufficient cash available to complete this purchase. If Buyer does not submit the  
12 written evidence within the above period, Seller reserves the right to terminate this Agreement.

13 **C. APPRAISAL:** If an appraisal is required as part of this agreement, or requested by Buyer, and if the  
14 appraisal is less than the Purchase Price, the transaction will go forward if (1) Buyer, at Buyer's option, elects to pay the  
15 difference and purchase the Property for the Purchase Price, or (2) Seller, at Seller's option, elects to adjust the Purchase Price  
16 accordingly, such that the Purchase Price is equal to the appraisal. If neither option (1) or (2) is elected, then Parties may  
17 renegotiate; if renegotiation is unsuccessful, then either Party may cancel this Agreement upon written notice, in which event  
18 the EMD shall be returned to Buyer.  
19  
20  
21

22 **3. SALE OF OTHER PROPERTY:**

23 **A. This Agreement**  
24  is not -OR-  
25  is contingent upon the sale (and closing) of another property which address is  
26 \_\_\_\_\_.

27 **B. Said Property**  
28  is currently listed  
29  is not -OR- is  
30 presently in escrow with \_\_\_\_\_  
31 Escrow Number: \_\_\_\_\_ Proposed Closing Date: \_\_\_\_\_  
32  
33

34 When Buyer has accepted an offer on the sale of this other property, Buyer will promptly deliver a written notice of the sale to  
35 Seller. If Buyer's escrow on this other property is terminated, abandoned, or does not close on time, this Agreement will  
36 terminate without further notice unless the parties agree otherwise in writing. If Seller accepts a bona fide written offer from a  
37 third party prior to Buyer's delivery of notice of acceptance of an offer on the sale of Buyer's property, Seller shall give Buyer  
38 written notice of that fact. Within three (3) days of receipt of the notice, Buyer will waive the contingency of the sale and  
39 closing of Buyer's other property, or this Agreement will terminate without further notice. In order to be effective, the waiver  
40 of contingency must be accompanied by reasonable evidence that funds needed to close escrow will be available and Buyer's  
41 ability to obtain financing is not contingent upon the sale and/or close of any other property.  
42

43 **4. FIXTURES AND PERSONAL PROPERTY:** The following items will be transferred, free of liens, with the sale of  
44 the Property with no real value unless stated otherwise herein. Unless an item is covered under Section 7(E) of this Agreement,  
45 all items are transferred in an "AS IS" condition.

46 **A. All EXISTING fixtures and fittings including, but not limited to:** electrical, mechanical, lighting, plumbing  
47 and heating fixtures, ceiling fan(s), fireplace insert(s), gas logs and grates, solar power system(s), built-in appliance(s),  
48 window and door screens, awnings, shutters, window coverings, attached floor covering(s), television antenna(s),  
49 satellite dishe(s), private integrated telephone systems, air coolers/conditioner(s), pool/spa equipment, garage door  
50 opener(s)/remote control(s), mailbox, in-ground landscaping, trees/shrub(s), water softener(s), water purifiers, security  
51 systems/alarm(s);  
52

53 **B. The following additional items of personal property:** \_\_\_\_\_  
54 \_\_\_\_\_

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Buyer's Name: \_\_\_\_\_ BUYER(S) INITIALS: \_\_\_\_\_ / \_\_\_\_\_  
Property Address: \_\_\_\_\_ SELLER(S) INITIALS: \_\_\_\_\_ / \_\_\_\_\_

1 **5. ESCROW:**  
 2 **A. OPENING OF ESCROW:** The purchase of the Property shall be consummated through Escrow  
 3 ("Escrow"). Opening of Escrow shall take place by the end of one (1) business day after execution of this Agreement  
 4 ("Opening of Escrow"), at \_\_\_\_\_ title or escrow company ("Escrow Company" or  
 5 "ESCROW HOLDER") with \_\_\_\_\_ ("Escrow Officer") (or such other escrow officer as  
 6 Escrow Company may assign). Opening of Escrow shall occur upon Escrow Company's receipt of this fully accepted  
 7 Agreement and receipt of the EMD (if applicable). ESCROW HOLDER is instructed to notify the Parties (through their  
 8 respective Brokers) of the opening date and the Escrow Number.

