

# COMMERCIAL REAL ESTATE PURCHASE CONTRACT

Document updated:  
February 2019



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**DRAFT**

## 1. PROPERTY

- 1a. 1. **BUYER:** \_\_\_\_\_  
BUYER'S NAME(S)
- 2. **SELLER:** \_\_\_\_\_  
SELLER'S NAME(S)
- 1b. 3. **Property Description and Offer:** Buyer agrees to purchase and Seller agrees to sell the following real property:
  - 4. Property Address: \_\_\_\_\_
  - 5. City: \_\_\_\_\_ County: \_\_\_\_\_ AZ, Zip Code: \_\_\_\_\_
  - 6. Assessor's Parcel #(s): \_\_\_\_\_
  - 7. Legal Description:  See attached  To be provided by Escrow Company  As follows: \_\_\_\_\_
  - 8. \_\_\_\_\_
  - 9. \_\_\_\_\_
  - 10. which includes at no additional cost to Buyer, all fixtures and improvements thereon, as well as the following items, if any,
  - 11. owned by Seller and presently located on or in the real property: electrical distribution systems (power panels, ducting, conduits,
  - 12. disconnects), lighting fixtures, computer wiring, telephone distribution systems (lines, jacks and connections), heating, ventilation
  - 13. and air conditioning equipment, evaporative coolers, air lines, carpets, window coverings, wall coverings, security and fire
  - 14. detection systems/alarms, and \_\_\_\_\_
  - 15. \_\_\_\_\_
  - 16. \_\_\_\_\_
  - 17. \_\_\_\_\_
  - 18. (collectively the "Property"). All fixtures and improvements shall be free of liens and encumbrances unless otherwise specified.
- 1c. 19. **Leased items shall NOT be included in this sale.** Seller shall deliver notice of all leased items within ten (10) or \_\_\_\_\_ days  
20. after Contract acceptance. Buyer shall provide notice of any leased items disapproved within the Due Diligence Period or five (5)  
21. days after receipt of the notice, whichever is later.
- 1d. 22. **Personal Property Included:** \_\_\_\_\_  
23. \_\_\_\_\_  
24. \_\_\_\_\_  
25. Personal property shall be transferred in AS-IS CONDITION, FREE AND CLEAR OF ANY LIENS AND ENCUMBRANCES  
26. and SELLER MAKES NO WARRANTY of any kind, express or implied, (including, without limitation, ANY WARRANTY OF  
27. MERCHANTABILITY).
- 28. \$ \_\_\_\_\_ Full Purchase Price, paid as outlined below.
- 29. \$ \_\_\_\_\_ Earnest money \_\_\_\_\_
- 30. \$ \_\_\_\_\_ Additional Earnest money \_\_\_\_\_
- 31. \$ \_\_\_\_\_
- 32. \_\_\_\_\_
- 33. \_\_\_\_\_
- 34. \_\_\_\_\_

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1e. 35. Earnest Money is in the form of:  Check  Wire Transfer  Other: \_\_\_\_\_  
36. Upon Contract acceptance, but in no event later than five (5) days or \_\_\_\_\_ days after Contract acceptance, Earnest Money, if  
37. any, will be deposited with:  Escrow Company  Other: \_\_\_\_\_  
38. Buyer acknowledges that failure to timely deposit Earnest Money, if not cured after a cure notice is delivered pursuant to Section  
39. 8a, shall be construed as a material breach enabling Seller to cancel this Contract.

40. Buyer agrees that, if Buyer breaches this Contract, Earnest Money is subject to forfeiture.

1f. 41. Terms of Acceptance: This offer will become a binding Contract when acceptance is signed by Seller and a signed copy  
42. delivered in person, by mail, facsimile, or electronically, and received by Broker named in Section 9q  
43. by: \_\_\_\_\_, \_\_\_\_\_ at \_\_\_\_\_  a.m. /  p.m., Mountain Standard Time.  
44. Buyer may withdraw this offer at any time prior to receipt of Seller's signed acceptance. If no signed acceptance is received by this  
45. date and time, this offer shall be deemed withdrawn and Buyer's Earnest Money, if any, shall be returned.

1g. 46. Addenda Incorporated:  Additional Clause  Domestic Water Well  Lead-Based Paint Disclosure  
47.  Loan Assumption  On-Site Wastewater Treatment Facility  Schedule of Personal Property  Seller Financing  
48.  Solar Assumption  Other: \_\_\_\_\_

1h. 49. Escrow: This Contract shall be used as escrow instructions. The Escrow Company employed by the parties to carry out the terms  
50. of this Contract shall be:

51. \_\_\_\_\_  
ESCROW COMPANY CONTACT PERSON

52. \_\_\_\_\_  
ADDRESS CITY STATE ZIP CODE

53. \_\_\_\_\_  
EMAIL PHONE FAX

54. Seller and Buyer instruct Escrow Company to immediately deliver to Seller, Buyer and Broker(s) a critical dates letter and a copy of  
55. the Earnest Money receipt.

1i. 56. Close of Escrow: Seller and Buyer shall comply with all terms and conditions of this Contract and Close Escrow  
57. on: \_\_\_\_\_ MONTH \_\_\_\_\_ DAY \_\_\_\_\_ YEAR ("COE Date"). If Escrow Company or recorder's office  
58. is closed on the COE Date, COE shall occur on the next day that both are open for business. Any other closing date requires the  
59. written mutual agreement of Seller and Buyer.

60. Seller and Buyer hereby agree that the COE shall be defined as recordation of the deed and any other documents required to  
61. complete the transaction. The parties expressly agree that the failure of any party to comply with the terms and conditions of this  
62. Section to allow COE to occur on the COE Date, if not cured after a cure notice is delivered pursuant to Section 8a, will constitute  
63. a material breach of this Contract, rendering the Contract subject to cancellation.

