COMMERCIAL SELLER ADVISORY

Document updated: February 2008



WHEN IN DOUBT - DISCLOSE!





Sellers are obligated by law to disclose all known material (important) facts about the property to the buyer. Arizona law requires that you disclose material facts about the property whether or not you are asked by the buyer or a real estate agent, or when asked to complete a disclosure form. You may also be required to complete and record an affidavit of disclosure if selling property in an unincorporated area of a county.

"...you have a duty to disclose the information, regardless of whether or not you consider the information material."

If the buyer asks you about an aspect of the property, you have a duty to disclose the information, regardless of whether or not you consider the information material. You also have a legal duty to disclose facts when disclosure is necessary to prevent a previous statement from being misleading or a misrepresentation: for example, if something changes. However, a seller does not generally have a legal obligation to correct defects in the property, as long as the defects are disclosed. Any correction of the defects is a matter of contract negotiation between you and the buyer.

If you do not make the legally required disclosures, you may be subject to civil liability. Under certain circumstances, nondisclosure of a fact is the same as saying that the fact does not exist. Therefore, nondisclosure may be given the same legal effect as fraud.

The Arizona Association of REALTORS® Commercial Seller's Property Disclosure Statement ("SPDS") is designed to assist you in making these legally required disclosures and to avoid inadvertent nondisclosures of material facts.

You should complete the SPDS by answering all questions as truthfully and as fully as possible. Attach copies of any available supporting documentation to insure that you are disclosing accurate information. Also, use the blank lines to explain your answers. If you do not have the personal knowledge to answer a question, it is important not to guess — use the blank lines to explain the situation.

The SPDS is divided into nine general sections:

(A) Ownership and Property:

This section asks for general information about the property such as location and ownership. Any seller should be able to answer most, if not all, of the questions in this section.

(B) Property Type:

This section indicates whether this is office, industrial, retail, etc.

(C) Utilities:

You are asked whether the property currently receives the listed utilities.

(D) Access/Use:

This section asks for any easement or restriction information governing the property.

(E) Compliance with Law/Legal Matters:

Zoning issues and any previous property violations are addressed here.

(F) Contractual Obligations:

This section asks what, if any, contractual obligations are attached to the property.

(G) Environmental Factors:

This section deals with the property and the area around it. What, if any, environmental factors such as noise, hazardous materials, etc. are addressed here.

(H) Reports/Studies:

If there have been any studies or reports made on this property, you will be asked to address them here.

(I) Material Physical Defects and Other Factors:

Any miscellaneous items not addressed elsewhere are addressed in this section.

Please note: By law, sellers are not obligated to disclose that the property is or has been: (1) the site of a natural death, suicide, homicide, or any other crime classified as a felony; (2) owned or occupied by a person exposed to HIV, or diagnosed as having AIDS or any other disease not known to be transmitted through common occupancy of real estate; or (3) located in the vicinity of a sex offender. However, the law does not protect a seller who makes an intentional misrepresentation. For example, if you are asked whether there has been a death on the property and you know that there was such a death, you should not answer "no" or "I don't know"; instead you should either answer truthfully or respond that you are not legally required to answer the question.

COMMERCIAL SELLER'S PROPERTY DISCLOSURE STATEMENT (SPDS) (To be completed by Seller)

Document updated: February 2008



The pre-printed portion of this form has been drafted by the Arizona Association of REALTORS®. Any change in the pre-printed language of this form must be made in a prominent manner. No representations are made as to the legal validity, adequacy and/or effects of any provision, including tax consequences thereof. If you desire legal, tax or other professional advice, please consult your attorney, tax advisor or professional consultant.





MESSAGE TO THE SELLER:

Sellers are obligated by law to disclose all known material (important) facts about the Property to the Buyer. The SPDS is designed to assist you in making these disclosures. If you know something important about the Property that is not addressed on the SPDS, add that information to the form. Prospective Buyers may rely on the information you provide.

INSTRUCTIONS: (1) Complete this form yourself. (2) Answer all questions truthfully and as fully as possible. (3) Attach all available supporting documentation. (4) Use explanation lines as necessary. (5) If you do not have the personal knowledge to answer a question, use the explanation lines to explain. By signing below you acknowledge that the failure to disclose known material information about the Property may result in liability.

