

# THE INFORMED SELLER'S GUIDE



Atlanta Fine  
Homes

Sotheby's  
INTERNATIONAL REALTY

Compliments of Atlanta Fine Homes Sotheby's International Realty | MMXXI



## *THE PRE-LISTING PROCESS*

Preparing Your Home for Sale  
Pre-Inspection Myths  
Advantages of Pre-Inspections  
Seller's Property Disclosure Statement

4

## *THE SHOWING PROCESS*

Showing Your Home  
Showing Expectations  
21 Factors That Affect the Sale Price  
of a Home

19

## *THE APPRAISAL PROCESS*

What is an Appraisal  
Quick Fixes

33

## *THE CLOSING PROCESS*

What is a Closing?  
Who Does What?  
Debits and Credits  
What Should I Bring to Closing?  
Problems at Closing  
Pre-Closing and Closing Checklist

45

## *THE MARKETING PROCESS*

Introduction  
Promoting Your Property  
Advertising Options for Your Home

16

## *THE CONTRACT PROCESS*

Writing the Contract: Glossary of Terms  
Purchase and Sale Agreement

22

## *THE INSPECTION PROCESS*

Buyer's Right to Inspect  
Frequently Asked Questions  
Do-It-Yourself Repairs  
What Should I Know About Termites?  
What Should I Know About Mold?  
What Should I Know About Lead-Based  
Paint?

37

## *THE MOVING PROCESS*

Moving Checklist  
Packing List by Room

49



# THE PRE-LISTING PROCESS

## PREPARING YOUR HOME FOR SALE

Home is where your heart is. Houses, on the other hand, are commodities sold on the open market. You are getting ready to sell a house. Most people do not really see their houses after they have lived there for a while. They do not notice the effects of gradual physical deterioration and junk accumulation. Little stuff to them; not so little stuff to a buyer! If you make the right improvements when preparing your house to sell, you increase the odds of selling it quickly for top dollar. If you do nothing or if you make the wrong changes to your property, you waste the time and money you spent, prolong the sale or reduce the ultimate sale price.

### THE EXTERIOR

Buyers generally decide if they want to see the inside within 20 seconds of viewing the external attractiveness (curb appeal) of your property. No matter how magnificent your house is on the inside, many buyers will drive by without even stopping if the curb appeal doesn't say, "I'm loved, and I'm cared for." The following, at a minimum, should be addressed when you put your house on the market:

- Attractive landscaping provides instant curb appeal.
- Keep the lawn mowed and tidy. Freshen the flower beds. Add fresh pine straw or chips.
- If the exterior paint is old and not in top condition - paint. A bucket of paint provides a good return on investment! On top of making your house look better, psychologically it translates to the buyer that you love the house so much that you take care of it. That counts.
- Repair/replace torn window screens.
- Replace cracked window panes.
- Make sure windows are operable.
- Wash windows so they sparkle.
- Pressure wash the deck if necessary.
- Clean the gutters.
- If the roof is stained, have it professionally cleaned.

### THE INTERIOR

Exteriors attract, but interiors sell! Curb appeal draws buyers into your house, but appealing, well cared for interiors make the sale. You do not usually have to spend thousands of dollars on your house prior to putting up the For Sale sign. On the contrary, little things you do generally give the biggest increase in value.

#### *Concentrate on the Three Cs*

Clean it up, clear the clutter and make cosmetic improvements.

#### *Clean, Scrub and Polish*

Your stove, oven, refrigerator, microwave oven and other appliances must be spotless inside and out. Scour walls, floors, bathtubs, showers and sinks until they sparkle. Buyers will notice strong smells as soon as they walk through your front door, so eliminate smoke, mildew and pet odors. Cleaning drapes and carpets helps get rid of odors. Dehumidifiers help musty basements. If you are a smoker, clean all ashtrays daily. Use air fresheners or citrus-scented potpourri to keep your house odor-free. Whether you do the work or hire someone, make sure that your house is spotless and odorless.

#### *Clear Out the Clutter*

Clutter can reduce your house's value. Clear away kitchen counters and keep dirty dishes out of the sink. Eliminating clutter and excess furniture makes rooms appear larger. Recycle those stacks of old magazines and newspapers you have been saving for no good reason. Dump all that junk you have accumulated over the years in your attic and basement. Closet space sells houses. Get rid of all those clothes you do not wear any more. Clean those closets out and organize them. Make them look large and roomy! Do the same with built-in drawers. Like it or not, serious buyers will inspect your closets and built-in drawers.

#### *Make Cosmetic Improvements*

Painting isn't expensive if you do it yourself, but be careful when selecting colors. Avoid bold colors with strong visual impact. Stick to conventional soft whites and other neutral colors that will not clash with most prospective buyers' tastes. If your finished basement is dark and gloomy, paint the walls and ceiling a light color.

Pay attention to everything in your house that could cause the buyer to "reduce your price." Find it and repair it before you put it on the market. Look for any hairline cracks over doors or windows and nail pops in sheetrock. Locate any ceiling stains and the source of the leak. Check for windows with cracked panes or that don't open and shut properly. Watch for doors that stick, do not close or slide properly. Check bathrooms for signs of mildew, rust stains in sinks and toilets, missing tiles or grout or inadequate caulking around tubs. Check for drippy faucets, slow draining sinks and tubs, broken mirrors, etc. Check all kitchen appliances that remain with the property.





## PRE-INSPECTION MYTHS

### COUNT ON IT! PURCHASERS WILL HAVE YOUR PROPERTY THOROUGHLY INSPECTED BEFORE BUYING IT.

Expect inspectors to poke into everything - your house's roof, chimney, gutters, plumbing, electrical wiring, heating and cooling systems, insulation, smoke detectors, all the permanent appliances and fixtures in your kitchen and bathrooms, and the foundation. They will also check for health, safety, and environmental hazards. You can bet that they'll also look for damage from wood-destroying insects (carpenter ants, termites and powder-post beetles) as well as dry rot and fungus infections. Whew! The question is, what do you, the seller, do about inspections? Pre-inspect before the buyer, or wait until the buyer inspects to respond?

In the State of Georgia, a seller must disclose any known defects to prospective buyers via a Seller's Property Disclosure that is made a part of the sales agreement. For this reason, some real estate agents argue against getting a house inspected before putting it on the market. These agents point out that you can't tell buyers about problems if you don't know that the problems exist. They also believe that handing buyers a long list of repair problems as they enter your house will turn many of them off. They recommend getting buyers emotionally committed to the property first, before their own inspectors drop the bomb.

That line of reasoning is based on an ostrich-like logic: What you don't know can't get you into trouble – for a while, anyway.

Some agents may also use a second argument to convince sellers not to get pre-inspections on their property. Buyers generally won't believe anything in reports paid for by sellers. According to these agents, buyers suspect that you will hire a go-easy inspector to falsely report that your house is as solid as the Rock of Gibraltar. So, why spend several hundred dollars on an inspection report that buyers won't believe? Or worse yet, the buyer will still inspect and come up with still more.

You can find a nugget of truth in both these arguments. On the other hand, the best defense is a good offense. Beat buyers to the punch. Get your inspections before they get theirs. Discover everything wrong with your house before putting it on the market. Defusing a crisis begins by discovering that a problem exists. Consider these four reasons for having your property thoroughly inspected before marketing.

**SPECIAL NOTE:** As the seller, you do have the option to market your home "as-is."

## ADVANTAGES OF PRE-INSPECTIONS

### DAMAGE CONTROL

Suppose that your house has a structural defect. Why wait passively for an ultimatum to fix the defect after you have already negotiated your best price or else kiss the deal goodbye? If you discover the problem before marketing the house, you can either disclose it to prospective buyers with a repair estimate and price accordingly; or you can have the work done by a competent specialist (with work orders, costs and guarantees) before putting the house up for sale. Either way, your negotiating position is much stronger if you know about problems in advance and accurately know the cost to correct them.