1j. 64. Possession and Keys: Possession and occupancy of the Property shall be delivered to Buyer at COE,  
65. or  \_\_\_\_\_, subject to the rights of tenants under existing leases. Seller shall provide keys and/or  
66. means to operate all locks, mailboxes, security system/alarms, access to all common area facilities and:

67. \_\_\_\_\_  
68. \_\_\_\_\_  
69. \_\_\_\_\_  
70. \_\_\_\_\_  
71. \_\_\_\_\_  
72. \_\_\_\_\_  
73. \_\_\_\_\_

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**2. DISCLOSURE**

- 2a. 74. **Commercial Seller’s Property Disclosure Statement (“SPDS”):** Seller shall deliver a completed AAR Commercial SPDS form
- 75. to Buyer within five (5) days after Contract acceptance. Buyer shall provide notice of any SPDS items disapproved within the Due
- 76. Diligence Period or five (5) days after receipt of the SPDS, whichever is later.
  
- 2b. 77. **Additional Seller Disclosures and Information:** Seller shall provide to Buyer the following disclosures and information pertinent
- 78. to the Property in writing within ten (10) days or \_\_\_\_\_ days after Contract acceptance:
  - 79. • documents referencing any known pending special assessments, association fees, claims, or litigation;
  - 80. • copies of covenants, conditions, restrictions, articles of incorporation, by-laws, other governing documents, and any other
  - 81. documents required by law;
  - 82. • financial statements, copies of current rent rolls, lists of current deposits, personal property lists, copies of leases (e.g.,
  - 83. billboard, cell tower, laundry, trade fixtures), rental agreements, and service contracts;
  - 84. • a copy of the most recent survey, if available; and
  - 85. • any and all other agreements, documents, studies, or reports relating to the Property in Seller’s possession or control
  - 86. provided, however, that Seller shall not be required to deliver any report or study if the written contract that Seller entered
  - 87. into with the consultant who prepared such report or study specifically forbids the dissemination of the report to others.
  
- 88. Buyer shall provide written notice to Seller of any additional Seller disclosures and information disapproved prior to the expiration
- 89. of the Due Diligence Period or five (5) days after receipt, whichever is later.
  
- 90. Seller  is  is not delivering estoppel certificates executed by all tenants to Buyer prior to expiration of the Due Diligence Period.
- 91. Buyer shall provide notice of any items disapproved within the Due Diligence Period or five (5) days after receipt of the estoppel
- 92. certificates, whichever is later.
  
- 2c. 93. **Seller’s Notice of Violations:** Seller shall disclose knowledge of any notice of violations of City, County, State, or Federal building,
- 94. zoning, fire, or health laws, codes, statutes, ordinances, regulations, or rules filed or issued regarding the Property. If Seller
- 95. receives notice of any additional violations prior to COE, Seller shall immediately notify Buyer in writing. Buyer shall have five (5)
- 96. days after receipt of such notice to provide written notice to Seller of any items disapproved.
  
- 2d. 97. **Affidavit of Disclosure:** If the Property is located in an unincorporated area of the county, and five (5) or fewer parcels of property
- 98. other than subdivided property are being transferred, Seller shall deliver a completed Affidavit of Disclosure in the form required
- 99. by law to Buyer within five (5) days after Contract acceptance. Buyer shall provide notice of any Affidavit of Disclosure items
- 100. disapproved within the Due Diligence Period or five (5) days after receipt of the Affidavit of Disclosure, whichever is later.
  
- 2e. 101. **Changes During Escrow:** Seller shall immediately notify Buyer: (i) of any changes to the Property or disclosures made herein,
- 102. in the SPDS, or otherwise; (ii) if Seller modifies any existing lease or other agreement affecting the Property; or (iii) if Seller
- 103. enters into any new leases, rental agreements, service contracts or other agreements affecting the Property. Such notice shall be
- 104. considered an update of the SPDS. Unless Seller is already obligated by this Contract or any amendments hereto, to correct or
- 105. repair the changed item disclosed, Buyer shall be allowed five (5) days after delivery of such notice to provide notice of disapproval
- 106. to Seller.
  
- 107. **IF PROPERTY IS NOT USED FOR RESIDENTIAL PURPOSES: Section 3 does not apply, go to Section 4.**

**3. DISCLOSURES FOR PROPERTY USED FOR RESIDENTIAL PURPOSES**

- 3a. 108. **Swimming Pool Barrier Regulations:** During the Due Diligence Period, Buyer agrees to investigate all applicable state, county,
- 109. and municipal Swimming Pool barrier regulations and agrees to comply with and pay all costs of compliance with said regulations
- 110. prior to occupying the Property, unless otherwise agreed in writing. If the Property contains a Swimming Pool, Buyer acknowledges
- 111. receipt of the Arizona Department of Health Services approved private pool safety notice.

112. (BUYER’S INITIALS REQUIRED) \_\_\_\_\_ BUYER \_\_\_\_\_ BUYER

- 3b. 113. **Lead-Based Paint Disclosure (Initials Required):** If the Property was built prior to 1978, Seller shall: (i) notify Buyer of any  
 114. known lead-based paint or lead-based paint hazards in or on the Property; (ii) provide Buyer with any lead-based paint risk  
 115. assessments or inspections of the Property in Seller’s possession; (iii) provide Buyer with the Disclosure of Information on Lead-  
 116. based Paint and Lead-Based Paint Hazards, and any reports, records, pamphlets, and/or other materials referenced therein,  
 117. including the pamphlet “Protect Your Family from Lead in Your Home” (collectively “Lead-Based Paint Information”).  
 118.  Lead-Based Paint Information was provided prior to Contract acceptance and Buyer acknowledges the opportunity to conduct  
 119. lead based paint risk assessments or inspections during Due Diligence Period.  
 120.  Seller shall provide the Lead-Based Paint Information to Buyer within five (5) days after Contract acceptance. Buyer may within  
 121. ten (10) days or \_\_\_\_\_ days after receipt of the Lead-Based Paint Information conduct or obtain a risk assessment or inspection  
 122. of the Property for the presence of lead-based paint or lead based-paint hazards (“Assessment Period”). Buyer may within five  
 123. (5) days after receipt of the Lead-Based Paint Information or five (5) days after expiration of the Assessment Period cancel this  
 124. Contract in Buyer’s sole discretion by delivering written notice of cancellation to Seller pursuant to Section 8c.