9  
 10 **B. EARNEST MONEY:** Upon Acceptance, Buyer's EMD as shown in Section 1(A), and 1(B) if applicable, of  
 11 this Agreement, shall be deposited per the Earnest Money Receipt Notice and Instructions contained herein.

12  
 13 **C. CLOSE OF ESCROW:** Close of Escrow ("COE") shall be on (date) \_\_\_\_\_  
 14 If the designated date falls on a weekend or holiday, COE shall be the next business day.

15  
 16 **D. IRS DISCLOSURE:** Seller is hereby made aware that there is a regulation which became effective January  
 17 1, 1987, that requires all ESCROW HOLDERS to complete a modified 1099 form, based upon specific information known  
 18 only between parties in this transaction and the ESCROW HOLDER. Seller is also made aware that ESCROW HOLDER is  
 19 required by federal law to provide this information to the Internal Revenue Service after COE in the manner prescribed by  
 20 federal law.

21  
 22 **E. FIRPTA:** If applicable, Seller agrees to complete, sign, and deliver to ESCROW HOLDER a certificate  
 23 indicating whether Seller is a foreign person or a nonresident alien pursuant to the Foreign Investment in Real Property Tax  
 24 Act (FIRPTA). A foreign person is a nonresident alien individual; a foreign corporation not treated as a domestic corporation;  
 25 or a foreign partnership, trust or estate. A resident alien is not considered a foreign person under FIRPTA. Buyer and Seller  
 26 understand that if Seller is a foreign person then the Buyer must withhold a tax in an amount to be determined by ESCROW  
 27 HOLDER in accordance with FIRPTA, unless an exemption applies. Seller agrees to sign and deliver to the ESCROW  
 28 HOLDER the necessary documents, to be provided by the ESCROW HOLDER, to determine if withholding is required. (See  
 29 26 USC Section 1445).

30  
 31 **6. TITLE INSURANCE:** Upon COE, Buyer will be provided with the following type of title insurance policy:  
 32  CLTA;  ALTA-Residential; -OR-  ALTA-Extended (including a survey, if required).

33  
 34 **7. PRORATIONS, FEES AND EXPENSES (Check appropriate box):**

35 **A. TITLE AND ESCROW FEES:**

36 TYPE	PAID BY SELLER	PAID BY BUYER	50/50	N/A
37 Escrow Fees.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
38 Lender's Title Policy.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
39 Owner's Title Policy.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
40 Real Property Transfer Tax.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
41 Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

42  
 43 **B. PRORATIONS:**

44 TYPE	PAID BY SELLER	PRORATE	N/A
45 CIC (Common Interest Community) Assessments.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
46 CIC Periodic Fees.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
47 SIDs / LIDs / Bonds / Assessments.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
48 Sewer Use Fees.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
49 Real Property Taxes.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
50 Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

51  
 52 All prorations will be based on a 30-day month and will be calculated as of COE. Prorations will be based upon figures  
 53 available at closing. Any supplementals or adjustments that occur after COE will be handled by the parties outside of Escrow.  
 54  
 55  
 56

Each party acknowledges that he/she has read, understood, and agrees to each and every provision of this page unless a particular paragraph is otherwise modified by addendum or counteroffer.

Buyer's Name: \_\_\_\_\_ BUYER(S) INITIALS: \_\_\_\_\_ / \_\_\_\_\_  
 Property Address: \_\_\_\_\_ SELLER(S) INITIALS: \_\_\_\_\_ / \_\_\_\_\_

1 **C. INSPECTIONS AND RELATED EXPENSES (See also Section 12):**  
 2 Acceptance of this offer is subject to the following reserved right. Buyer may have the Property inspected and select the  
 3 licensed contractors, certified building inspectors and/or other qualified professionals who will inspect the Property. Seller will  
 4 ensure that necessary utilities (gas, power and water) are turned on and supplied to the Property within two (2) business days  
 5 after execution of this Agreement, to remain on until COE. (It is strongly recommended that Buyer retain licensed Nevada  
 6 professionals to conduct inspections.)