**SPECIAL NOTE:** It's a pretty safe bet you will not be invited to join the buyers when their property inspector goes through your property. Having your own pre-inspection gives you and, if you like, your agent, the opportunity to tag along with the inspector. There is no substitute for seeing defects with your own eyes.

### FINANCIAL PLANNING

Chances are you are going to be buying another house. Therefore, it is very important to have a realistic estimate of your net proceeds of sale before committing to buy your next home. Flaws hidden out of sight, behind walls or concealed in inaccessible areas, such as under your house or up in the attic where you can't see them, are time bombs. Defects you cannot see and do not know about such as faulty wiring, termite damage, a cracked heat exchanger in your furnace, dry rot, asbestos insulation, lead in your water pipes, and so on, are potential deal killers. A good pre-marketing inspection can reveal all these problems. Asking prices aren't sales prices. If your house needs major repairs, you will pay for them one way or another. You can have repairs done before the sale, reduce your asking price to reflect the cost of repairs, or give buyers an escrow credit to do the work themselves. Remember, buyers will always ask for more dollars than the repairs may actually cost.

### FINE TUNING

Professional property inspectors can help you spot minor defects such as dirty filters in the heating system, ventilation problems in the basement, garage, or crawl space, blocked gutters, loose door knobs, stuck windows, a missing chimney hood or spark arrester and so on. Eliminating small maintenance problems like these give prospective buyers who tour the property a favorable and correct impression that your house is extremely well maintained.

### PEACE OF MIND

The inspector alerts you to health and safety precautions you should take. Install smoke detectors, ground electrical outlets, keep flammable products away from furnaces, heaters and fireplaces. These are examples that make your house safer for the next owner and safer for you as long as you continue living in it.

### LOCATING PROPERTY INSPECTORS

Locating house inspectors is usually quite easy. One good source of property inspectors is your real estate agent. Ask for a list of names of property inspectors who perform only property inspections. Good professional inspectors earn their living solely from inspection fees and do not do corrective work.





SELLER’S PROPERTY DISCLOSURE STATEMENT

While caveat emptor, or buyer beware, is still generally the law in Georgia, there are three situations where a seller of residential real estate can be held liable if he fails to disclose defects in the property.

- 1. When the seller knowingly lies about an existing concealed defect (active fraud).
- 2. When the seller doesn’t lie but takes steps to prevent discovery of a concealed defect.
- 3. When a seller knows about a concealed defect and does not attempt to conceal it, but makes no disclosures of its existence.

The Georgia Association of REALTORS® developed a unique tool for the purpose of helping a seller disclose defects in his property. It is a list of questions relative to the physical condition of the seller’s property called Seller’s Property Disclosure Statement. The GAR contract provides that this form become a part of the sales contract, and assumes that the buyer will see this list prior to making an offer on that particular property.

Sellers are not obligated to complete this form since we are still a caveat emptor state, but the seller should be aware that:

- 1. Failure to complete the statement does not relieve the seller of disclosing any known defects.
- 2. Refusing to complete the statement might not be in his best interest. Use of such a form is becoming more customary in the industry and a buyer might be very reluctant to purchase a property where no statement has been completed.
- 3. Completing the statement but answering “I don’t know” in all areas will not protect the seller from the disclosure obligations listed above.



SELLER’S PROPERTY DISCLOSURE STATEMENT

Atlanta Fine Homes

Sotheby’s INTERNATIONAL REALTY

SELLER’S PROPERTY DISCLOSURE STATEMENT EXHIBIT “ ”



2021 Printing

This Seller’s Property Disclosure Statement (“Statement”) is an exhibit to the Purchase and Sale Agreement with an Offer Date of \_\_\_\_\_ for the Property (known as or located at: \_\_\_\_\_, Georgia, \_\_\_\_\_). This Statement is intended to make it easier for Seller to fulfill Seller’s legal duty to disclose hidden defects in the Property of which Seller is aware. Seller is obligated to disclose such defects even when the Property is being sold “as-is.”

A. INSTRUCTIONS TO SELLER IN COMPLETING THIS STATEMENT.

- In completing this Statement, Seller agrees to:
- (1) answer all questions in reference to the Property and the improvements thereon;
  - (2) answer all questions fully, accurately and to the actual knowledge and belief of all Sellers;
  - (3) provide additional explanations to all “yes” answers in the corresponding Explanation section below each group of questions, unless the “yes” answer is self-evident;
  - (4) promptly revise the Statement if there are any material changes in the answers to any of the questions prior to closing and provide a copy of the same to the Buyer and any Broker involved in the transaction.

B. HOW THIS STATEMENT SHOULD BE USED BY BUYER. Caveat emptor or “buyer beware” is the law in Georgia. Buyer should conduct a thorough inspection of the Property. If Seller has not occupied the Property recently, Seller’s knowledge of the Property’s condition may be limited. Buyer is expected to use reasonable care to inspect the Property and confirm that is suitable for Buyer’s purposes. If an inspection of the Property reveals problems or areas of concern that would cause a reasonable Buyer to investigate further, Buyer should investigate further. A “yes” or “no” answer to a question means “yes” or “no” to the actual knowledge and belief of all Sellers of the Property.

C. SELLER DISCLOSURES.

1. GENERAL:	YES	NO
(a) What year was the main residential dwelling constructed? _____		
(b) Is the Property vacant? _____ If yes, how long has it been since the Property has been occupied? _____		
(c) Is the Property or any portion thereof leased? _____		
(d) Has the Property been designated as historic or in a historic district where permission must be received to make modifications and additions? _____		

EXPLANATION:

2. COVENANTS, FEES, and ASSESSMENTS:	YES	NO
(a) Is the Property subject to a recorded Declaration of Covenants, Conditions, and Restrictions (“CC&Rs”) or other similar restrictions? _____		
(b) Is the Property part of a condominium or community in which there is a community association? IF YES, SELLER TO COMPLETE AND PROVIDE BUYER WITH A “COMMUNITY ASSOCIATION DISCLOSURE EXHIBIT” GAR F322.		

EXPLANATION:

3. LEAD-BASED PAINT:	YES	NO
(a) Was any part of the residential dwelling on the Property or any painted component, fixture, or material used therein constructed or manufacture prior to 1978? IF YES, THE “LEAD-BASED PAINT EXHIBIT” GAR F316 MUST BE EXECUTED BY THE PARTIES AND THE “LEAD-BASED PAINT PAMPHLET” GAR CB04 MUST BE PROVIDED TO THE BUYER.		

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F301, Seller’s Property Disclosure Statement Exhibit, Page 1 of 7, 01/01/21



4. STRUCTURAL ITEMS, ADDITIONS AND ALTERATIONS:	YES	NO
(a) Has there been any settling, movement, cracking or breakage of the foundations or structural supports of the improvements?		
(b) Have any structural reinforcements or supports been added?		
(c) Have there been any additions, structural changes, or any other major alterations to the original improvements or Property, including without limitation pools, carports or storage buildings?		
(d) Has any work been done where a required building permit was not obtained?		
(e) Are there violations of building codes, housing codes, or zoning regulations (not otherwise grandfathered)?		
(f) Have any notices alleging such violations been received?		
(g) Is any portion of the main dwelling a mobile, modular or manufactured home?		
(h) Was any dwelling or portion thereof (excluding mobile, modular and manufactured dwelling) moved to the site from another location?		
EXPLANATION:		

5. SYSTEMS and COMPONENTS:	YES	NO
(a) Approximate age of HVAC system(s): _____ years		
(b) Has any part of the HVAC system(s) been replaced during Seller's ownership?		
(c) Date of last HVAC system(s) service: _____		
(d) Is any heated and cooled portion of the main dwelling not served by a central heating and cooling system?		
(e) Is any portion of the heating and cooling system in need of repair or replacement?		
(f) Does any dwelling or garage have aluminum wiring other than in the primary service line?		
(g) Are any fireplaces decorative only or in need of repair?		
(h) Have there been any reports of damaging moisture behind exterior walls constructed of synthetic stucco?		
(i) Are any systems/components subject to a lease or rental payment plan (i.e. HVAC, security system, appliances, solar systems, etc.)?		
EXPLANATION:		