125. **Prior to 1978: If Property was constructed prior to 1978, (BUYER’S INITIALS REQUIRED)** \_\_\_\_\_ BUYER BUYER

126. **1978 or Later: If Property was constructed in 1978 or later, (BUYER’S INITIALS REQUIRED)** \_\_\_\_\_ BUYER BUYER

**4. DUE DILIGENCE, FEASIBILITY, AND INSPECTIONS**

- 4a. 127. **Due Diligence:** Buyer’s due diligence, feasibility, and inspection period shall be thirty (30) days or  \_\_\_\_\_ days after Contract  
 128. acceptance (“Due Diligence Period”). During the Due Diligence Period, Buyer shall satisfy itself with respect to the physical  
 129. condition of the Property, the condition of title to the Property and as to the feasibility and suitability of the Property for Buyer’s  
 130. intended purpose.

- 4b. 131. **Buyer Disapproval:** If Buyer, in Buyer’s sole discretion, disapproves of items as allowed herein, Buyer shall deliver to Seller a  
 132. signed notice of the items disapproved and state in the notice that Buyer elects to either:

133. (1) Immediately cancel this Contract, in which case:

134. (a) If Buyer’s notice specifies disapproval of items as allowed herein, the Earnest Money shall be released to Buyer.

135. (b) If Buyer’s notice fails to specify items disapproved as allowed herein, the cancellation will remain in effect but Buyer has  
 136. failed to comply with a provision of this Contract and Seller may deliver to Buyer a cure notice as required by Section 8a.  
 137. If Buyer fails to cure their non-compliance within three (3) days after delivery of such notice, Buyer shall be in breach and  
 138. Seller shall be entitled to the Earnest Money. If, prior to expiration of the Cure Period, Buyer delivers notice specifying  
 139. items disapproved as allowed herein, Buyer shall be entitled to a return of the Earnest Money.

140. **OR**

141. (2) Provide Seller an opportunity to correct the items disapproved, in which case:

142. (a) Seller shall respond in writing within five (5) days or \_\_\_\_\_ days after delivery to Seller of Buyer’s notice of items  
 143. disapproved. Seller’s failure to respond to Buyer in writing within the specified time period shall conclusively be deemed  
 144. Seller’s refusal to correct any of the items disapproved.

145. **(b) If Seller agrees in writing to correct items disapproved, Seller shall correct the items, complete any repairs in**  
 146. **a workmanlike manner and deliver any paid receipts evidencing the corrections and repairs to Buyer three (3)**  
 147. **days or  \_\_\_\_\_ days prior to COE Date.**

148. (c) If Seller is unwilling or unable to correct any of the items disapproved, Buyer may cancel this Contract within five (5) days  
 149. after delivery of Seller’s response or after expiration of the time for Seller’s response, whichever occurs first, and the  
 150. Earnest Money shall be released to Buyer. If Buyer does not cancel this Contract within the five (5) days as provided,  
 151. Buyer shall close escrow without correction of those items that Seller has not agreed in writing to correct.

152. **VERBAL DISCUSSIONS WILL NOT EXTEND THESE TIME PERIODS.** Only a written agreement signed by both parties will  
 153. extend response times or cancellation rights.

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<b>BUYER</b>	<b>BUYER</b>

154. **BUYER'S FAILURE TO GIVE NOTICE OF DISAPPROVAL OF ITEMS OR CANCELLATION OF THIS CONTRACT WITHIN**  
 155. **THE SPECIFIED TIME PERIOD SHALL CONCLUSIVELY BE DEEMED BUYER'S ELECTION TO PROCEED WITH THE**  
 156. **TRANSACTION WITHOUT CORRECTION OF ANY DISAPPROVED ITEMS.**

157. If Buyer cancels this Contract, Buyer shall return all documents provided by Seller and provide Seller with copies of all reports or  
 158. studies generated by Buyer, provided, however, that Buyer shall not be required to deliver any such report or study if the written  
 159. contract that Buyer entered into with the consultant who prepared such report or study specifically forbids the dissemination of the  
 160. report or study to others.

4c. 161. **Inspections:** During the Due Diligence Period, Buyer shall have the right, at Buyer's expense, to select an inspector(s) and to  
 162. make economic, environmental and physical inspections (including tests, surveys, and other studies) of the Property, including but  
 163. not limited to inspecting:

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 164. • built-in appliances<br>165. • compliance with Americans with Disabilities Act<br>166. • conditions conducive to mold<br>167. • cost of compliance with swimming pool regulations<br>168. • designated flood hazard areas<br>169. • easements and access<br>170. • electrical and mechanical systems<br>171. • elevators<br>172. • environmental hazards (such as asbestos,<br>173. formaldehyde, radon gas, lead-based paint, fuel or<br>174. chemical storage tanks, hazardous waste, other<br>175. substances, materials or products, and/or location in<br>176. a federal or state Superfund area)<br>177. • foundation<br>178. • geologic conditions<br>179. • heating and cooling<br>180. • leased items<br>181. • location of property lines<br>182. • mold | • Multiple Listing Service (MLS) representations<br>• plumbing (such as galvanized or polybutylene pipes)<br>• pool/spa and related equipment<br>• roof<br>• sewer/septic<br>• sign usage<br>• soil<br>• solar<br>• square footage<br>• structural<br>• use permits<br>• variances<br>• water damage<br>• water/utility or fire protection<br>• water/utility use restrictions and fees for services such<br>as garbage<br>• well<br>• wood infestation<br>• zoning regulations |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

183. If the presence of sex offenders in the vicinity of the Property or the occurrence of a disease, natural death, suicide, homicide  
 184. or other crime on or in the vicinity of the Property is a material matter to Buyer, it must be investigated by Buyer during the Due  
 185. Diligence Period.

