



FRONT RANGE REAL ESTATE PROFESSIONALS LLC SELLER ADVISORY

There are many aspects to selling real estate. Here is our company guide for sellers to help explain the process. Post 2024, there are changes from the NAR settlement. More extensive information is available from you Realtor upon request. The good news is Colorado was already complying with all of the changes except offered compensation to a buyer's agent is not longer shown in the MLS listing. Compensation is always negotiable between yourself, your Realtor and what you might want to offer a buyer's broker.

I. In order to list, your agent will require you to complete or sign various listing documents to include the Exclusive Right to Sell (allowing your agent to represent you), Seller Property Disclosure (form where you need to disclose all present and past conditions of the property – we encourage overdisclosure!), Lead Based Paint for homes older than 1978 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. In addition, your agent will prepare Closing Instructions where seller gives permission to a title agency to complete the closing transaction on their behalf. NOTE if seller is a foreign person or entity for purposes of FIRPTA, this must be disclosed to all parties and agents at the beginning of the transaction. There could be tax consequences for sales by foreign persons or entities. Consult your tax advisor if this might be a concern.

II. Buyers will, in all likelihood, conduct a Home Inspection. Inspections can include testing for radon, lead, asbestos, sewer line issues, septic systems, well, water quality, structural concerns and others. Where sellers have septic, it is likely buyers will request the seller pump, service and have the septic system inspected and in some counties such as El Paso, this is a legal requirement to obtain title transfer documents from the department of health. Buyers are

permitted to obtain testing or inspections within the inspection objection time frame and may terminate for any subjective reason. After the inspections, Buyer will typically (and 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 which can be a back and forth process. The objection just outlines the scope of the items buyers want seller to repair.

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 Front Range 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.

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. This may limit the content or amount of information that can be provided to the public in remarks.

VIII. Condominiums, as well as some townhomes and single family homes usually 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) as well as a status letter from their HOA outlining they are in compliance with HOA requirements, 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 unless otherwise noted in the purchase contract.

IX. Seller will work with agent and title agency 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 collecting for final water bill, recording and other miscellaneous fees and escrowing the taxes not yet paid for the year in which you close (taxes are paid in arrears) to credit to the buyer. 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. Lender regulations might cause delays which are beyond your agent's control or the title company.

XII. Possession is typically after closing and funding (same day), but this date is outlined in the Contract. Sometimes, buyers request to move-into the property prior to closing. This can lead to problems for the Seller and is discouraged. Seller is strongly encouraged to seek legal counsel before agreeing to allow the buyer to take possession of the property prior to closing.

XIV. Seller Possession after Closing can sometimes be negotiated. This is typically for short period of time after closing and some lenders require buyers to have possession in fewer than 60 days from 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 or a Post Occupancy; the buyer may claim the Seller caused damage when moving from the Property (and a deposit might be requested but it is limited; the Property may not have adequate (or appropriate) Property insurance coverage after closing, so a renter's policy might be required. The Seller is encouraged to seek legal counsel before asking to keep possession of the Property after closing. At a minimum, the parties will need to execute a Post Occupancy Agreement to address this possession.

XV. 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 lender approval could constitute the crime of loan fraud. All payments must be shown on the settlement statements at closing.

XVI. Tax Consequences can be associated with any sale. 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.

XVII. 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.

XVIII. Recommendation of Professionals. Broker may provide Seller with names of attorneys, accountants, appraisers, home warranty companies, title companies, stagers or other professionals. Broker cannot guarantee that such professionals 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 so that we can properly adjust our list of recommended professionals. Seller should be aware that many state or local governments require certain type of work be done by licensed or registered professionals.

XIX. Disclosures and Property Condition are important parts of listing and selling a property. Front Range Real Estate Professionals is not responsible for a seller's failure to disclose important or material facts or information pertinent to the property. Further, should your Realtor be aware of any material fact pertaining to the property, they are REQUIRED to disclose to potential buyers.

For instance, should a property be identified as having or potentially having geologic or other natural or other hazards, to extent known by the agent, it will be disclosed and Front Range strongly recommends that sellers also disclose any and all material facts or conditions known. Should a property be found to be on the follow list, this information will be disclosed to potential buyers:

<https://cologeosurvey.maps.arcgis.com/apps/webappviewer/index.html?id=5e7484a637c4432e84f4f16d0af306d3>

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 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.