6. SEWER/PLUMBING RELATED ITEMS:	YES	NO
(a) Approximate age of water heater(s): _____ years		
(b) What is the drinking water source: <input type="checkbox"/> public <input type="checkbox"/> private <input type="checkbox"/> well		
(c) If the drinking water is from a well, has there ever been a test the results of which indicate that the water is not safe to drink?		
(d) What is the sewer system: <input type="checkbox"/> public <input type="checkbox"/> private <input type="checkbox"/> septic tank		
(e) If the Property is served by a septic system, how many bedrooms was the septic system approved for by local government authorities?		
(f) Is the main dwelling served by a sewage pump?		
(g) Has any septic tank or cesspool on Property ever been professionally serviced?		
If yes, please give the date of last service: _____		
(h) Are there any leaks, backups, or other similar problems with any portion of the plumbing, water, or sewage systems or damage therefrom?		
(i) Is there presently any polybutylene plumbing, other than the primary service line?		
(j) Has there ever been any damage from a frozen water line, spigot, or fixture?		
EXPLANATION:		

7. ROOFS, GUTTERS, and DOWNSPOUTS:	YES	NO
(a) Approximate age of roof on main dwelling: _____ years.		
(b) Has any part of the roof been repaired during Seller's ownership?		
(c) Are there any roof leaks or other problems with the roof, roof flashing, gutters, or downspouts?		
EXPLANATION:		

8. FLOODING, DRAINING, MOISTURE, and SPRINGS:	YES	NO
(a) Is there now or has there been any water intrusion in the basement, crawl space or other parts of any dwelling or garage or damage therefrom?		
(b) Have any repairs been made to control water intrusion in the basement, crawl space, or other parts of any dwelling or garage?		
(c) Is any part of the Property or any improvements thereon presently located in a Special Flood Hazard Area?		
(d) Has there ever been any flooding?		
(e) Are there any streams that do not flow year round or underground springs?		
(f) Are there any dams, retention ponds, storm water detention basins, or other similar facilities?		
EXPLANATION:		

9. SOIL AND BOUNDARIES:	YES	NO
(a) Are there any landfills (other than foundation backfill), graves, burial pits, caves, mine shafts, trash dumps or wells (in use or abandoned)?		
(b) Is there now or has there ever been any visible soil settlement or movement?		
(c) Are there presently any encroachments, unrecorded easements or boundary line disputes with a neighboring property owner?		
(d) Do any of the improvements encroach onto a neighboring property?		
EXPLANATION:		

10. TERMITES, DRY ROT, PESTS, and WOOD DESTROYING ORGANISMS:	YES	NO
(a) Is there any damage or hazardous condition resulting from animal intrusion (such as squirrels, bats, mice, possum or raccoons); insects (such as termites, bees and ants); or by fungi or dry rot?		
(b) Is there presently a bond, warranty or service contract for termites or other wood destroying organisms by a licensed pest control company?		
If yes, is the cost to transfer? \$ _____ What is the annual cost? _____		
If yes, company name/contact: _____		
Coverage: <input type="checkbox"/> re-treatment and repair <input type="checkbox"/> re-treatment <input type="checkbox"/> periodic inspections only		
Expiration Date _____ Renewal Date _____		
(c) Is there a cost to maintain the bond, warranty or service contract?		
If yes, what is the annual cost? \$ _____		
EXPLANATION:		



11.	<b>ENVIRONMENTAL, HEALTH, and SAFETY CONCERNS:</b>	<b>YES</b>	<b>NO</b>
(a)	Are there any underground tanks or toxic or hazardous substances such as asbestos?		
(b)	Has Methamphetamine ("Meth") ever been produced on the Property?		
(c)	Have there ever been adverse test results for radon, lead, mold or any other potentially toxic or environmentally hazardous substances?		
<b>EXPLANATION:</b>			

12. <b>LITIGATION AND INSURANCE:</b>	<b>YES</b>	<b>NO</b>
(a) Is there now or has there been any litigation therein alleging negligent construction or defective building products?		
(b) Has there been any award or payment of money in lieu of repairs for defective building products or poor construction?		
(c) Has any release been signed regarding defective products or poor construction that would limit a future owner from making any claims?		
(d) During Seller's ownership have there been any insurance claims for more than 10% of the value of the Property?		
(e) Is the Property subject to a threatened or pending condemnation action?		
(f) How many insurance claims have been filed during Seller's ownership? _____		

EXPLANATION:
SAMPLE

13. <b>OTHER HIDDEN DEFECTS:</b>	YES	NO
(a) Are there any other hidden defects that have not otherwise been disclosed?		

EXPLANATION:

<b>14. AGRICULTURAL DISCLOSURE:</b>	<b>YES</b>	<b>NO</b>
(a) Is Property within, partially within, or adjacent to any property zoned or identified on an approved county land use plan as agricultural or forestry use?		

It is the policy of this state and this community to conserve, protect, and encourage the development and improvement of farm and forest land for the production of food, fiber, and other products, and also for its natural and environmental value. This notice is to inform prospective property owners or other persons or entities leasing or acquiring an interest in real property that property in which they are about to acquire an interest lies within, partially within, or adjacent to an area zoned, used, or identified for farm and forest activities and that farm and forest activities occur in the area. Such farm and forest activities may include intensive operations that cause discomfort and inconveniences that involve, but are not limited to, noises, odors, fumes, dust, smoke, insects, operations of machinery during any 24-hour period, storage and disposal of manure, and the application by spraying or otherwise of chemical fertilizers, soil amendments, herbicides, and pesticides. One or more of these inconveniences may occur as the result of farm or forest activities which are in conformance with existing laws and regulations and accepted customs and standards.

**ADDITIONAL EXPLANATIONS** (If needed):

**SAMPLE**



D. FIXTURES CHECKLIST

**Directions on HOW TO USE:** It is often unclear what constitutes a fixture which remains with the Property versus personal property which does not remain with the Property. **To avoid disputes, Seller shall have the right to remove all items on the checklist below that are left blank. THE ITEMS ON THE CHECKLIST BELOW THAT ARE CHECKED OR MARKED SHALL REMAIN WITH THE PROPERTY.** All items remaining with Property shall include remotes and/or all accessories necessary for use. Unless otherwise indicated, if an item is left blank, the Seller may remove all of that item from the Property. For example, if “Refrigerator” is left blank, Seller may remove all Refrigerators on the Property. This checklist is intended to supersede the common law of fixtures with regard to the items below. The common law of fixtures shall apply to all items not on this checklist. Seller shall remove all items left blank below prior to closing or the transfer of possession, whichever is later. Seller shall lose the right to remove those items not timely removed but shall remain liable for the cost of Buyer having to dispose of such items provided that Buyer disposes of them within 30 days after Closing. In removing items, Seller shall use reasonable care to prevent and repair damage to the area where the item was removed.

Items identified as remaining with the Property shall mean those specific items as they existed in the Property as of the Offer Date. No such item shall be removed from the Property unless it is broken or destroyed. In the event such item is removed, it shall be replaced with a substantially identical item, if reasonably available. If not reasonably available, it shall be replaced with a substantially similar item of equal quality and value, or better. The same or newer model of the item being replaced in the same color and size and with the same functions or better shall be considered substantially identical. This section entitled “Fixtures Checklist” shall survive Closing.