4d. 186. **Square Footage:** BUYER IS AWARE THAT ANY REFERENCE TO THE SQUARE FOOTAGE (OR NET ACREAGE) OF THE  
 187. REAL PROPERTY (LAND) OR IMPROVEMENTS THEREON IS APPROXIMATE. IF SQUARE FOOTAGE (OR NET ACREAGE) IS  
 188. A MATERIAL MATTER TO BUYER, IT MUST BE VERIFIED BY BUYER DURING THE DUE DILIGENCE PERIOD.

4e. 189. **Wood-Destroying Organism or Insect Inspection:** IF CURRENT OR PAST WOOD-DESTROYING ORGANISMS OR INSECTS  
 190. (SUCH AS TERMITES) ARE A MATERIAL MATTER TO BUYER, THESE ISSUES MUST BE INVESTIGATED DURING THE DUE  
 191. DILIGENCE PERIOD. Buyer shall order and pay for all wood-destroying organism or insect inspections performed during the Due  
 192. Diligence Period.

4f. 193. **Flood Hazard:** If the Property is situated in an area identified as having any special flood hazards by any governmental entity  
 194. including, but not limited to, being designated as a special flood hazard area by the Federal Emergency Management Agency  
 195. (FEMA), Buyer's lender may require the purchase of flood hazard insurance prior to COE or some future date. Special flood  
 196. hazards may affect the ability to encumber or improve the Property now or at some future date. Flood hazard designation of the  
 197. Property or cost of flood hazard insurance shall be determined by Buyer during the Due Diligence Period.

4g. 198. **Insurance:** Buyer shall ensure that any fire, casualty, or other insurance desired by Buyer, or required by any Lender, is in place at  
 199. COE. Buyer specifically releases Broker(s) from any obligations relating to such insurance.

SELLER	SELLER

BUYER	BUYER

- 4h. 200. **Recommendations:** If any Broker recommends a builder, contractor, inspector, vendor or any other person or entity to Seller or  
 201. Buyer for any purpose, such recommendation shall be independently investigated and evaluated by Seller or Buyer, who hereby  
 202. acknowledge that any decision to enter into any contractual arrangements with any such person or entity recommended by any  
 203. Broker will be based solely upon such independent investigation and evaluation. Seller and Buyer understand that said contractual  
 204. arrangement may result in a commission or fee to Broker, which shall be disclosed in writing to Seller and Buyer as required by  
 205. law.
  
- 4i. 206. **Buyer’s Responsibility Regarding Inspections:** Buyer shall keep the Property free and clear of liens, shall indemnify and hold  
 207. Seller harmless from all liability, claims, demands, damages, and costs and shall repair all damages arising from the inspections.
  
- 4j. 208. **Walkthrough(s):** Seller grants Buyer and Buyer’s inspector(s) reasonable access to conduct walkthrough(s) of the Property for  
 209. the purpose of satisfying Buyer that any corrections or repairs agreed to by Seller have been completed, and the Property is in  
 210. substantially the same condition as of the date of Contract acceptance. If Buyer does not conduct such walkthrough(s), Buyer  
 211. releases Seller and Broker(s) from liability for any defects that could have been discovered.
  
- 4k. 212. **Seller’s Responsibility Regarding Inspections and Walkthrough(s):** Seller shall make the Property available for all inspections  
 213. and walkthrough(s) upon reasonable notice by Buyer. Seller shall, at Seller’s expense, have all utilities on, including any propane,  
 214. until COE to enable Buyer to conduct these inspections and walkthrough(s).
  
- 4l. 215. **Sanitation and Waste Disposal Systems:** Buyer is aware and Seller warrants that the Property is on a:  
 216.  sewer system  conventional septic system  alternative system
  
- 217. **IF A SEWER CONNECTION IS A MATERIAL MATTER TO BUYER, IT MUST BE INVESTIGATED DURING THE DUE**  
 218. **DILIGENCE PERIOD.** If the Property is served by a conventional septic or alternative system, the AAR On-site Wastewater  
 219. Treatment Facility Addendum is incorporated herein by reference.
  
- 4m. 220. **Seller’s Obligations Regarding Wells:** If any well is located on the Property, Seller shall deliver to Escrow Company, before  
 221. COE, a copy of the Arizona Department of Water Resources (“ADWR”) “Registration of Existing Wells.” Escrow Company is hereby  
 222. instructed to send to the ADWR a “Change of Well Information.” Seller does not warrant the gallons per minute as reflected on the  
 223. ADWR certification of registration. Buyer may verify gallons per minute during Due Diligence Period through a certified flow test.
  
- 224. **IF THIS IS AN ALL CASH SALE: Section 5 does not apply – go to Section 6.**

**5. FINANCING**

- 225. (If financing is to be other than new financing, see attached addendum. This addendum cannot be assigned to a new buyer  
 226. without Seller’s prior written consent.)
  
- 5a. 227. **This sale  is  is not contingent upon Buyer obtaining a satisfactory financing commitment within the Financing**  
 228. **Commitment Contingency Period.** (If sale is not contingent on a financing commitment, Section 5b and 5c do not apply—go to  
 229. Section 6.)
  