MESSAGE TO THE BUYER:

Although Sellers are obligated to disclose all known material (important) facts about the Property, there are likely facts about the Property that the Sellers do not know. Therefore, it is important that you take an active role in obtaining information about the Property.

INSTRUCTIONS: (1) Review this form and any attachments carefully. (2) Verify all important information. (3) Ask about any incomplete or inadequate responses. (4) Inquire about any concerns not addressed on the SPDS. (5) Review all other applicable documents, such as environmental studies, CC&R's, association bylaws, surveys, title report or commitment, etc. (6) Obtain professional inspections of the Property. (7) Investigate the surrounding area. (8) Obtain such other professional advice as you deem necessary.

THE FOLLOWING ARE REPRESENTATIONS OF THE SELLER(S) AND ARE NOT VERIFIED BY THE BROKER(S) OR AGENT(S).

	A. OWNERS	SHIP AND PROPERTY IDEN	TIFICATION						
1.	THIS DISCLO	SURE CONCERNS THE FOLL	OWING REAL PROPER	RTY:					
2.	Address15	51 S Curtis Avenue							
3.	City	Willcox	, County	Cochise	, AZ, Zip	85643			
4.	Assessors No.(s) Approximate Year Built								
		s)			chased				
6.	Owner 🗌 Is	s Is not occupying prope	rty. Owner 🔲 Has 🗌	☐ Has not occupied	the Property in the	past.			
	B. PROPER	RTY TYPE							
7.	Office	Industrial Retail Hotel	/Motel/Resort Multi-	-family					
	C. UTILITIE	:S							
8.		RTY IS SERVED BY THE FOLL	OWING UTILITIES:						
	YES NO			PROV	IDER				
9.		Septic System							
10.		Sewer							
11.		Electric							
12.		Domestic Water Public	Private						
13.		Well Registered ☐ Yes ☐	☐ No If yes, Registrat	ion number:					
14.		If yes, complete and attach th	ne Domestic Water Wel	I/Water Use Addend	um.				
15.		Fuel Supply Natural Gas	Propane Oth	ner:					
16.		Garbage/Waste Collection	Public Private						
17.		Fire Protection Public	Private						
18.		Telephone							
19.		Irrigation							
20.		Cable TV							
21.		Satellite Dish							
22.		High Speed Internet Connect							
23.		Other							
24.	Please descr	ribe any other items concerning ι	ıtilities						
25.									
						>>			
		Commercial S	Seller's Property Disclosure Sta	tement (SPDS)					

回光回
819 05 78

Initials>

BUYER

Updated: February 2008 • Copyright © 2008 Arizona Association of REALTORS®.

All rights reserved.

<Initials

SELLER

SELLER

BUYER

	D. ACCESS/USE									
26.	ARE YOU AWARE OF ANY OF THE FOLLOWING AFFECTING ACCESS OR USE OF THE PROPERTY?									
	YES	NO								
27.			Encroachments							
28.			Access Easements							
29.			Itility Easements							
30.			Inrecorded Easements							
31.	$\overline{\Box}$	F	Reciprocal Easement Agreement							
32.										
33.	Shared Use Agreements									
34.	Use Permits									
35.	\Box		Deed Restricitions							
36.	\Box		Shared Fences/Walls							
37.			Shared Driveways							
			Shared Signage							
38.										
39.			eased Parking							
40.		=	Grandfathered Uses							
41.			Association Agreements							
42.			Covenants, Conditions and Restrictions (CC&R's)							
43.			Other (describe)							
44.	If the	answer to a	ny of the preceding is yes, please explain. (Attach additional sheets if necessary)							
45.										
46.										
	E. CO	OMPLIANO	E WITH LAW/LEGAL MATTERS							
47.		OU AWAR								
	YES	NO								
48.			any legal actions such as condemnation, pending or anticipated, that affect the Pr	operty?						
49.			Any tenant bankruptcy proceedings?							
50.	Any v	iolation of	aws or regulations of the following:							
51.	П		Coning							
52.	\Box		Building Code							
53.	$\overline{\Box}$		Occupational Safety and Health Administration (OSHA)							
54.	П		Itility Service							
55.	\Box		Sanitary Health Regulations							
56.	H		Swimming Pools							
57.			Covenants, Conditions and Restrictions (CC&R's)							
58.										
	☐ If tho		Americans With Disabilities Act (ADA)	ation you b	avo portair	aina to such				
	If the answer to any of the preceding is yes, please explain and provide copies of any documentation you have pertaining to such matters. (Attach additional sheets if necessary).									
60. 61.		•	dulional sneets in necessary).							
62.										
02.	F. CONTRACTUAL OBLIGATIONS									
63.			E OF ANY OF THE FOLLOWING CONTRACTUAL OBLIGATIONS AFFECTING	THE PRO	PERTY?					
	YES	NO								
64.			enant Leases or Subleases							
65.			slarm/Security System Agreements							
66.		F	Property Management Agreements							
67.			eased Equipment			>>				
			Commercial Seller's Property Disclosure Statement (SPDS)							
			Updated: February 2008 • Copyright © 2008 Arizona Association of RÉALTORS®. <initials initials=""></initials>	I						
SE	LLER	SELLER	Page 2 of 4	BUYER	BUYER					
			I aye z or T			1				