- Appliances

☐ Clothes Dryer

☐ Clothes Washing Machine

☐ Dishwasher

☐ Garage Door Opener

☐ Garbage Disposal

☐ Ice Maker

☐ Microwave Oven

☐ Oven

☐ Refrigerator w/o Freezer

☐ Refrigerator/Freezer

☐ Free Standing Freezer

☐ Stove

☐ Surface Cook Top

☐ Trash Compactor

☐ Vacuum System

☐ Vent Hood

☐ Warming Drawer

☐ Wine Cooler

Home Media

☐ Amplifier

☐ Cable Jacks

☐ Cable Receiver

☐ Cable Remotes

☐ Intercom System

☐ Internet HUB

☐ Internet Wiring

☐ Satellite Dish

☐ Satellite Receiver

☐ Speakers

☐ Speaker Wiring

☐ Switch Plate Covers

☐ Television (TV)

☐ TV Antenna

☐ TV Mounts/Brackets

☐ TV Wiring

Interior Fixtures

☐ Ceiling Fan

☐ Chandelier

☐ Closet System

☐ Fireplace (FP)

☐ FP Gas Logs

☐ FP Screen/Door

☐ FP Wood Burning Insert

☐ Light Bulbs

☐ Light Fixtures

☐ Mirrors

☐ Wall Mirrors

☐ Vanity (hanging)

☐ Mirrors

☐ Shelving Unit & System

☐ Shower Head/Sprayer

☐ Storage Unit/System

☐ Window Blinds (and Hardware)

☐ Window Shutters (and Hardware)

☐ Window Draperies (and Hardware)

☐ Unused Paint

Landscaping / Yard

☐ Arbor

☐ Awning

☐ Basketball Post and Goal

☐ Birdhouses

☐ Boat Dock

☐ Fence - Invisible

☐ Dog House

☐ Flag Pole

☐ Gazebo

☐ Irrigation System

☐ Landscaping Lights

☐ Mailbox

☐ Out/Storage Building

☐ Porch Swing

☐ Statuary

☐ Stepping Stones

☐ Swing Set

☐ Tree House

☐ Trellis

☐ Weather Vane

Recreation

☐ Aboveground Pool

☐ Gas Grill

☐ Hot Tub

☐ Outdoor Furniture

☐ Outdoor Playhouse

☐ Pool Equipment

☐ Pool Chemicals

☐ Sauna

Safety

☐ Alarm System (Burglar)

☐ Alarm System (Smoke/Fire)

☐ Security Camera

☐ Carbon Monoxide Detector

☐ Doorbell

☐ Door & Window Hardware

☐ Fire Sprinkler System

☐ Gate

☐ Safe (Built-In)

☐ Smoke Detector

☐ Window Screens

Systems

☐ A/C Window Unit

☐ Air Purifier

☐ Whole House Fan

☐ Attic Ventilator Fan

☐ Ventilator Fan

☐ Car Charging Station

☐ Dehumidifier

☐ Generator

☐ Humidifier

☐ Propane Tank

☐ Propane Fuel in Tank

☐ Fuel Oil Tank

☐ Fuel Oil in Tank

☐ Sewage Pump

☐ Solar Panel

☐ Sump Pump

☐ Thermostat

☐ Water Purification System

☐ Water Softener System

☐ Well Pump

Other

☐

☐

☐

☐

**Clarification Regarding Multiple Items.** Items identified above as remaining with Property where Seller is actually taking one or more of such items shall be identified below. For example, if “Refrigerator” is marked as staying with the Property, but Seller is taking the extra refrigerator in the basement, the extra refrigerator and its location shall be described below. This section shall control over any conflicting or inconsistent provisions contained elsewhere herein.

**Items Needing Repair.** The following items remaining with Property are in need of repair or replacement:

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F301, Seller's Property Disclosure Statement Exhibit, Page 6 of 7, 01/01/21

RECEIPT AND ACKNOWLEDGEMENT BY BUYER

Buyer acknowledges receipt of this Seller's Property Disclosure Statement.

1 Buyer's Signature

Print or Type Name

Date

2 Buyer's Signature

Print or Type Name

Date

☐ Additional Signature Page (F267) is attached.

SELLER'S REPRESENTATION REGARDING THIS STATEMENT

Seller represents that the questions in this Statement have been answered to the actual knowledge and belief of all Sellers of the Property

1 Seller's Signature

Print or Type Name

Date

2 Seller's Signature

Print or Type Name

Date

☐ Additional Signature Page (F267) is attached.

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F301, Seller's Property Disclosure Statement Exhibit, Page 7 of 7, 01/01/21

14

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15



# THE MARKETING PROCESS

## INTRODUCTION

Not all homes are created equal and neither are all REALTORS®. What sets Atlanta Fine Homes Sotheby's International Realty apart is our dedication to the highest level of performance for our clients. The marketing of your property is of utmost importance. The goal of our marketing plan is to touch every possible prospect for your home through internet promotion, print media, direct mail and focused distribution of information to agents in your area.

It has been reported that over 95% of all first inquiries regarding real estate are through the internet. Therefore, we have placed critical importance on the use of both technology and fundamental applications to ensure you the most satisfaction throughout the process of marketing your property.

We have developed a comprehensive media campaign to introduce your property to the market. It includes local advertising, direct mail to neighbors and past clients, and email promotion to agents in the community who are most likely to have clients with an interest in your property.

Teamwork is a vital component of a successful campaign to sell your home. Your responsibility is to make sure that your house is in the best showing condition possible before we begin our promotion and advertising. We can assist you with a checklist of important details and the names of resources to help you complete any needed repairs.



## PROMOTING YOUR PROPERTY

Effective marketing with consistent promotions is the key to success. In selling real estate, there needs to be a comprehensive strategy designed to attract buyers to your property. At Atlanta Fine Homes Sotheby's International Realty, the selling of your property involves more than just an ad in the paper, a sign in the yard, and waiting for a buyer. In reviewing the various forms of marketing, the Internet has been proven to be a very effective means of marketing your home. Research by the National Association of REALTORS® shows that nearly 100% of all homebuyers use the Internet to shop for their home. Rather than tackling the complicated buying process by themselves, 89% of Internet home shoppers worked with a real estate agent. Therefore, we will use a comprehensive plan that includes promoting your home to colleagues throughout the area to expose your home to the most buyers.

### INTERNET

All Atlanta Fine Homes Sotheby's International Realty's listings are featured on the world's most powerful media sites and real estate-focused websites in the world, including: Zillow, Trulia, Realtor.com, WSJ.com, FinancialTimes.com, Juwai.com and more.

### ANNOUNCEMENT IN SALES MEETING

Your home will be introduced to all Atlanta Fine Homes Sotheby's International Realty sales associates via virtual caravan. The presentation includes color photos of the exterior and interior, as well as details about your home. This is the first opportunity to market your home to real estate professionals.

### BROKER OPEN

On the first available Tuesday, key agents and brokers will be invited to tour your home. A catered lunch, or other incentives, will be offered to draw as many agents as possible, thus maximizing exposure for your property. Any feedback from the agent tour will be provided to you immediately.

### OPEN HOUSE

If desired, public open houses will be held periodically, providing an opportunity for potential buyers to tour your home.

### MARKET EXPOSURE

In addition to the strong Internet presence we offer our clients, our company and listings may be marketed in various print media such as the Neighbor Newspapers, Dunwoody Crier, Alpharetta-Roswell Herald, Marietta Daily Journal and more. Color brochures will also be created for display at your home.

### RELOCATION CONNECTIONS

Prospects for your home come from relocation services, corporations, executive search firms and fellow associates who keep track of potential buyers moving into the Atlanta area.

### REFERRAL NETWORKS

Your home will be promoted by word of mouth to a personal network of fellow sales associates as well as my sphere of influence and past clients.

### STATUS UPDATES

You will receive an update on market activity as we go along and you will find out the responses to your property by buyers and agents. Every 30 days, we will review current market statistics and at this time will discuss adjustments or recommendations that may be necessary to reposition your home in the market in order to accelerate a satisfactory sales agreement.



