



FRONT RANGE REAL ESTATE PROFESSIONALS LLC SELLER ADVISORY

There are many aspects to selling real estate. Here are some of those aspects.

- I. In order to list, your agent will require you to complete or sign various listing documents to include the Exclusive Right to Sell, Seller Property Disclosure, Lead Based Paint for homes older than 1979 and a Square Footage Disclosure. You are required to provide complete information about your water provider (there is a section when completing the Seller Property Disclosure). You are strongly encouraged to be forthcoming with information pertaining to the condition of your property to include past repairs or work performed on the home.
- II. Buyers will in all likelihood conduct a Home Inspection which could also include testing for radon. In addition, they might also have the sewer line scoped (or where sellers have septic, it is likely buyers will request the seller pump, service and have the septic system inspected), water quality tested or well pump inspected. Homes with septic in El Paso County are required to have El Paso County Title Transfer documentation before title can pass title to a new owner. Buyers are permitted to obtain any testing or inspections within the inspection objection time frame and may terminate for any subjective reason. After the inspections, Buyer will typically likely submit an Inspection Objection to which you, the seller, may agree to all or a part of the requested items and your response will be in the form of an Inspection Resolution.
- III. Sellers are required to have CO detectors within 15 feet of any room that could be used for sleeping.
- IV. A home warranty is a product that may be available for purchase at the time of listing or to be provided at closing that may cover some or all of the components of the home. Typically a warranty only covers those items found to be in good working order at the time of inspection. If Seller desires to have a home warranty on the property, Seller is encouraged to evaluate the terms of coverage and financial strength of the company offering the home warranty.
- V. Unless otherwise directed by seller, the agent will order professional photography for your home and it cannot be listed until the photographs are completed and provided to the agent. In addition, a sign and lock box will be provided to you for access to your property.
- VI. FRONT RANGE utilizes a showing service to schedule all showings on your home. You may opt to allow all showings or you can require pre-approval for access. Your agent will work with you to outline the showing plan that best meets your needs. Requests are made to showing agents for feedback, however unfortunately many agents decline to share feedback. Seller should maintain liability and property insurance in a sufficient amount to cover the cost of any loss or damage to Property, Seller's personal property or injury to persons viewing the property during a showing or conducting an inspection.



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- VII. The Multiple Listing Service (MLS) has rules and procedures that the Broker must abide by in order to avoid fines and maintain Broker's MLS privileges. The Broker must comply with the MLS rules and procedures when listing the Property.
 - VIII. Condominiums, as well as some townhomes and single family homes, have mandatory membership in a homeowner's associations (HOA). In such cases, Seller may be required to provide copies of the HOA's governing documents (including the bylaws, minutes and financials) to the buyer under the Contract to Buy and Sell Real Estate. Many HOAs charge a fee to provide this documentation as well as possible fees to transfer to a new owner. These fees are typically seller's responsibility.
 - IX. You will work with your agent to schedule the closing time as specified in the contract. For sellers, a mid-day closing is recommended to ensure funds are available from the buyer and their lender. Please advise your agent and the title company how you would like to receive your funds. In some instances a cashier's check or wire might incur extra charges and wires sent after 2 pm will generally be received the next business day.
 - X. Typically the seller selects the title company to facilitate the closing. Your agent can make recommendations on reputable and reliable title companies. Generally closing fees for the title are less than \$400 and even as low as \$250 and this closing cost is typically split equally between the buyer and seller. The title policy is typically a seller expense. Additional seller expenses include escrowing the taxes not yet paid for the year in which you close (taxes are paid in arrears). Your agent can provide you with an estimated netsheet, but this is just an estimate. Final figures will be provided by your closing/title company.
 - XI. New regulations with lenders might cause delays which are beyond your agent's control or the title company.
- A. **Buyer Possession prior to Closing.** Sometimes, buyers request to move-into the property prior to closing. This can lead to problems for the Seller and is highly discouraged. Seller is strongly encouraged to seek legal counsel before agreeing to allow the buyer to take possession of the property prior to closing.
- B. **Seller Possession after Closing.** Sometimes sellers wish to maintain possession of their property for a short period of time after closing. While this is not unusual, this can also lead to other problems. For instance: the buyer may require the Seller sign a short-term lease with a damage deposit; the buyer may claim the Seller caused damage when moving from the Property; the Property may not have adequate (or appropriate) Property insurance coverage after closing. The Seller is encouraged to seek legal counsel before asking to keep possession of the Property after closing.
- C. **Loan Fraud.** On occasions, sellers are asked to pay money to the buyer or a third party on behalf of the buyer "outside of closing." For example, a buyer may request a payment "outside of closing" in lieu of the Seller fixing inspection items. Such payments without the buyer's lender's approval could constitute the crime of loan fraud. All payments must be shown on the settlement statements at closing.



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D. **Tax Consequences.** Selling real estate could have tax consequences for Seller. Also, Seller may have the ability to defer taxes under certain circumstances (for example, a 1031 exchange). Seller should consult with Seller's accountant or tax attorney.

E. **Property Value.** Broker may provide information concerning the asking or sales prices of properties comparable to the Property. However, the Broker is not a licensed appraiser in the State of Colorado so the Broker cannot make any warranties as to the value of property including the Seller's Property.

F. **Recommendation of Professionals.** Broker may provide Seller with names of attorneys, accountants, appraisers, home warranty companies, title companies, stagers or other professionals. However, Broker cannot guarantee that such professional will provide the lowest price or the best service. Therefore, Seller is strongly encouraged to interview several different professionals before choosing the professional of Seller's choice. In the event Seller is unhappy with a professional referred to Seller by Broker, Seller should notify Broker of Seller's dissatisfaction. Seller should be aware that many state or local governments require certain type of work be done by licensed or registered professionals.

We here at Front Range Real Estate Professionals LLC appreciate you and your business and are here if you have any questions about the selling process.

Additional information regarding roles and types of representation:

Seller's Agent: A seller's agent (or listing agent) works solely on behalf of the seller to promote the interests of the seller with the utmost good faith, loyalty and fidelity. The agent negotiates on behalf of and acts as an advocate for the seller. The seller's agent must disclose to potential buyers all adverse material facts actually known by the seller's agent about the property. A separate written listing agreement is required which sets forth the duties and obligations of the broker and the seller.

Buyer's Agent: A buyer's agent works solely on behalf of the buyer to promote the interests of the buyer with the utmost good faith, loyalty and fidelity. The agent negotiates on behalf of and acts as an advocate for the buyer. The buyer's agent must disclose to potential sellers all adverse material facts actually known by the buyer's agent including the buyer's financial ability to perform the terms of the transaction and, if a residential property, whether the buyer intends to occupy the property. A separate written buyer agency agreement is required which sets forth the duties and obligations of the broker and the buyer.

Transaction-Broker: A transaction-broker assists the buyer or seller or both throughout a real estate transaction by performing terms of any written or oral agreement, fully informing the parties, presenting all offers and assisting the parties with any contracts, including the closing of the transaction without being an agent or advocate for any of the



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parties. A transaction-broker must use reasonable skill and care in the performance of any oral or written agreement, and must make the same disclosures as agents about all adverse material facts actually known by the transaction-broker concerning a property or a buyer's financial ability to perform the terms of a transaction and, if a residential property, whether the buyer intends to occupy the property. No written agreement is required.