7	TYPE	PAID BY SELLER	PAID BY BUYER	50/50	WAIVED
8	Appraisal .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	CIC Capital Contribution .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	CIC Transfer Fees .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	CLUE Report ordered by Seller .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	Fungal Contaminant Inspection .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13	Home Inspection .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14	Mechanical Inspection .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15	Oil Tank Inspection .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16	Pool/Spa Inspection .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17	Roof Inspection .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18	Septic Inspection (requires pumping) .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19	Septic Lid Removal .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20	Septic Pumping .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21	Soils Inspection .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22	Structural Inspection .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23	Survey _____ (type) .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24	Termite/Pest Inspection .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25	Well Inspection (Quantity) .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26	Well Inspection (Quality) .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27	Wood-Burning Device/Chimney Inspection (includes cleaning) .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28	Other: _____ .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29	Re-Inspections .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30					
31					

32 If any inspection is not completed and requested repairs are not delivered to Seller within the Due Diligence Period, Buyer is  
 33 deemed to have waived the right to that inspection and Seller's liability for the cost of all repairs that inspection would have  
 34 reasonably identified had it been conducted, except as otherwise provided by law.

35

36 **D. CERTIFICATIONS:**

37	TYPE	PAID BY SELLER	PAID BY BUYER	50/50	WAIVED
38	Fungal Contaminant .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
39	Roof .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
40	Septic .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
41	Well .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
42	Wood Burning Device/Chimney Certification .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
43	Other: _____ .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
44					
45					
46					

47 The foregoing expenses for inspections and certifications will be paid outside of Escrow unless the Parties present instructions  
 48 to the contrary prior to COE (along with the applicable invoice). A certification is not a warranty. Notwithstanding the above  
 49 elections, in the event an inspection reveals problems with any of the foregoing, Buyer reserves the right to require a  
 50 certification.

51

52 **E. SELLER'S ADDITIONAL COSTS AND LIMIT OF LIABILITY:** Seller agrees to pay a maximum  
 53 amount of \$\_\_\_\_\_ to correct defects and/or requirements disclosed by inspection reports, appraisals,  
 54 and/or certifications. It is Buyer's responsibility to inspect the Property sufficiently as to satisfy Buyer's use. Buyer reserves  
 55 the right to request additional repairs based upon the Seller's Real Property Disclosure. Items of a general maintenance or

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Buyer's Name: \_\_\_\_\_ BUYER(S) INITIALS: \_\_\_\_\_ / \_\_\_\_\_  
 Property Address: \_\_\_\_\_ SELLER(S) INITIALS: \_\_\_\_\_ / \_\_\_\_\_

1 cosmetic nature which do not materially affect value or use of the Property, which existed at the time of Acceptance and which  
2 are not expressly addressed in this Agreement are deemed accepted by the Buyer, except as otherwise provided in this section.  
3 The Brokers herein have no responsibility to assist in the payment of any repair, correction or deferred maintenance on the  
4 Property which may have been revealed by the above inspections, agreed upon by the Buyer and Seller or requested by one  
5 party.

6  
7 **F. LENDER'S FEES:** In addition to Seller's expenses above, Seller will contribute \$ \_\_\_\_\_  
8 to Buyer's Lender's Fees and Buyer's Title and Escrow Fees  including -OR-  excluding costs which Seller must pay  
9 pursuant to loan program requirements. Different loan types (e.g., FHA, VA, conventional) have different appraisal and  
10 financing requirements, which will affect the parties' rights and costs under this Agreement.

11  
12 **G. HOME PROTECTION PLAN:** Buyer and Seller acknowledge that they have been made aware of Home  
13 Protection Plans that provide coverage to Buyer after COE. Buyer  waives -OR-  requires a Home Protection Plan with  
14 \_\_\_\_\_,  Seller -OR-  Buyer will pay for the Home Protection  
15 Plan at a price not to exceed \$ \_\_\_\_\_. Buyer will order the Home Protection Plan. Neither Seller nor Brokers make  
16 any representation as to the extent of coverage or deductibles of such plans. ESCROW HOLDER is not responsible for  
17 ordering the Home Protection Plan.