# ADVERTISING OPTIONS FOR YOUR HOME

Together we will customize an advertising campaign to target potential buyers for your home. In order to choose the most appropriate advertising, it is important to consider your timeline, your marketing goals and the demographics of qualified buyers. Below is a list of our most effective print and online advertising selections. We may advertise in the following media outlets:

- Alpharetta-Roswell Herald
  - Atlanta INtown
  - Cherokee Ledger
  - Dunwoody Crier
  - Forsyth Herald
  - Johns Creek Herald
  - Marietta Daily Journal
- Milton Herald
  - Neighbor Papers (Northside, Sandy Springs, Vinings)
  - Featured Home of the Day on Blog.AtlantaFineHomes.com
  - Promoted/Featured Posts on Facebook and Instagram
  - Introducing Postcard
  - RESIDE Magazine



# THE SHOWING PROCESS

## SHOWING YOUR HOME

You are ready! You've cleaned, scrubbed, polished, shined, repaired and staged. You are now ready to "bring on the buyers." However, there are a few final things you can do to maximize the showing process.

### BRIGHT, WELL-LIT HOUSES SEEM MORE CHEERFUL, INVITING AND SPACIOUS

Keep draperies and blinds open to let in light. Turn on all lamps in every room (even during the day to brighten the room). Turn on all hallway and stairwell lights. Turn on lights in closets, over countertops and cook tops. At night, turn on porch lights and outdoor lighting.

### MAKE IT LOOK LIVED-IN

Add bowls of fresh fruit to countertops and fresh flowers to a table. Create fragrant aromas, such as fresh baked cookies, brewed coffee or cinnamon simmering on the stove. Set the table with attractive, color coordinated place mats, napkins, china, etc.

### MAKE YOURSELF SCARCE DURING SHOWINGS

If the buyer comes in with an agent, it is best to leave while the property is being shown. It is very intimidating to buyers to have the owner hover over them while they are touring the property. They don't feel free to explore closets, cabinets and all those nooks and crannies that every serious buyer wants to inspect. Secondly, hovering over buyers often sends the wrong signals – signals that you are extremely anxious to sell, possibly resulting in a low offer. Sometimes the most important information you get from a showing is the reason a buyer doesn't like the property. Correcting a problem or overcoming an objection starts with finding out that there is one.

### TAKE CARE AND PROTECT YOUR VALUABLES

Unfortunately, we do not live in a perfect world. Therefore, the best plan is to make certain there is no open invitation. Before your house is shown, you should take care that all expensive jewelry, loose money, credit cards, blank checks and any other small valuables are put in a safe place and out of harm's way. These measures are important throughout the listing period, but they are especially important during an open house when you may be expecting a large turnout. In these circumstances, suggest that the listing agent be accompanied by someone who can assist. One agent can greet, the other can conduct the tour.





SHOWING EXPECTATIONS

Your house is ready and buyers are coming! How is it handled? Will you show by appointment or put a lockbox on your door? What if nobody comes?

MAKE SHOWING YOUR PROPERTY EASY FOR AGENTS

The easier your house is to show, the more often agents will show it. If you haven't agreed to a lockbox, re-think the idea. When an agent shows your house using a lockbox, you always know who and when they entered your home. Your agent will electronically retrieve the information from the lockbox after the showing and call the agent for feedback. Your agent will also provide additional information to the showing agent that would be helpful in the selling of your home. Your agent will pass along to you any feedback that may be helpful in the selling process.

TOO FEW SHOWINGS?

If there are few showings, the price may be too high. Your home may be worth the price, but if you are not having many showings, it may be that the market will not bear the price. Remember, the market determines the price. If there is little interest, you may consider adjusting the price. If a house stays on the market too long, it can adversely affect the selling price. Buyers will be afraid to purchase because they think there could be a major flaw in the house, or that they would face the same problem when they get ready to sell. Remember, you don't want to list your home to "own it," you want to list your home to "sell it."

NO-SHOWS

You may be disappointed occasionally when an agent schedules a showing and then doesn't show up. Don't be! There are any number of reasons for a no show. Perhaps the buyers fell in love with the home they saw just before yours. A buyer's baby may be misbehaving or become ill in the car and it was time to stop. Or the buyers did not have as much time as they had previously told their agent. When things like this happen, the agent may not have time to call you and explain.



21 FACTORS THAT AFFECT THE SALE PRICE OF A HOME

FACTOR	APPROXIMATE PRICE AFFECT	APPROXIMATE TIME AFFECT
1. On main thoroughfare	Minus 10% of sales price	Plus 20% more marketing time
2. Electric heat	Minus 10% of sales price	Plus 15% more marketing time
3. House facing school or business property	Minus 8% of sales price	Plus 20% more marketing time
4. Power line behind or in view of house	Minus 15% of sales price	Plus 25% more marketing time
5. Very steep driveway up or down to house	Minus 10% of sales price	Plus 25% more marketing time
6. Gully or very steep drop off behind house	Minus 5% of sales price	Plus 10% more marketing time
7. Creek behind or beside house	Minus 3% of sales price	Plus 3% more marketing time
8. House exterior needs painting	Minus 3% of sales price	Plus 5% more marketing time
9. Golf course lot in line of wayward tree shots	Price affect varies	Plus 10% more marketing time
10. Smoke or pet odor	Minus 10% of sales price	Plus 10% more marketing time
11. Interior needs painting/wallpaper	Minus 5% of sales price	Plus 15% more marketing time
12. Cluttered, messy basement	Minus 1% of sales price	Plus 5% more marketing time
13. Out of date kitchen or bathroom	Price affect varies	Plus 20% more marketing time
14. Rooms with different color carpet	Minus cost of replacement	Plus 10% more marketing time
15. Hardcoat or synthetic stucco	Minus 5% of sales price	Plus 20% more marketing time
16. Unusual architecture	Minus 20% of sales price	Plus 30% more marketing time
17. Age and appearance of roof	Minus cost of replacement	Plus 5% more marketing time
18. Swimming pool	Price affect varies	Plus 10% more marketing time
19. Asbestos	Minus 10% of sales price	Plus 10% more marketing time
20. Mold	Cost of remediation + 3%	Plus 25% more marketing time
21. Termite damage	Cost of replacement	Plus 15% more marketing time



# THE CONTRACT PROCESS

## WRITING THE CONTRACT: GLOSSARY OF TERMS

The process of buying or selling a property is a complex transaction involving numerous parties and commonly, conflicting interests. To reduce the possibility of misunderstanding or miscommunication between these parties, all negotiations regarding the purchase or sale of real estate should ultimately be reduced to a written agreement. This agreement, when signed by all parties should represent the entirety of the agreement between buyer, seller and any other party materially involved in the transaction. The section below describes important areas of the written agreement which ultimately forms a contract between the two parties. It is very important that you read and UNDERSTAND the entire agreement prior to signing it. Your professional real estate agent or attorney can be invaluable in helping you to understand the important details contained in this document.

### PURCHASE AND SALE AGREEMENT

The document that creates a valid enforceable contract between a buyer and seller in Georgia, is called a Purchase and Sale Agreement. This contract has been created and pre-approved by attorneys and the Georgia Association of REALTORS® (GAR) and includes, but is not limited to, terms related to the legal description of the property, purchase price, method of payment, buyer’s earnest money, closing date and possession, inspection and agency. No longer is there a finance contingency included in the Purchase and Sale Agreement. If a buyer needs a finance contingency, it must be stipulated by way of an attached exhibit stating the terms of the loan. Otherwise, the contract states only that the buyer is paying cash.

### OFFER AND COUNTER OFFER

The process of creating a Purchase and Sale Agreement involves negotiation and may require several iterations to finally arrive at a complete agreement between the parties. Each time a party initiates changes, or adds to a Purchase and Sales Agreement, an offer or counter offer is created. The buyer, or buyer’s agent, presents offers to the seller’s agent, the seller’s agent in turn presents the offer to the seller. The seller may accept the offer as is or make a “counter offer.” Any changes to the offer automatically resets the time limits and voids the original offer once received by the original offering party. It is important while negotiating a purchase or sale to remain aware of the time limits each party allows for response. Time is of the essence in real estate agreements and if you miss a deadline, you may miss an opportunity, or worse, be committed to something you didn’t want.