Co	mme	rcial	Seller's	s Property Disclosure Statement (SPDS) >>	Page 3 of 4 C								
	YES	NO											
68.			Service	Agreements such as Landscaping, Garbage/Waste Disposal									
69.			Water 7	Freatment Agreements									
70.			Commu	inications Systems or Cable System Agreements									
71.			Other E	quipment or Service Contracts or Agreements (describe)									
72.	If the	ans	wer to an	y of the preceding is yes, please explain. (Attach additional sheets if necessary). $_$									
73.													
	G. E	G. ENVIRONMENTAL FACTORS											
74.	ARE	YOU	AWAR	E OF ANY OF THE FOLLOWING ENVIRONMENTAL FACTORS AFFECTING THE	E PROPERTY?								
	YES	NO											
75.			Hazard	s or hazardous materials on the Property, such as asbestos; chemicals	used in the manufacture of								
76.				nphetamine, LSD or Ecstasy; PCB transformers; dumps; pesticides; radon; oil or che	•								
77.			Fuel or	insecticide storage tanks (above or underground) on the Property, now or in the pas	st?								
78.			Hazard	s or hazardous materials in close proximity to the Property, such as asbestos, dump	os, pesticides, radon, oil,								
79.			chemic	als or underground fuel storage tanks, now or in the past?									
80.			Locatio	n within an area currently of environmental concern, e.g., Superfund, Water Quality As	surance Revolving Fund (WQARF)								
81.			or Com	prehensive Environmental Response Compensation and Liability Act (CERCLA) site	es, etc.?								
82.			Current	or proposed noises, such as airports, freeways, or rail lines?									
83.			Locatio	n within the vicinity of an airport (military, public or private)?									
84.			Area oc	fors, nuisances or pollutants?									
85.			High vo	Itage distribution towers or lines?									
86.	$\overline{\Box}$	\Box	-	tlement, expansion, fissures or erosion now or in the past?									
87.	_			E TO BUYER: THE ARIZONA DEPARTMENT OF REAL ESTATE PROVIDES	EARTH FISSURE MAPS TO								
88.				EMBER OF THE PUBLIC IN PRINTED OR ELECTRONIC FORMAT UPON REQ	UEST AND ON ITS WEB SITE								
89.				w.azre.gov.									
90.	님	님		d on or near a sanitary landfill?									
91.				n in a flood plain/way?									
92.	Ш	Ц		caused damage?									
93.	Ш	Ш	-	owth or conditions conducive to mold?									
94.			•	(drainage)? If yes, Registration #									
95.	If the	ans	wer to a	ny of the preceding is yes, please explain and provide copies of any documentati	ion you have pertaining to such								
96.	matte	ers. (Attach a	dditional sheets if necessary).									
97.													
	Desc	cribe	any othe	r known environmental factors that might affect the use or value of the Property									
99.	Ruve	re ar	a advisa	d to obtain an independent environmental assessment of the Property.									
100.													
104	H. REPORTS/STUDIES												
101.			HAVE A	NY OF THE FOLLOWING ITEMS CONCERNING THE PROPERTY?									
102.	YES		Soils Te	est Report									
103.	\Box	\Box	Land S	·									
104.	H	\exists		Plain Report									
105.	\vdash	\exists		·									
106.	H	Septic/Waste Disposal Reports/Certifications Registrations of Wells											
100.	\vdash	H	•										
	\vdash	\vdash		vironmental Site Assessments or Studies									
108.	\vdash	\vdash	Title Re										
109.	۱¢ ۰۰												
				ny of the preceding is yes, please explain and provide copies of any reports/studi									
111. 112.	шащ	ers. (Allach a	dditional sheets if necessary).	>>								
14.				Commercial Seller's Property Disclosure Statement (SPDS)									
				Updated: February 2008 • Copyright © 2008 Arizona Association of REALTORS®.	, ,								
	HEP	+-	ELLER	Initials All rights reserved. Initials>	BIIVED BIIVED DIVED								
3E	LLER	5	LLLEK	Page 3 of 4	BUYER BUYER								