18  
19 **H. OTHER FEES:** Buyer will also pay \$ \_\_\_\_\_ to Buyer's Broker for \_\_\_\_\_.

20  
21 **8. TRANSFER OF TITLE:** Upon COE, Buyer shall tender to Seller the agreed upon Purchase Price, and Seller shall  
22 tender to Buyer marketable title to the Property free of all encumbrances other than (1) current real property taxes,  
23 (2) covenants, conditions and restrictions (CC&R's) and related restrictions, (3) zoning or master plan restrictions and public  
24 utility easements; and (4) obligations assumed and encumbrances accepted by Buyer prior to COE. Buyer is advised the  
25 Property may be reassessed after COE which may result in a real property tax increase or decrease.

26  
27 **9. COMMON-INTEREST COMMUNITIES:** If the Property is subject to a Common Interest Community ("CIC"),  
28 Seller or his authorized agent shall request the CIC documents and certificate listed in NRS 116.4109 (collectively, the "resale  
29 package") within two (2) business days of Acceptance and provide the same to Buyer within one (1) business day of Seller's  
30 receipt thereof. Buyer may cancel this Agreement without penalty until midnight of the fifth (5th) calendar day following the  
31 date of receipt of the resale package. If Buyer does not receive the resale package within fifteen (15) calendar days of  
32 Acceptance, this Agreement may be cancelled in full by Buyer without penalty. If Buyer elects to cancel this Agreement  
33 pursuant to this section, he must deliver, via hand delivery or prepaid U.S. mail, a written notice of cancellation to Seller or his  
34 authorized agent identified in the Confirmation of Representation at the end of this Agreement. Upon such written cancellation,  
35 Buyer shall promptly receive a refund of the EMD. The parties agree to execute any documents requested by ESCROW  
36 HOLDER to facilitate the refund. If written cancellation is not received within the specified time period, the resale package  
37 will be deemed approved. Seller shall pay all outstanding CIC fines or penalties at COE.

38  
39 **10. DISCLOSURES:** Within five (5) calendar days of Acceptance of this Agreement, Seller will provide the  
40 following Disclosures and/or documents (each of which is incorporated herein by this reference). **Check applicable boxes.**

- 41  **Construction Defect Claims Disclosure**, if Seller has marked "Yes" to Paragraph 1(d) of the  
42 Sellers Real Property Disclosure Form (NRS 40.688)
- 43  **Fungal (Mold) Notice Form** (not required by Nevada law)
- 44  **Lead-Based Paint Disclosure and Acknowledgment**, required if constructed before 1978 (24 CFR 745.113)
- 45  **Methamphetamine Lab Disclosure**, if applicable (NRS 40.770, NRS 489.776)
- 46  **Pest Notice Form** (not required by Nevada law)
- 47  **Promissory Note and the most recent monthly statement of all loans to be assumed by Buyer**
- 48  **Rangeland Disclosure (NRS 113.065)**
- 49  **Seller Real Property Disclosure Form (NRS 113.130)**
- 50  **Other (list) \_\_\_\_\_**
- 51

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Buyer's Name: \_\_\_\_\_ BUYER(S) INITIALS: \_\_\_\_\_ / \_\_\_\_\_  
Property Address: \_\_\_\_\_ SELLER(S) INITIALS: \_\_\_\_\_ / \_\_\_\_\_

1 **11. ADDITIONAL DISCLOSURES:**

2 **A. LICENSEE DISCLOSURE OF INTEREST:** Pursuant to NAC 645.640,

3 \_\_\_\_\_ is a licensed real estate agent in the State(s) of \_\_\_\_\_, and has the  
4 following interest, direct or indirect, in this transaction:  Principal (Seller or Buyer) **OR**  family relationship or business  
5 interest: \_\_\_\_\_.