### BINDING AGREEMENT

A Binding Agreement is created when one party presents a signed written offer to purchase or sell property to a second party, and that party accepts the same offer in writing, unchanged, and delivers written acceptance back to the offering party before the time limit in the offer expires. In the GAR (Georgia Association of REALTORS®) Purchase and Sale Agreement, the date the parties reach mutual agreement is referred to as the Acceptance Date and the date the written notice of acceptance is received by the offering party is referred to as the Binding Agreement Date. It is the responsibility of the party receiving the written notice of acceptance to notify the other.

### DUE DILIGENCE PERIOD

In the current Purchase and Sale Agreement, the inspection takes place during the due diligence period. The buyer has an agreed-upon amount of time from the Binding Agreement Date to conduct any evaluations, inspections, appraisals, examinations, surveys or testing at the buyer’s sole expense during this period. The buyer may terminate the agreement during that time for any reason whatsoever and receive a refund of their earnest money. In order to terminate the agreement, the buyer must give written notice to the seller prior to the end of the due diligence period. However, the buyer may want to proceed after the inspection. If so, the buyer may give the seller an amendment to address concerns (i.e., repairs) with the property which can then be negotiated between the buyer and seller. Once that is done and the due diligence period has expired, the buyer must proceed with the sale.

### EARNEST MONEY DEPOSIT

The earnest money or “good faith” money that accompanies the Purchase and Sale Agreement or offer is typically 1% to 5% of the sales price (this amount may be negotiated). A personal check is usually made payable to the selling broker and deposited or wired into the selling broker’s escrow account within five banking days of reaching the Binding Agreement Date. The Purchase and Sale Agreement does state that if the buyer breaches any of the buyer’s obligations or warranties under the contract, the holder or seller may have the right to retain earnest money as liquidated damages. Recent changes to the GAR purchase and sale agreement have tightened the buyer’s responsibility to obtain financing and perform other duties which may prove to be advantageous to certain sellers. Buyers also now have the specific responsibility to determine neighborhood factors which may be undesirable. The GAR purchase and sale agreement instructs buyers to research the registered sex offender database if they are concerned about offenders residing in the neighborhood.

### APPRAISALS

The Purchase and Sale Agreement does not contain a pre-printed appraisal contingency. However, there are some lenders who will decline to offer the buyer a loan if the property does not appraise for the contract price. The buyer and seller may choose to renegotiate to the lesser appraised value. When a buyer has added an appraisal contingency to the special stipulations, the disposition of the contract will follow the terms of contingency.

### CLOSING DATE AND POSSESSION

The Purchase and Sale Agreement provides that the closing shall be on a specific date, at a specific location and possession will follow either the closing or other time as mutually agreed. The parties further agree that the buyer will allow the seller to retain possession through closing, through number of hours after closing, or within number of days after closing. This section of the contract also states that both parties agree that should the loan be unable to be closed on the proposed date or that the seller fails to satisfy title, either party, upon written notice provided before the agreed upon closing date, can extend the contract closing date up to seven days. Once this option is used by either party, the right terminates and is no longer able to be exercised.

### RIGHTS AND RESPONSIBILITIES

The Purchase and Sale Agreement not only outlines the details of the agreement between the parties, it also determines the disposition of earnest money, the resolution of disputes between the parties and limits the liability of certain parties to the transaction. The agency and brokerage section defines representation for both parties to the contract and defines the rules of engagement between, brokers, agents, clients and customers. Sections of the Purchase and Sale Agreement also dictate how communications are exchanged between the parties and provides for specific contact methods.





PURCHASE AND SALE AGREEMENT

Atlanta Fine Homes

Sotheby'sINTERNATIONAL REALTY

PURCHASE AND SALE AGREEMENT

Offer Date: \_\_\_\_\_



2021 Printing

A. KEY TERMS AND CONDITIONS

1. Purchase and Sale.

The undersigned buyer(s) ("Buyer") agree to buy and the undersigned seller(s) ("Seller") agree to sell the real property described below including all fixtures, improvements and landscaping therein ("Property") on the terms and conditions set forth in this Agreement.

a. Property Identification:

Address: \_\_\_\_\_

City \_\_\_\_\_, County \_\_\_\_\_, Georgia, Zip Code \_\_\_\_\_

MLS Number: \_\_\_\_\_ Tax Parcel I.D. Number: \_\_\_\_\_

b. Legal Description:

The legal description of the Property is [select one of the following below]:

☐ (1) attached as an exhibit hereto;

☐ (2) Condominium (attach F204 Condominium Resale Purchase and Sale Exhibit)

☐ (3) the same as described in Deed Book \_\_\_\_\_, Page \_\_\_\_\_, et. seq., of the land records of the above county; **OR**

☐ (4) Land Lot(s) \_\_\_\_\_ of the \_\_\_\_\_ District, \_\_\_\_\_ Section/ GMD, Lot \_\_\_\_\_, Block \_\_\_\_\_, Unit \_\_\_\_\_, Phase/Section \_\_\_\_\_ of \_\_\_\_\_ Subdivision/Development, according to the plat recorded in Plat Book \_\_\_\_\_, Page \_\_\_\_\_, et. seq., of the land records of the above county.

2. Purchase Price of Property to be Paid by Buyer.

\$ \_\_\_\_\_

3. Closing Costs.

Seller's Contribution at Closing: \$ \_\_\_\_\_

4. Closing Date and Possession.

Closing Date shall be \_\_\_\_\_ with possession of the Property transferred to Buyer

☐ at Closing **OR** ☐ \_\_\_\_\_ days after Closing at \_\_\_\_\_ o'clock ☐ AM ☐ PM (attach F219 Temporary Occupancy Agreement).

5. Holder of Earnest Money ("Holder").

(If Holder is Closing Attorney, F510 must be attached as an exhibit hereto, and F511 must be signed by Closing Attorney.)

6. Closing Attorney/Law Firm.

7. Earnest Money.

Earnest Money shall be paid by ☐ check ☐ ACH ☐ cash or ☐ wire transfer of immediately available funds as follows:

☐ a. \$ \_\_\_\_\_ as of the Offer Date.

☐ b. \$ \_\_\_\_\_ within \_\_\_\_\_ days from the Binding Agreement Date.

☐ c. \_\_\_\_\_.

8. Inspection and Due Diligence.

a. Due Diligence Period:

Property is being sold subject to a Due Diligence Period of \_\_\_\_\_ days from the Binding Agreement Date.

b. Option Payment for Due Diligence Period:

In consideration of Seller granting Buyer the option to terminate this Agreement, Buyer:

(1) has paid Seller \$10.00 in nonrefundable option money, the receipt and sufficiency of which is hereby acknowledged; plus

(2) shall pay Seller additional option money of \$ \_\_\_\_\_ by ☐ check or ☐ wire transfer of immediately available funds either ☐ as of the Offer Date; **OR** ☐ within \_\_\_\_\_ days from the Binding Agreement Date. Any additional option money paid by Buyer to Seller ☐ shall (subject to lender approval) or ☐ shall not be applied toward the purchase price at closing and shall not be refundable to Buyer unless the closing fails to occur due to the default of the Seller.

9. Lead-Based Paint.

To the best of Seller's knowledge, the residential dwelling(s) on the Property (including any portion thereof or painted fixture therein) ☐ was (attach F316 Lead-Based Paint Exhibit) **OR** ☐ was not built prior to 1978.

10. Brokerage Relationships in this Transaction.

a. Buyer's Broker is \_\_\_\_\_ and is:

(1) ☐ representing Buyer as a client.

(2) ☐ working with Buyer as a customer.

(3) ☐ acting as a dual agent representing Buyer and Seller.

(4) ☐ acting as a designated agent where: \_\_\_\_\_

\_\_\_\_\_ has been assigned to exclusively represent Buyer.

b. Seller's Broker is \_\_\_\_\_ and is:

(1) ☐ representing Seller as a client.