	I. MATERIAL PHYSICAL DEFECTS AND OTHER FACTORS										
113. ARE YOU AWARE OF:											
	YES	NO									
114.		Any structural, electrical, plumbing or other modifications made without necessary permits?									
115.	_		•	f leaks or other roo	•						
116.			-	ect infestation prob							
117.				ing and/or common							
118.	_			recorded liens agai	inst the Property	?					
119.		An arche	eological site on	the Property?							
120.		☐ The Prop	erty being loca	ited in a designated	d historical distri	ct?					
121.		Any insu	rance claim sul	omitted on the Prop	perty?						
122.		Any prop	osed land use	changes relating to	the adjacent or	nearby Property, such as: r	ew developme	ents, zoning			
123.		changes	, or land trades	?							
124.		Any othe	r material items	s on the Property o	r improvements	and structures thereon that	might affect the	e decision of a			
125.		buyer to	purchase/use t	he Property?							
126.		Any defe	cts/problems w	rith the heating, ver	ntilating, air cond	litioning, plumbing, electrica	l, fire safety, se	ecurity,			
127.		or lightin	g systems?								
128.	If the	answer to an	y of the preced	ing is yes, please e	explain and provi	de copies of any documenta	ation you have	pertaining to such	1		
129.	matte	ers. (Attach ac	ditional sheets	if necessary).							
130.											
131.	What	other materia	al (important) in	formation are you a	aware of concer	ning the Property that might	affect the Buye	er's decision-makir	ng		
132.	proce	ss, the value	of the Property	, or its use? Please	e explain:						
133.											
		ER'S SIGNATUF	RE		MO/DA/YR	^ SELLER'S SIGNATURE		MC	D/DA/YF		
138.		ten Haas R'S NAME PRIN	TED			SELLER'S NAME PRINTED					
139.					_	SELLENS INAIVIE FINITED					
140.	Its	:			_						
141	Revie	ewed and up	dated: I	nitials:	1						
	110110	moa ana ap	aatoa.	nitials:	SELLER	MO/DA/YR					
143. 144. 145. 146.	Seller regard obtain copy	r's knowledge ding the prop n other indepe of this Seller's	e and is not a werty to Buyer's endent profession Property Disc	varranty of any kino satisfaction. Buyer onal counsel as Bu losure Statement.	d. Buyer acknow is encouraged t uyer deems nece	ges that the information of vieldges that it is Buyer's oblico obtain property inspection essary. By signing below, But the Buyer's responsibility an	igation to inve s by an indepe uyer hereby ac	stigate all materia endent third party knowledges recei	al facts and to pt of a		
148.	agent	(s) to investig	jate such items	and to satisfy Buy	er as to the cond	dition of the Property within t	he Buyer's Du	e Diligence Period	j. .		
149.	^ BUYE	ER'S SIGNATUR	E		MO/DA/YR	^ BUYER'S SIGNATURE		MC	D/DA/YF		
150.											
	BUYER'S NAME PRINTED				BUYER'S NAME PRINTED						
151.	Ву	:									
152.	Its	:			_						
				Commercial Seller's	Property Disclosure S	Statement (SPDS)					
				l: February 2008 • Copyi	right © 2008 Arizona	Association of REALTORS®.	les		212		
S	ELLER	SELLER	<initials< th=""><th>/</th><th>All rights reserved. Page 4 of 4</th><th>Initia</th><th>BUYER</th><th>BUYER</th><th></th></initials<>	/	All rights reserved. Page 4 of 4	Initia	BUYER	BUYER			
		•	•		1 aye 4 01 4		-	1,000	360		