6  
7 **B.** In addition, for **NEW CONSTRUCTION**, to the extent applicable, Seller will provide: Public Offering  
8 Statement (NRS 116.4108); Electric Transmission Lines (NRS 119.1835); Public Services and Utilities (NRS 119.183); Initial  
9 Purchaser Disclosure (NRS 113); Construction Recovery Fund (NRS 624); Gaming Corridors (NRS 113.070); Water/Sewage  
10 (NRS 113.060); Impact Fees (NRS 278B.320); Surrounding Zoning Disclosure (NRS 113.070); FTC Insulation Disclosure (16  
11 CFR 460.16); and Other: \_\_\_\_\_.

12  
13 **C. AIRPORT NOISE:** Buyer hereby acknowledges the proximity of various overflight patterns, airports  
14 (municipal, international, military and/or private) and helipads. Buyer also fully understands that existing and future noise  
15 levels at this location, associated with existing and future airport operations, may affect the livability, value and suitability of  
16 the Property for residential use. Buyer also understands that these airports have been at their present location for many years,  
17 and that future demand and airport operations may increase significantly. For further information, contact your local  
18 department of aviation or the Federal Aviation Administration.

19  
20 **D. FEDERAL FAIR HOUSING COMPLIANCE AND DISCLOSURES:** All properties are offered without  
21 regard to race, color, religion, sex, national origin, ancestry, handicap or familial status and any other current requirements of  
22 federal or state fair housing law.

23  
24 **E.** In addition, Buyer acknowledges receipt of:

- 25 • **Residential Disclosure Guide** (NRS 645.194)
- 26 • **Consent to Act**, if applicable (NRS 645.252)
- 27 • **Duties Owed by a Nevada Real Estate Licensee** (if one party is unrepresented) (NRS 645.252)
- 28 • **For Your Protection - Get Home Inspection** (HUD 92564-CN) For FHA Loans

29  
30 **12. BUYER'S DUE DILIGENCE:**

31 **A. DUE DILIGENCE PERIOD:** Buyer shall have \_\_\_\_\_ calendar days from Acceptance to complete Buyer's  
32 Due Diligence. Buyer shall ensure that all inspections and certifications are initiated in a timely manner as to complete the Due  
33 Diligence in the time outlined herein. (If utilities are not supplied by the deadline referenced herein or if the disclosures are not  
34 delivered to Buyer by the deadline referenced herein, then Buyer's Due Diligence Period will be extended by the same number  
35 of calendar days that Seller delayed supplying the utilities or delivering the disclosures, whichever is longer.) During this  
36 period Buyer shall have the exclusive right at Buyer's discretion to cancel this Agreement. In the event of such cancellation,  
37 unless otherwise agreed herein, the EMD will be refunded to Buyer. If Buyer provides Seller with notice of objections, the  
38 Due Diligence Period will be extended by the same number of calendar days that it takes Seller to respond in writing to  
39 Buyer's objections. If Buyer fails to cancel this Agreement within the Due Diligence Period (as it may be extended), Buyer will  
40 be deemed to have waived the right to cancel under this section.

41  
42 **B. PROPERTY INSPECTION/CONDITION:** During the Due Diligence Period, Buyer shall take such  
43 action as Buyer deems necessary to determine whether the Property is satisfactory to Buyer including, but not limited to,  
44 whether the Property is insurable to Buyer's satisfaction, whether there are unsatisfactory conditions surrounding or otherwise  
45 affecting the Property (such as location of flood zones, airport noise, noxious fumes or odors, environmental substances or  
46 hazards, whether the Property is properly zoned, locality to freeways, railroads, places of worship, schools, etc.) or any other  
47 concerns Buyer may have related to the Property. During such Period, Buyer shall have the right to have non-destructive  
48 inspections of all structural, roofing, mechanical, electrical, plumbing, heating/air conditioning, water/well/septic, pool/spa,  
49 survey, square footage, and any other property or systems, through licensed and bonded contractors or other qualified  
50 professionals. Seller agrees to provide reasonable access to the Property to Buyer and Buyer's inspectors. Buyer agrees to  
51 indemnify and hold Seller harmless with respect to any injuries suffered by Buyer or third parties present at Buyer's request  
52 while on Seller's Property conducting such inspections, tests or walk-throughs. Buyer's indemnity shall not apply to any  
53 injuries suffered by Buyer or third parties present at Buyer's request that are the result of an intentional tort, gross negligence  
54 or any misconduct or omission by Seller, Seller's Agent or other third parties on the Property. Buyer is advised to consult with  
55 appropriate professionals regarding neighborhood or Property conditions, including but not limited to: schools; proximity and