- 5b. 230. **Financing Commitment Contingency Period:** If the sale is contingent upon Buyer obtaining a satisfactory financing  
 231. commitment, Buyer shall have thirty (30) days or  \_\_\_\_\_ days after Contract acceptance (“Financing Commitment Contingency  
 232. Period”) to obtain a financing commitment satisfactory to Buyer, in Buyer’s sole discretion, for a loan to purchase the Property  
 233. or Buyer may cancel this Contract pursuant to Section 8c and receive a refund of the Earnest Money. **Prior to the expiration of**  
 234. **the financing commitment contingency period, Buyer shall deliver to Seller and Escrow Company written notice that**  
 235. **Buyer has not received such satisfactory financing commitment or Buyer shall be deemed to have waived the financing**  
 236. **commitment contingency and any right to cancel due to financing.**
  
- 5c. 237. **Financing Application:** Within ten (10) days after Contract acceptance, Buyer shall submit a formal financing application to a  
 238. lender of Buyer’s choice. Buyer and Seller shall promptly provide to lender all materials and documents lender deems appropriate  
 239. to facilitate such lender’s processing of financing application. Buyer agrees to pay fees as required by the lender and all other  
 240. financing costs. Buyer authorizes the lender to provide financing status updates to Broker(s).

**6. TITLE AND ESCROW**

- 6a. 241. **Title and Vesting:** Taking title may have significant legal, estate planning and tax consequences. Buyer should obtain legal and  
 242. tax advice.  
 243. Buyer will take title as **determined before COE** or  Other: \_\_\_\_\_
  
- 6b. 244. **Title Commitment and Title Insurance:** Buyer shall be provided at Seller's expense a Standard Owner's Title Insurance Policy  
 245. showing the title vested in Buyer as provided in Section 6a. Buyer may acquire extended coverage(s) at Buyer's own additional  
 246. expense. Escrow Company is hereby instructed to obtain and distribute to Buyer and Broker(s) a Commitment for Title Insurance  
 247. in sufficient detail for the issuance of an Extended Owner's Title Insurance Policy together with complete and legible copies of  
 248. all documents that will remain as exceptions to Buyer's policy of title insurance ("Title Commitment"), within fifteen (15) days  
 249. after Contract acceptance. Buyer shall have until the expiration of the Due Diligence Period to provide written notice to Seller  
 250. of any items disapproved. Buyer shall have five (5) days after receipt of any amendments to Title Commitment or notice of any  
 251. subsequent exceptions to provide Seller written notice of any amendment or exceptions disapproved. REFER TO SECTION 4b  
 252. FOR IMPORTANT TERMS.  
 253. Seller shall convey title by special warranty deed or  \_\_\_\_\_ deed.
  
- 6c. 254. **Additional Instructions:** (i) If the Escrow Company is also acting as the title agency but is not the title insurer issuing the title  
 255. insurance policy, Buyer and Seller hereby instruct the Escrow Company to deliver to Buyer and Seller upon Contract acceptance  
 256. a closing protection letter from the title insurer indemnifying Buyer and Seller for any losses due to fraudulent acts or breach of  
 257. escrow instructions by the Escrow Company. (ii) All documents necessary to close this transaction shall be executed promptly by  
 258. Seller and Buyer in the standard form used by Escrow Company. Escrow Company is hereby instructed to modify such documents  
 259. to the extent necessary to be consistent with this Contract. (iii) All closing and escrow costs, unless otherwise stated herein, shall  
 260. be allocated equally between Seller and Buyer in accordance with applicable laws and regulations. (iv) Escrow Company is hereby  
 261. instructed to send to Broker(s) copies of all notices and communications directed to or from Seller or Buyer. Escrow Company shall  
 262. provide Broker(s) with access to escrowed materials and information regarding the escrow.
  
- 6d. 263. **Prorations, Expenses and Adjustments:**  
 264. *Taxes:* Real property taxes payable by Seller shall be prorated through COE, based upon the latest tax bill available. The parties  
 265. agree that any discrepancy between the latest tax bill available and the actual tax bill when received shall be handled as a Post  
 266. Closing Matter and Buyer or Seller may be responsible for additional tax payments to each other.  
 267. *Insurance:* If Buyer takes an assignment of the existing casualty and/or liability insurance that is maintained by Seller, the current  
 268. premium shall be prorated through COE.  
 269. *Rents, Interest and Expenses:* Rents, interest on existing notes if transferred, utilities, and operating expenses shall be prorated  
 270. through COE. The Parties agree to adjust any rents received after COE as a Post Closing Matter.  
 271. *Deposits:* All deposits held by Seller pursuant to rent/lease agreement(s) shall be credited against the cash required of Buyer at  
 272. COE or  paid to Buyer by Seller at COE.
  
- 6e. 273. **Post Closing Matters:** The parties shall promptly adjust any item to be prorated that is not determined or determinable at COE as  
 274. a Post Closing Matter by appropriate cash payment to the other party outside of the escrow when the amount due is determined.  
 275. Seller and Buyer agree that Escrow Company and Broker(s) are relieved of any responsibilities for said adjustments.
  
- 6f. 276. **Prorations of Assessments and Fees:** All assessments and fees that are not a lien as of COE shall be prorated  
 277. as of COE or  Other: \_\_\_\_\_  
 278. \_\_\_\_\_
  
- 6g. 279. **Assessment Liens:** The amount of any assessment lien shall be prorated as of COE or  Other: \_\_\_\_\_  
 280. \_\_\_\_\_
  
- 6h. 281. **IRS and FIRPTA Reporting:** The Foreign Investment in Real Property Tax Act ("FIRPTA") is applicable if Seller is a non-resident  
 282. alien individual, foreign corporation, foreign partnership, foreign trust, or foreign estate ("Foreign Person"). Seller agrees to comply  
 283. with IRS reporting requirements. If applicable, Seller agrees to complete, sign, and deliver to Escrow Company a certificate  
 284. indicating whether Seller is a Foreign Person pursuant to FIRPTA. Buyer acknowledges that if Seller is a Foreign Person, Buyer  
 285. (or Escrow Company, as directed by Buyer) must withhold a tax of up to 15% of the purchase price, unless an exemption  
 286. applies.