(2) ☐ working with Seller as a customer.

(3) ☐ acting as a dual agent representing Buyer and Seller.

(4) ☐ acting as a designated agent where: \_\_\_\_\_

\_\_\_\_\_ has been assigned to exclusively represent Seller.

c. Material Relationship Disclosure:

The material relationships required to be disclosed by either Broker are as follows: \_\_\_\_\_

11. Time Limit of Offer.

The Offer set forth herein expires at \_\_\_\_\_ o'clock \_\_\_\_\_ m. on the date \_\_\_\_\_.

Buyer(s) Initials \_\_\_\_\_ Seller(s) Initials \_\_\_\_\_

THIS FORM IS COPYRIGHTED AND MAY ONLY BE USED IN REAL ESTATE TRANSACTIONS IN WHICH \_\_\_\_\_ IS INVOLVED AS A REAL ESTATE LICENSEE. UNAUTHORIZED USE OF THE FORM MAY RESULT IN LEGAL SANCTIONS BEING BROUGHT AGAINST THE USER AND SHOULD BE REPORTED TO THE GEORGIA ASSOCIATION OF REALTORS® AT (770) 451-1831.

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F201, Purchase and Sale Agreement, Page 1 of 8, 01/01/21

B. CORRESPONDING PARAGRAPHS FOR SECTION A

1. Purchase and Sale.

a. Warranty:

Seller warrants that at the time of closing Seller will convey good and marketable title to said Property by limited warranty deed subject only to: (1) zoning; (2) general utility, sewer, and drainage easements of record as of the Binding Agreement Date and upon which the improvements (other than any driveway or walkway) do not encroach; (3) declarations of condominium and declarations of covenants, conditions and restrictions of record on the Binding Agreement Date; and (4) leases and other encumbrances specified in this Agreement. Buyer agrees to assume Seller's responsibilities in any leases specified in this Agreement.

b. Examination:

Buyer may examine title and obtain a survey of the Property and furnish Seller with a written statement of title objections at or prior to the closing. If Seller fails or is unable to satisfy valid title objections at or prior to the closing or any unilateral extension thereof, which would prevent the Seller from conveying good and marketable title to the Property, then Buyer, among its other remedies, may terminate the Agreement without penalty upon written notice to Seller. Good and marketable title as used herein shall mean title which a title insurance company licensed to do business in Georgia will insure at its regular rates, subject only to standard exceptions.

c. Title Insurance:

Buyer hereby directs any mortgage lender involved in this transaction to quote the cost of title insurance based upon the presumption that Buyer will be obtaining an enhanced title insurance policy since such a policy affords Buyer greater coverage.

2. Purchase Price to be Paid by Buyer.

The Purchase Price shall be paid in U.S. Dollars at closing by wire transfer of immediately available funds, or such other form of payment acceptable to the closing attorney.

3. Closing Costs.

a. Seller's Contribution at Closing:

At closing, Seller shall make the referenced Seller's Monetary Contribution which Buyer may use to pay any cost or expense of Buyer related to this transaction. Buyer acknowledges that Buyer's mortgage lender(s) may not allow the Seller's Monetary Contribution, or the full amount thereof, to be used for some costs or expenses. In such event, any unused portion of the Seller's Monetary Contribution shall remain the property of the Seller. The Seller shall pay the fees and costs of the closing attorney: (1) to prepare and record title curative documents and (2) for Seller not attending the closing in person.

b. Items Paid by Buyer:

At closing, Buyer shall pay: (1) Georgia property transfer tax; (2) the cost to search title and tax records and prepare the limited warranty deed; and (3) all other costs, fees and charges to close this transaction, except as otherwise provided herein.

c. Prorations:

Ad valorem property taxes, community association fees, solid waste and governmental fees and utility bills for which service cannot be terminated as of the date of closing shall be prorated as of the date of closing. In the event ad valorem property taxes are based upon an estimated tax bill or tax bill under appeal, Buyer and Seller shall, upon the issuance of the actual tax bill or the appeal being resolved, promptly make such financial adjustments between themselves as are necessary to correctly prorate the tax bill. In the event there are tax savings resulting from a tax appeal, third party professional costs to handle the appeal may be deducted from the savings for that tax year before re-prorating. Any pending tax appeal for the year in which the Property is sold shall be deemed assigned to Buyer at closing. The liability to the county in which the Property is located for ad valorem real property taxes for the year in which the Property is sold shall be assumed by Buyer upon the Closing of the Property. Buyer agrees to indemnify Seller against any and all claims of the county for unpaid ad valorem real property taxes for the year in which the Property is sold.

4. Closing Date and Possession.

a. Right to Extend the Closing Date:

Buyer or Seller may unilaterally extend the closing date for eight (8) days upon notice to the other party given prior to or on the date of closing if: (1) Seller cannot satisfy valid title objections (excluding title objections that: (a) can be satisfied through the payment of money or by bonding off the same; and (b) do not prevent Seller from conveying good and marketable title, as that term is defined herein, to the Property); (2) Buyer's mortgage lender (even in "all cash" transactions where Buyer is obtaining a mortgage loan) or the closing attorney is delayed and cannot fulfill their respective obligations by the date of closing, provided that the delay is not caused by Buyer; or (3) Buyer has not received required estimates or disclosures and Buyer is prohibited from closing under federal regulations. The party unilaterally extending the closing date shall state the basis for the delay in the notice of extension. If the right to unilaterally extend the closing date is exercised once by either the Buyer or Seller, the right shall thereafter terminate.

b. Keys and Openers:

At Closing, Seller shall provide Buyer with all keys, door openers, codes and other similar equipment pertaining to the Property.

5. Holder of Earnest Money.

The earnest money shall be deposited into Holder's escrow/trust account (with Holder being permitted to retain the interest if the account is interest bearing) not later than: (a) five (5) banking days after the Binding Agreement Date hereunder or (b) five (5) banking days after the date it is actually received if it is received after the Binding Agreement Date. If Buyer writes a check or pays with an ACH for earnest money and the same is deposited into Holder's escrow/trust account, Holder shall not return the earnest money until the check or ACH has cleared the account on which the check was written or from which the ACH was sent. In the event any earnest money check is dishonored by the bank upon which it is drawn, or earnest money is not timely paid, Holder shall promptly give notice of the same to Buyer and Seller. Buyer shall have three (3) banking days from the date of receiving the notice to cure the default and if Buyer does not do so, Seller may within seven (7) days thereafter terminate this Agreement upon notice to Buyer. If Seller fails to terminate the Agreement timely, Seller's right to terminate based on the default shall be waived.

6. Closing Attorney/Law Firm.

Buyer shall have the right to select the closing attorney to close this transaction, and hereby selects the closing attorney referenced herein. In all cases where an individual closing attorney is named in this Agreement but the closing attorney is employed by or an owner, shareholder, or member in a law firm, the law firm shall be deemed to be the closing attorney. If Buyer's mortgage lender refuses to allow that closing attorney to close this transaction, Buyer shall select a different closing attorney acceptable to the mortgage lender. The closing attorney shall represent the mortgage lender in any transaction in which the Buyer obtains mortgage financing (including transactions where the method of payment referenced herein is "all cash"). In transactions where the Buyer does not obtain mortgage financing, the closing attorney shall represent the Buyer.