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Buyer's Name: \_\_\_\_\_ BUYER(S) INITIALS: \_\_\_\_\_ / \_\_\_\_\_

Property Address: \_\_\_\_\_ SELLER(S) INITIALS: \_\_\_\_\_ / \_\_\_\_\_

1 adequacy of law enforcement; proximity to commercial, industrial, or agricultural activities; crime statistics; fire protection;  
2 other governmental services; existing and proposed transportation; construction and development; noise or odor from any  
3 source; and other nuisances, hazards or circumstances. If Buyer cancels this Agreement due to a specific inspection report,  
4 Buyer shall provide Seller at the time of cancellation with a copy of the report containing the name, address, and telephone  
5 number of the inspector.  
6

7 **C. PRELIMINARY TITLE REPORT:** Within ten (10) business days of Opening of Escrow, Title Company  
8 shall provide Buyer with a Preliminary Title Report ("PTR") to review, which must be approved or rejected within five (5)  
9 business days of receipt thereof. If Buyer does not object to the PTR within the period specified above, the PTR shall be  
10 deemed accepted. If Buyer makes an objection to any item(s) contained within the PTR, Seller shall have five (5) business  
11 days after receipt of objections to correct or address the objections. If, within the time specified, Seller fails to have each such  
12 exception removed or to correct each such other matter as aforesaid, Buyer shall have the option to: (a) terminate this  
13 Agreement by providing notice to Seller and Escrow Officer, entitling Buyer to a refund of the EMD or (b) elect to accept title  
14 to the Property as is. All title exceptions approved or deemed accepted are hereafter collectively referred to as the "Permitted  
15 Exceptions."  
16

17 **13. WALK-THROUGH INSPECTION OF PROPERTY:** Buyer is entitled under this Agreement to a walk-through of  
18 the Property within \_\_\_\_\_ calendar days prior to COE to ensure the Property and all major systems, appliances,  
19 heating/cooling, plumbing and electrical systems and mechanical fixtures are as stated in Seller's Real Property Disclosure  
20 Statement, and that the Property and improvements are in the same general condition as when this Agreement was signed by  
21 Seller and Buyer. To facilitate Buyer's walk-through, Seller is responsible for keeping all necessary utilities on. If any  
22 systems cannot be checked by Buyer on walk-through due to non-access or no power/gas/water, then Buyer reserves the right  
23 to hold Seller responsible for defects which could not be detected on walk-through because of lack of such access or  
24 power/gas/water. The purpose of the walk-through is to confirm (a) the Property is being maintained (b) repairs, if any, have  
25 been completed as agreed, and (c) Seller has complied with Seller's other obligations. If Buyer elects not to conduct a walk-  
26 through inspection prior to COE, then all systems, items and aspects of the Property are deemed satisfactory, and Buyer  
27 releases Seller's liability for costs of any repair that would have reasonably been identified by a walk-through inspection,  
28 except as otherwise provided by law.  
29

30 **14. DELIVERY OF POSSESSION:** Seller shall deliver the Property along with any keys, alarm codes, parking permits  
31 (if freely transferable), gate transponders and garage door opener/controls outside of Escrow, upon COE. Seller agrees to  
32 vacate the Property and leave the Property in a neat and orderly, broom-clean condition and tender possession no later than  
33  COE -OR-  \_\_\_\_\_. In the event Seller does not vacate the Property by this time, Seller shall be  
34 considered a trespasser and shall be liable to Buyer for the sum of \$\_\_\_\_\_ per calendar day in addition to  
35 Buyer's legal and equitable remedies. Any personal property left on the Property after the date indicated in this section shall be  
36 considered abandoned by Seller.  
37

38 **15. RISK OF LOSS:** Risk of loss shall be governed by NRS 113.040. This law provides generally that if all or any  
39 material part of the Property is destroyed before transfer of legal title or possession, Seller cannot enforce the Agreement and  
40 Buyer is entitled to recover any portion of the sale price paid. If legal title or possession has transferred, risk of loss shall shift  
41 to Buyer.  
42