SELLER	SELLER

BUYER	BUYER

- 6i. 287. **RESPA:** The Real Estate Settlement Procedures Act (RESPA) requires that no Seller of property that will be purchased with the  
288. assistance of a federally-related mortgage financing shall require, directly or indirectly, as a condition of selling the Property, that  
289. title insurance covering the Property be purchased by Buyer from any particular title company.
- 6j. 290. **Tax Deferred Exchange:** Seller and Buyer are advised to consult a professional tax advisor regarding the advisability of a tax-  
291. deferred exchange pursuant to I.R.C. §1031 or otherwise. Seller and Buyer agree to cooperate in a tax deferred exchange provided  
292. that COE is not delayed. All additional costs in connection with any such tax deferred exchange shall be borne by the party  
293. requesting the exchange. The non-requesting party and Broker(s) shall be indemnified and held harmless from any liability that  
294. may arise from participation in the tax deferred exchange.

## 7. WARRANTIES

- 7a. 295. **Condition of Property: BUYER AND SELLER AGREE THE PROPERTY IS BEING SOLD IN ITS PRESENT PHYSICAL**  
296. **CONDITION AS OF THE DATE OF CONTRACT ACCEPTANCE.** Seller makes no warranty to Buyer, either express or implied, as  
297. to the condition, zoning, or fitness for any particular use or purpose of the Property. However, Seller shall maintain and repair the  
298. Property so that at the earlier of possession or COE: (i) the Property, including all personal property included in the sale, will be in  
299. substantially the same condition as on the date of Contract acceptance; and (ii) all personal property not included in the sale and  
300. debris will be removed from the Property. Buyer is advised to conduct independent inspections and investigations regarding the  
301. Property within the Due Diligence Period as specified in Section 4a. Buyer and Seller acknowledge and understand they may, but  
302. are not obligated to, engage in negotiations for repairs/improvements to the Property. Any/all agreed upon repairs/improvements  
303. will be addressed pursuant to Section 4b.
- 7b. 304. **Warranties that Survive Closing:** Seller warrants that Seller has disclosed to Buyer and Broker(s) all material latent defects and  
305. any information concerning the Property known to Seller, excluding opinions of value, which materially and adversely affect the  
306. consideration to be paid by Buyer. Prior to COE, Seller warrants that payment in full will have been made for all labor, professional  
307. services, materials, machinery, fixtures, or tools furnished within the 150 days immediately preceding COE in connection with the  
308. construction, alteration, or repair of any structure on or improvement to the Property. Seller warrants that the information regarding  
309. connection to a sewer system or on-site wastewater treatment facility (conventional septic or alternative) is correct to the best of  
310. Seller's knowledge.
- 7c. 311. **Buyer Warranties:** Buyer warrants that Buyer has disclosed to Seller any information that may materially and adversely affect  
312. Buyer's ability to close escrow or complete the obligations of this Contract. At the earlier of possession of the Property or COE,  
313. Buyer warrants to Seller that Buyer has conducted all desired independent inspections and investigations and accepts the  
314. Property. **Buyer warrants that Buyer is not relying on any verbal representations concerning the Property except disclosed**  
315. **as follows:**  
316. \_\_\_\_\_  
317. \_\_\_\_\_  
318. \_\_\_\_\_  
319. \_\_\_\_\_  
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SELLER	SELLER

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BUYER	BUYER



**8. REMEDIES**

8a. 330. **Cure Period:** A party shall have an opportunity to cure a potential breach of this Contract. If a party fails to comply with any  
 331. provision of this Contract, the other party shall deliver a notice to the non-complying party specifying the non-compliance. If the  
 332. non-compliance is not cured within three (3) days after delivery of such notice ("Cure Period"), the failure to comply shall become  
 333. a breach of Contract. If Escrow Company or recorder's office is closed on the last day of the Cure Period, and COE must occur to  
 334. cure a potential breach, COE shall occur on the next day that both are open for business. An unfulfilled contingency is not a breach  
 335. of Contract.

8b. 336. **Breach:** The parties agree to the remedies for breach of Contract indicated below.  
 337. *If Buyer is in breach: (check one)*  
 338.  All Rights and Remedies: Seller may cancel this Contract pursuant to Section 8c and/or proceed upon any claim or remedy that  
 339. Seller may have in law or equity.  
 340.  Liquidated Damages: The parties agree that it would be impracticable or extremely difficult to fix the actual damages that Seller  
 341. would suffer if Buyer fails to perform Buyer's obligations pursuant to this Contract. Therefore, if Buyer breaches this Contract, Seller  
 342. shall be entitled to the Earnest Money as Seller's sole remedy and Buyer shall be released from any further liability to Seller. In  
 343. such event, this Contract shall be cancelled and Seller shall pay any Escrow Company cancellation fees.

344. (INITIALS REQUIRED) \_\_\_\_\_ SELLER \_\_\_\_\_ SELLER \_\_\_\_\_ BUYER \_\_\_\_\_ BUYER

345. *If Seller is in breach:*  
 346. All Rights and Remedies: Buyer may cancel this Contract pursuant to Section 8c, shall be entitled to the return of the Earnest  
 347. Money and/or proceed upon any claim or remedy that Buyer may have in law or equity.

8c. 348. **Cancellation:** A party who wishes to exercise the right of cancellation as allowed herein may cancel this Contract by delivering  
 349. notice stating the reason for cancellation to the other party or to Escrow Company. Cancellation shall become effective immediately  
 350. upon delivery of the cancellation notice.

8d. 351. **Mediation:** Buyer and Seller agree to mediate any dispute or claim arising out of or relating to this Contract, any alleged breach  
 352. of this Contract, or services provided in relation to this Contract, claims for Earnest Money or representations made by Buyer or  
 353. Seller in connection with the sale, purchase, financing, condition, or other aspect of the Property to which this Contract pertains,  
 354. including, without limitation, allegations of concealment, misrepresentation, negligence and/or fraud before resorting to court  
 355. action. Mediators cannot impose binding decisions. The parties must agree and sign an agreement before any settlement reached  
 356. at the mediation is binding. Mediation shall take place in the State of Arizona. All mediation costs shall be paid equally by the  
 357. parties to the Contract.

