

# Heartland 2 – Coolidge, Arizona

## FAQs – Lot Purchase Process

1. I want to buy a lot what do I do?
  - a. Read the following documents.
    - i. The Public Report. [-Public Report-Heartland](#)
    - ii. The Sale Agreement. [-Lot Purchase Contract](#)
    - iii. The FAQs. [-All FAQs](#)
    - iv. The HOA documents. [-HOAs](#)
  - b. Review the site plans. [-Site Plan](#)
  - c. Review the detailed lot plans. [-Individual Site Plans](#)
  - d. Discuss the above with your realtor.
  - e. Review the price lists on our website [-Price List](#)
  - f. Pick your lot then with your realtor follow the Sale Process Check. [-Sale Process Check List](#)
  - g. Fill out and execute the Lot Purchase Contract with your realtor. [-Sale Agreement](#)
  - h. Your realtor will complete the Commission – Brokerage Agreement. [-Broker Agreement](#)
  - i. Email a copy of the Lot Purchase Contract to MK at [ken@mkire.com](mailto:ken@mkire.com)
  - j. If the Lot Purchase Contract is in all respects acceptable to MK then MK will email to you and your realtor an accepted and executed copy to your realtor.

- k. After receiving the accepted Lot Purchase Contract you will then receive instructions about the closing of your sale from the Title Company.
  - l. In the Title Company information will be an identifier number.
  - m. This number is the identifier number for escrow (purchase process).
  - n. When you have this Escrow Number wire the \$3,000 deposit to the Title Company per the instructions herein and ensure you give the bank your Escrow Number. The wiring instructions are at the end of this section.
  - o. Then, you or someone you trust, should inspect the lot.
  - p. About 7 days prior to the sale completion date you will receive closing documents from the Title Company.
  - q. Return the documents executed in the manner requested by the Title Company.
  - r. The Title Company will then advise you of the amount of funds needed to close your sale and the date they will need them.
  - s. Wire the necessary funds per the Title Company's instructions.
  - t. After closing you will receive documents from the Title Company confirming you are the new owner of the lot.
  - u. After closing you will receive information from the HOA management company advising you of your rights and responsibilities as a new member of the Heartland Ranch HOA.
2. Can I have a condition for financing and inspection?
- a. Yes. Clause 2 (a) - Buyer's Contingency - gives you fourteen (14) days from the date of the contract to get financing, review all the documents and, if you want, inspect the site. This clause states that if you don't cancel the contract within the fourteen (14) days then you will have waived this condition. Meaning, silence is acceptance.

3. What is a Title company?
  - a. A Title company handles the escrow and closing procedures. Here is what they do.
  - b. Reviews the preliminary Title Report with the Buyer.
  - c. Provides copies of Title Report to all parties involved.
  - d. Works with Seller to clear any "clouds" on Title such as liens and other encumbrances.
  - e. Prepares Sellers and Buyers Escrow instructions.
  - f. Deposits Buyers earnest and closing funds for Escrow.
  - g. Reviews and complies with Lender's Escrow instructions.
  - h. Expedites new loan funding with Lender.
  - i. Prepares any special Escrow instructions.
  - j. Prepares documents for Public Recordation.
  - k. Distributes monies and documents to appropriate parties.
  - l. Prepares Settlement Statement for Buyer and Seller

4. Can I have my own lawyer in Arizona or in Canada?
  - a. You may if you wish, however this is not common in Arizona where lawyers do not handle the closing of real estate. The Title company represents both the seller and the buyer.
5. Can I buy the lot directly from MK?
  - a. We prefer you use a realtor as we selling 255 lots and because of this number we need the experience and professionalism that realtors bring to the process. MK has structured its marketing and documents to sell through realtors.
6. Do you have a copy of a standard closing cost sheet so I can see how much I will have to pay in total?
  - a. Yes, Click here [– Standard closing Cost](#)
7. Can I buy the lot with a friend?
  - a. Yes, as many as you want may go on title
8. Can a corporation buy the lot?
  - a. Yes
9. If a corporation is going to buy does it have to be registered in Arizona?
  - a. Yes.
10. Has a Canadian government agency approved these documents?
  - a. Alberta law says that as long as a foreign property is sold by a licensed Alberta realtor or by the developer directly there is no requirement to file documents with the Alberta government.
  - b. See [– AB Rules](#)

11. Can I sell my lot at anytime?
  - a. Yes, as you are on title and own your lot “fee simple” you can sell it any time you wish.
12. Can I designate who will get my lot in my will?
  - a. Yes
13. You mentioned a Public Report, what is this?
  - a. The Public Report that must be filed and approved by the state of Arizona and the Federal Government of the United States before a developer can sell residential real estate in Arizona to out of state Americans, and foreign buyers.
14. What is Title Insurance?
  - a. In Arizona private companies provide insurance to confirm you own the property and what is registered against the property. You pay for this policy on the closing of your lot and you will get a copy of the policy.
15. What costs will I pay on closing apart from the purchase price?
  - a. Escrow fees.
  - b. HOA fees.
  - c. Property tax adjustments.
  - d. Title Insurance costs
  - e. Possibly notary fees
  - f. Some courier costs
16. What are the annual property taxes going to be?
  - a. The property tax rate for 2010 in Coolidge is \$11.76 per \$100 of the assessed valuation.
  - b. Assessed valuation is 16% of full cash value, which is something less than market value, approximately 85% of the sales price.

- c. The vacant land tax assessment ratio is 16% of full cash value.
  - i. Here's the calculation for a \$27,000 lot
$$\begin{aligned} \$27,000 \times .85 &= 22,950 \\ 22,950 \times .16 &= 3,672 \\ 3,672 \text{ divided by } 100 &= 36.72 \\ 36.72 \times \$11.73 &= \$ 430.73 \text{ yearly taxes or } \$ 35.89 \text{ per month} \end{aligned}$$
  
- 17. What law firm did the work for the Public Report and the Sale Agreement?
  - a. Squire Sanders and Dempsey of Phoenix did the work and MKI is extremely pleased with the professionalism of this firm.
  - b. Their webpage is <http://www.ssd.com/phoenix/>
  
- 18. Do I have to pay any realtor commissions?
  - a. MK is paying the commissions on the sale of the lots.
  
- 19. How much is the commission being paid to the realtors?
  - a. MK prefers to keep this information confidential.
  
- 20. Do I have to sign the Commission Brokerage Agreement I saw in the Sales Package?
  - a. No. This Agreement is between MK and the realtors.

## Escrow Deposit Instructions – Title Company – \$3,000 US

<b>Title Company</b>	Stewart Title	
<b>Contact Person</b>	Nikki Leonard	
<b>Contact Information</b>	Address	2930 East Camelback Road Phoenix, Arizona 85016
	Direct Line	602 462 8133
	Cellphone	602 677 8104
	Fax Line	602 776 6220
	Email	nleonard@stewartaz.com
	Webpage	<a href="http://www.stewartaz.com">www.stewartaz.com</a>
<b>Banking Instructions</b>	Bank	Wells Fargo
	Address	100 West Washington Street Phoenix, Arizona 85003
	Account Name	Stewart Title & Trust of Phoenix, Inc
	Account Number	7203428268
	ABA	121000248
	Swift Code	WFB IU S6S

### Escrow Number

The Seller or your realtor will have provided this number to you after the Sale Agreement was accepted, and received, by the Title Company. Please reference this number when you wire the deposit.

## Disclaimer

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