43 **16. ASSIGNMENT OF THIS AGREEMENT:** Unless otherwise stated herein, this Agreement is non-assignable by  
44 Buyer.  
45

46 **17. CANCELLATION OF AGREEMENT:** In the event this Agreement is properly cancelled in accordance with the  
47 terms contained herein, then Buyer will be entitled to a refund of the EMD. Neither Buyer nor Seller will be reimbursed for any  
48 expenses incurred in conjunction with due diligence, inspections, appraisals or any other matters pertaining to this transaction  
49 (unless otherwise provided herein).  
50

51 **18. DEFAULT:**  
52 **A. MEDIATION:** Before any legal action is taken to enforce any term or condition under this Agreement, the  
53 parties agree to engage in mediation, a dispute resolution process, through GLVAR. Notwithstanding the foregoing,  
54 in the event the Buyer finds it necessary to file a claim for specific performance, this section shall not apply.

**Each party acknowledges that he/she has read, understood, and agrees to each and every provision of this page unless a particular paragraph is otherwise modified by addendum or counteroffer.**

Buyer's Name: \_\_\_\_\_ BUYER(S) INITIALS: \_\_\_\_\_ / \_\_\_\_\_  
Property Address: \_\_\_\_\_ SELLER(S) INITIALS: \_\_\_\_\_ / \_\_\_\_\_



1 or warranties, unless expressly stated herein. Buyer agrees to satisfy himself, as to the condition of the Property, prior to COE.  
2 Buyer acknowledges that any statements of acreage or square footage by Brokers are simply estimates, and Buyer agrees to  
3 make such measurements, as Buyer deems necessary, to ascertain actual acreage or square footage. Buyer waives all claims  
4 against Brokers or their agents for (a) defects in the Property; (b) inaccurate estimates of acreage or square footage; (c)  
5 environmental waste or hazards on the Property; (d) the fact that the Property may be in a flood zone; (e) the Property's  
6 proximity to freeways, airports or other nuisances; (f) the zoning of the Property; (g) tax consequences; or (h) factors related to  
7 Buyer's failure to conduct walk-throughs or inspections. Buyer assumes full responsibility for the foregoing and agrees to  
8 conduct such tests, walk-throughs, inspections and research, as Buyer deems necessary. In any event, Broker's liability is  
9 limited, under any and all circumstances, to the amount of that Broker's commission/fee received in this transaction.

#### 10 **Other Matters**

11 **23. DEFINITIONS:** "Acceptance" means the date that both parties have consented to and received a final, binding  
12 contract by affixing their signatures to this Agreement & all counter-offers. "Agent" means a licensee working under a Broker  
13 or licensees working under a developer. "Agreement" includes this document as well as all accepted counteroffers and  
14 addenda. "Bona Fide" means genuine. "Buyer" means one or more individuals or the entity that intends to purchase the  
15 Property. "Broker" means the Nevada licensed real estate broker listed herein representing Seller and/or Buyer (and all real  
16 estate agents associated therewith). "Business Day" excludes Saturdays, Sundays, and legal holidays. "Calendar Day" means  
17 a calendar day from/to midnight unless otherwise specified. "CFR" means the Code of Federal Regulations. "CIC" means  
18 Common Interest Community (formerly known as "HOA" or homeowners associations). "CIC Capital Contribution" means  
19 a one-time non-administrative fee, cost or assessment charged by the CIC upon change of ownership. "CIC Transfer Fees"  
20 means the administrative service fee charged by a CIC to transfer ownership records. "CLUE" means Comprehensive Loss  
21 Underwriting Exchange. "Close of Escrow (COE)" means the time of recordation of the deed in Buyer's name. "Default"  
22 means the failure of a Party to observe or perform any of its material obligations under this Agreement. "Delivered" means  
23 personally delivered to Parties or respective Agents, transmitted by facsimile machine, electronic means, overnight delivery, or  
24 mailed by regular mail. "Down Payment" is the Purchase Price less loan amount(s). "EMD" means Buyer's earnest money  
25 deposit. "Escrow Holder" means the neutral party that will handle the escrow. "FHA" is the U.S. Federal Housing  
26 Administration. "GLVAR" means the Greater Las Vegas Association of REALTORS®. "IRC" means the Internal Revenue  
27 Code (tax code). "LID" means Limited Improvement District. "N/A" means not applicable. "NAC" means Nevada  
28 Administrative Code. "NRS" means Nevada Revised Statutes as Amended. "Party" or "Parties" means Buyer and Seller.  
29 "PITI" means principal, interest, taxes, and hazard insurance. "PMI" means private mortgage insurance. "PST" means  
30 Pacific Standard Time, and includes daylight savings time if in effect on the date specified. "PTR" means Preliminary Title  
31 Report. "Property" means the real property and any personal property included in the sale as provided herein. "Receipt"  
32 means delivery to the party or the party's agent. "Seller" means one or more individuals or the entity that is the owner of the  
33 Property. "SID" means Special Improvement District. "Title Company" means the company that will provide title insurance.  
34 "USC" is the United States Code. "VA" is the Veterans Administration.