8e. 358. **Exclusions from Mediation:** The following matters are excluded from mediation hereunder: (i) any action brought in the Small  
 359. Claims Division of an Arizona Justice Court (up to \$3,500), so long as the matter is not thereafter transferred or removed from the  
 360. Small Claims Division; (ii) judicial or nonjudicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or  
 361. agreement for sale; (iii) an unlawful entry or detainer action; (iv) the filing or enforcement of a mechanic's lien; or (v) any matter  
 362. that is within the jurisdiction of a probate or bankruptcy court. The filing of a judicial action to enable the recording of a notice of  
 363. pending action, or order of attachment, receivership, injunction, or other provisional remedies shall not constitute a waiver of the  
 364. obligation to mediate under this provision, nor shall it constitute a breach of the duty to mediate.

8f. 365. **Attorney Fees and Costs:** The prevailing party in any dispute or claim between Buyer and Seller arising out of or relating to this  
 366. Contract shall be awarded their reasonable attorney fees and costs. Costs shall include, without limitation, attorney fees, expert  
 367. witness fees, fees paid to investigators, and arbitration costs.

8g. 368. **Release of Earnest Money:** In the event of a dispute between Buyer and Seller regarding Earnest Money deposited with Escrow  
 369. Company, Buyer and Seller authorize Escrow Company to release Earnest Money pursuant to the terms and conditions of this  
 370. Contract. Buyer and Seller specifically authorize Escrow Company to act in its sole and absolute discretion in the release of  
 371. Earnest Money. Buyer and Seller agree to hold harmless and indemnify Escrow Company against any claim, action or lawsuit of  
 372. any kind, and from any loss, judgment, or expense, including costs and reasonable attorneys' fees, arising from or relating in any  
 373. way to the release of Earnest Money.

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BUYER	BUYER

**9. ADDITIONAL TERMS**

- 9a. 374. \_\_\_\_\_
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- 397. \_\_\_\_\_

9b. 398. **Risk of Loss:** If there is any loss or damage to the Property between the date of Contract acceptance and COE or possession of  
 399. the Property, whichever is earlier, by reason of fire, vandalism, flood, earthquake or act of God, the risk of loss shall be borne by  
 400. Seller, provided, however, that if the cost of repairing such loss or damage would exceed ten percent (10%) of the purchase price,  
 401. either Seller or Buyer may elect to cancel the Contract by written notice pursuant to Section 8c.

9c. 402. **Permission:** Buyer and Seller grant Broker(s) permission to advise the public of the existence of this Contract.

9d. 403. **Arizona Law:** This Contract shall be governed by Arizona law and jurisdiction is exclusively conferred on the State of Arizona.

9e. 404. **Time is of the essence:** The parties acknowledge that time is of the essence in performance of the obligations described herein.

9f. 405. **Broker's Fee:** Buyer and Seller each represent and warrant to the other that he/she/it has had no dealings with any person,  
 406. firm, broker or finder in connection with the negotiation of this Contract and/or the consummation of the purchase and sale  
 407. contemplated herein, other than the Broker(s) named herein, and no Broker or other person, firm or entity, other than said  
 408. Broker(s) is/are entitled to any commission or finder's fee in connection with this transaction as the result of any dealings or acts  
 409. of either Buyer or Seller. Buyer and Seller do each hereby agree to indemnify, defend, protect and hold the other harmless from  
 410. and against any costs, expenses or liability for compensation, commission or charges that may be claimed by any broker, finder or  
 411. other similar party, other than said named Broker(s) by reason of any dealings or act of the indemnifying party.

SELLER	SELLER

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BUYER	BUYER

- 9g. 412. **Compensation:** Seller and Buyer acknowledge that Broker(s) shall be compensated for services rendered as previously agreed  
 413. by separate written agreement(s). Any separate written agreement(s) shall be delivered to Escrow Company for payment at COE, if  
 414. not previously paid, and shall constitute an irrevocable assignment of Seller's proceeds at COE and/or payment shall be collected  
 415. from Buyer as a condition to Close, as applicable. If any Broker hires an attorney to enforce the collection of the brokerage fee  
 416. payable pursuant to this Contract and is successful in collecting some or all of such brokerage fee, the party(ies) responsible for  
 417. paying such brokerage fee agree(s) to pay such Broker's costs including, but not limited to: reasonable attorneys' fees, expert  
 418. witness fees, fees paid to investigators, and court costs. Commissions payable for the sale, leasing, or management of Property  
 419. are not set by any board or association of REALTORS® or multiple listing service, or in any manner other than between the Broker  
 420. and client. Seller and Buyer acknowledge that the Broker(s) referenced herein are third-party beneficiaries of this contract.
  
- 9h. 421. **Copies and Counterparts:** A fully executed facsimile or electronic copy of the Contract shall be treated as an original Contract.  
 422. This Contract and any other documents required by this Contract may be executed by facsimile or other electronic means and  
 423. in any number of counterparts, which shall become effective upon delivery as provided for herein, except that the Disclosure of  
 424. Information on Lead-Based Paint and Lead-Based Paint Hazards may not be signed in counterpart. All counterparts shall be  
 425. deemed to constitute one instrument, and each counterpart shall be deemed an original.
  
- 9i. 426. **Days:** All references to days in this Contract shall be construed as calendar days and a day shall begin at 12:00 a.m. and end at  
 427. 11:59 p.m.
  
- 9j. 428. **Calculating Time Periods:** In computing any time period prescribed or allowed by this Contract, the day of the act or event from  
 429. which the time period begins to run is not included and the last day of the time period is included. Contract acceptance occurs on  
 430. the date that the signed Contract (and any incorporated counter offer) is delivered to and received by the appropriate Broker. Acts  
 431. that must be performed three (3) days prior to the COE Date must be performed three (3) full days prior (i.e. – if the COE Date is  
 432. Friday the act must be performed by 11:59 p.m. on Monday).
  