#### 35 **24. DELIVERY, FACSIMILE, COPIES AND NOTICES:**

36 **A.** Delivery of all instruments or documents associated with this Agreement shall be delivered to the Agent for  
37 Seller or Buyer if represented. This Agreement may be signed by the parties on more than one copy, which, when taken  
38 together, each signed copy shall be read as one complete form. Facsimile signatures may be accepted as original.

39 **B.** Except as otherwise provided in Section 9, when a Party wishes to provide notice as required in this  
40 Agreement, such notice shall be sent regular mail, personal delivery, by facsimile, overnight delivery and/or by email to the  
41 Agent for that Party. The notification shall be effective when postmarked, received, faxed, delivery confirmed, and/or read  
42 receipt confirmed in the case of email. Any cancellation notice shall be contemporaneously faxed to Escrow.

43 **25. IRC 1031 EXCHANGE:** Seller and/or Buyer may make this transaction part of an IRC 1031 exchange. The party  
44 electing to make this transaction part of an IRC 1031 exchange will pay all additional expenses associated therewith, at no cost  
45 to the other party. The other party agrees to execute any and all documents necessary to effectuate such an exchange.

46 **25. OTHER ESSENTIAL TERM S:** Time is of the essence. No change, modification or amendment of this Agreement  
47 shall be valid or binding unless such change, modification or amendment shall be in writing and signed by each party. This  
48 Agreement will be binding upon the heirs, beneficiaries and devisees of the parties hereto. This Agreement is executed and  
49 intended to be performed in the State of Nevada, and the laws of that state shall govern its interpretation and effect. The parties  
50 agree that the county and state in which the Property is located is the appropriate forum for any action relating to this

**Each party acknowledges that he/she has read, understood, and agrees to each and every provision of this page unless a particular paragraph is otherwise modified by addendum or counteroffer.**

Buyer's Name: \_\_\_\_\_ BUYER(S) INITIALS: \_\_\_\_\_ / \_\_\_\_\_  
Property Address: \_\_\_\_\_ SELLER(S) INITIALS: \_\_\_\_\_ / \_\_\_\_\_





# REALTOR FAIR HOUSING DECLARATION

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## *I agree to:*

*Provide equal professional service without regard to the race, color, religion, sex, handicap, familial status, or national origin of any prospective client, customer, or of the residents of any community.*

*Keep informed about fair housing law and practices, improving my client's and customer's opportunities and my business.*

*Develop advertising that indicates that everyone is welcome and no one is excluded, expanding my client's and customer's opportunities to see, buy, or lease property.*

*Inform my clients and customers about their rights and responsibilities under the fair housing laws by providing brochures and other information.*

*Document my efforts to provide professional service, which will assist me in becoming a more responsive and successful REALTOR.*

*Refuse to tolerate con-compliance.*

*Learn about those who are different from me and celebrate those differences.*

*Take a positive approach to fair housing practices and aspire to follow the spirit as well as the letter of the law.*

*Develop and implement fair housing practices for my firm to carry out the spirit of this declaration.*