- 9k. 433. **Entire Agreement:** This Contract, and any addenda and attachments, shall constitute the entire agreement between Seller and  
 434. Buyer, shall supersede any other written or oral agreements between Seller and Buyer and can be modified only by a writing  
 435. signed by Seller and Buyer. The failure to initial any page of this Contract shall not affect the validity or terms of this Contract.
  
- 9l. 436. **Subsequent Offers:** Buyer acknowledges that Seller has the right to accept subsequent offers until COE. Seller understands that  
 437. any subsequent offer accepted by Seller must be a backup offer contingent on the cancellation of this Contract.
  
- 9m. 438. **Notice:** Unless otherwise provided, delivery of all notices and documentation required or permitted hereunder shall be in writing  
 439. and deemed delivered and received when: (i) hand-delivered; (ii) sent via facsimile transmission; (iii) sent via electronic mail, if  
 440. email addresses are provided herein; or (iv) sent by recognized overnight courier service, and addressed to Buyer as indicated in  
 441. Section 9q, to Seller as indicated in Section 10a and to Escrow Company indicated in Section 1h.
  
- 9n. 442. **Assignment:** Any assignment of this Contract shall not release Buyer from Buyer's obligations under this Contract unless  
 443. otherwise agreed to by the parties in writing.
  
- 9o. 444. **Release of Brokers:** Seller and Buyer hereby acknowledge that they have been and are now advised by the Broker(s) to  
 445. consult and retain their own experts to advise and represent them concerning the legal and income tax effects of this  
 446. contract, and the condition of the Property. Seller and Buyer hereby expressly release, hold harmless and indemnify  
 447. all Broker(s) in this transaction from any and all liability and responsibility regarding the condition, square footage/  
 448. acreage, lot lines or boundaries, value, financing, rent rolls, income and expense projections or proformas, environmental  
 449. conditions, sanitation systems, roof condition, wood infestation and wood infestation report, compliance with building  
 450. codes, zoning or other governmental regulations, or any other material matters relating to the Property.

451. (INITIALS REQUIRED) \_\_\_\_\_ SELLER \_\_\_\_\_ SELLER \_\_\_\_\_ BUYER \_\_\_\_\_ BUYER

452. THIS CONTRACT CONTAINS TWELVE (12) PAGES EXCLUSIVE OF ANY ADDENDA AND ATTACHMENTS. PLEASE ENSURE  
 453. THAT YOU HAVE RECEIVED AND READ ALL TWELVE (12) PAGES OF THIS OFFER AS WELL AS ANY ADDENDA AND  
 454. ATTACHMENTS.

**DRAFT**

**9p. 455. Broker on behalf of Buyer:**

456. \_\_\_\_\_  
PRINT AGENT'S NAME AGENT MLS CODE AGENT STATE LICENSE NO.

457. \_\_\_\_\_  
PRINT AGENT'S NAME AGENT MLS CODE AGENT STATE LICENSE NO.

458. \_\_\_\_\_  
PRINT FIRM NAME FIRM MLS CODE

459. \_\_\_\_\_  
FIRM ADDRESS CITY STATE ZIP CODE FIRM STATE LICENSE NO.

460. \_\_\_\_\_  
EMAIL PREFERRED PHONE FAX

**9q. 461. Agency Confirmation:** Broker named in Section 9q is the agent of (check one)  Buyer;  Seller; or  both Buyer and Seller

**9r. 462. The undersigned agree to purchase the Property on the terms and conditions herein stated and acknowledge receipt of a copy hereof.**

464. \_\_\_\_\_  
BUYER'S SIGNATURE MO/DA/YR BUYER'S SIGNATURE MO/DA/YR

465. \_\_\_\_\_  
BUYER'S NAME PRINTED BUYER'S NAME PRINTED

466. \_\_\_\_\_  
ADDRESS ADDRESS

467. \_\_\_\_\_  
CITY STATE ZIP CODE CITY STATE ZIP CODE

**10. SELLER ACCEPTANCE**

**10a. 468. Broker on behalf of Seller:**

469. \_\_\_\_\_  
PRINT AGENT'S NAME AGENT MLS CODE AGENT STATE LICENSE NO.

470. \_\_\_\_\_  
PRINT AGENT'S NAME AGENT MLS CODE AGENT STATE LICENSE NO.

471. \_\_\_\_\_  
PRINT FIRM NAME FIRM MLS CODE

472. \_\_\_\_\_  
FIRM ADDRESS CITY STATE ZIP CODE FIRM STATE LICENSE NO.

473. \_\_\_\_\_  
EMAIL PREFERRED PHONE FAX

**10b. 474. Agency Confirmation:** Broker named in Section 10a is the agent of (check one)  Seller; or  both Buyer and Seller

**10c. 475. The undersigned agree to sell the Property on the terms and conditions herein stated, acknowledge receipt of a copy hereof and grant permission to Broker named on Section 10a to deliver a copy to Buyer.**

477.  Counter Offer is attached, and is incorporated herein by reference. Seller must sign and deliver both this offer and the Counter Offer. If there is a conflict between this offer and the Counter Offer, the provisions of the Counter Offer shall be controlling.

479. \_\_\_\_\_  
SELLER'S SIGNATURE MO/DA/YR SELLER'S SIGNATURE MO/DA/YR

480. \_\_\_\_\_  
SELLER'S NAME PRINTED SELLER'S NAME PRINTED

481. \_\_\_\_\_  
ADDRESS ADDRESS

482. \_\_\_\_\_  
CITY STATE ZIP CODE CITY STATE ZIP CODE

**For Broker Use Only:**  
 Brokerage File/Log No. \_\_\_\_\_ Manager's Initials \_\_\_\_\_ Broker's Initials \_\_\_\_\_ Date \_\_\_\_\_  
MO/DA/YR

SELLER SELLER

BUYER BUYER