THE CONTRACT PROCESS

24 Atlanta Fine Homes | Sotheby'sINTERNATIONAL REALTY

Atlanta Fine Homes | Sotheby'sINTERNATIONAL REALTY 25

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F201, Purchase and Sale Agreement, Page 2 of 8, 01/01/21



**7. Earnest Money.**

- a. Entitlement to Earnest Money:** Subject to the paragraph below, Buyer shall be entitled to the earnest money upon the: (1) failure of the parties to enter into a binding agreement; (2) failure of any unexpired contingency or condition to which this Agreement is subject; (3) termination of this Agreement due to the default of Seller; or (4) termination of this Agreement in accordance with a specific right to terminate set forth in the Agreement. Otherwise, the earnest money shall be applied towards the purchase price of the Property at closing or if other funds are used to pay the purchase price then the earnest money shall be returned to Buyer.
- b. Disbursement of Earnest Money:** Holder shall disburse the earnest money upon: (1) the closing of Property; (2) a subsequent written agreement of Buyer and Seller; (3) an order of a court or arbitrator having jurisdiction over any dispute involving the earnest money; or (4) the failure of the parties to enter into a binding agreement (where there is no dispute over the formation or enforceability of the Agreement). In addition, Holder may disburse the earnest money upon a reasonable interpretation of the Agreement, provided that Holder first gives all parties at least ten (10) days notice stating to whom and why the disbursement will be made. Any party may object to the proposed disbursement by giving written notice of the same to Holder within the ten (10) day notice period. Objections not timely made in writing shall be deemed waived. If Holder receives an objection and, after considering it, decides to disburse the earnest money as originally proposed, Holder may do so and send notice to the parties of Holder's action. If Holder decides to modify its proposed disbursement, Holder shall first send a new ten (10) day notice to the parties stating the rationale for the modification and to whom the disbursement will now be made. Holder shall disburse the earnest money to Seller by check in the event Holder: (1) makes a reasonable interpretation of the Agreement that the Agreement has been terminated due to Buyer's default; and (2) sends the required ten (10) day notice of the proposed disbursement to Buyer and Seller. The above-referenced check shall constitute liquidated damages in full settlement of all claims of Seller against Buyer and the Brokers in this transaction. Holder may require Seller to sign a W-9 before issuing a check to Seller for liquidated damages of \$600 or more. Such liquidated damages are a reasonable pre-estimate of Seller's actual damages, which damages the parties agree are difficult to ascertain and are not a penalty.
- c. Interpleader:** If an earnest money dispute cannot be resolved after a reasonable time, Holder may interplead the earnest money into a court of competent jurisdiction if Holder is unsure who is entitled to the earnest money. Holder shall be reimbursed for and may deduct its costs, expenses and reasonable attorney's fees from any funds interpleaded. The prevailing defendant in the interpleader lawsuit shall be entitled to collect its attorney's fees, court costs and the amount deducted by Holder to cover Holder's costs and expenses from the non-prevailing defendant.
- d. Hold Harmless:** All parties hereby covenant and agree to: (1) indemnify and hold Holder harmless from and against all claims, injuries, suits and damages arising out of the performance by Holder of its duties; (2) not to sue Holder for any decision of Holder to disburse earnest money in accordance with this Agreement.

**8. Inspection and Due Diligence.**

- a. Right to Inspect Property:** Upon prior notice to Seller, Buyer and/or Buyer's representatives shall have the right to enter the Property at Buyer's expense and at reasonable times (including immediately prior to closing) to inspect, examine, test, appraise and survey Property. This right to enter shall include the time period after the end of any Due Diligence Period to, among other things, and without limitation, meet contractors and vendors, measure for renovations and confirm that any agreed upon repairs have been made and the Property otherwise remains in the same condition. Seller shall cause all utilities, systems and equipment to be on so that Buyer may complete all inspections. Buyer agrees to hold Seller and all Brokers harmless from all claims, injuries and damages relating to the exercise of these rights and shall promptly restore any portion of the Property damaged or disturbed from testing or other evaluations to a condition equal to or better than the condition it was in prior to such testing or evaluation. If Buyer is concerned that the Property may have been used as a laboratory for the production of methamphetamine, or as a dumpsite for the same, Buyer should review the National Clandestine Laboratory Register – Georgia at [www.dea.gov](http://www.dea.gov).
- b. Duty to Inspect Neighborhood:** In every neighborhood there are conditions which different buyers may find objectionable. Buyer shall have the sole duty to become familiar with neighborhood conditions that could affect the Property such as landfills, quarries, power lines, airports, cemeteries, prisons, stadiums, odor and noise producing activities, crime and school, land use, government and transportation maps and plans. It shall be Buyer's sole duty to become familiar with neighborhood conditions of concern to Buyer. **If Buyer is concerned about the possibility of a registered sex offender residing in a neighborhood in which Buyer is interested, Buyer should review the Georgia Violent Sex Offender Registry available on the Georgia Bureau of Investigation Website at [www.gbi.georgia.gov](http://www.gbi.georgia.gov).**
- c. Warranties Transfer:** Seller agrees to transfer to Buyer, at closing, subject to Buyer's acceptance thereof (and at Buyer's expense, if there is any cost associated with said transfer), Seller's interest in any existing manufacturer's warranties, service contracts, termite treatment and/or repair guarantee and/or other similar warranties which, by their terms, may be transferable to Buyer.
- d. Property Sold "As-Is" Unless this Agreement is Subject to Due Diligence Period:**
- (1) **General:** Unless the Property is being sold subject to a Due Diligence Period referenced herein, the Property shall be sold "as-is" with all faults. Even if the Property is sold "as-is" Seller is required under Georgia law to disclose to the Buyer latent or hidden defects in the Property which Seller is aware and which could not have been discovered by the Buyer upon a reasonable inspection of the property. The inclusion of a Due Diligence Period herein shall: (a) during its term make this Agreement an option contract in which Buyer may decide to proceed or not proceed with the purchase of the Property for any or no reason; and (b) be an acknowledgement by Seller that Buyer has paid separate valuable consideration of \$10 for the granting of the option.
- (2) **Purpose of Due Diligence Period:** During the Due Diligence Period, Buyer shall determine whether or not to exercise Buyer's option to proceed or not proceed with the purchase of the Property. If Buyer has concerns with the Property, Buyer may during the Due Diligence Period seek to negotiate an amendment to this Agreement to address such concerns.
- (3) **Notice of Decision Not To Proceed:** Buyer shall have elected to exercise Buyer's option to purchase the Property unless prior to the end of any Due Diligence Period, Buyer notifies Seller of Buyer's decision not to proceed by delivering to Seller a notice of termination of this Agreement. In the event Buyer does not terminate this Agreement prior to the end of the Due Diligence Period, then: (a) Buyer shall have accepted the Property "as-is" subject to the terms of this Agreement; and (b) Buyer shall no longer have any right to terminate this Agreement based upon the Due Diligence Period.
- e. Repairs:** All agreed upon repairs and replacements shall be performed in a good and workmanlike manner prior to closing.

- 9. Lead-Based Paint.** If any portion of a residential dwelling on the Property was built prior to 1978, the Lead-Based Paint Exhibit (F316) is hereby attached as an exhibit to this Agreement. The term "residential dwelling" includes any painted fixture or material used therein that was built or manufactured prior to 1978.

**10. Brokerage Relationships in this Transaction.**

- a. Agency Disclosure:** No Broker in this transaction shall owe any duty to Buyer or Seller greater than what is set forth in their brokerage engagements and the Brokerage Relationships in Real Estate Transactions Act, O.C.G.A. § 10-6A-1 et. seq.;
- (1) No Agency Relationship:** Buyer and Seller acknowledge that, if they are not represented by Brokers in a client relationship, they are each solely responsible for protecting their own interests, and that Broker's role is limited to performing ministerial acts for that party.
- (2) Consent to Dual Agency:** If Broker is acting as dual agent in this transaction, Buyer and Seller consent to the same and acknowledge having been advised of the following:
- i. Dual Agency Disclosure:** *[Applicable only if Broker is acting as a dual agent in this transaction.]*
- (a) As a dual agent, Broker is representing two clients whose interests are or at times could be different or even adverse;
- (b) Broker will disclose all adverse material facts relevant to the transaction and actually known to the dual agent to all parties in the transaction except for information made confidential by request or instructions from each client which is not otherwise required to be disclosed by law;
- (c) Buyer and Seller do not have to consent to dual agency and the consent of Buyer and Seller to dual agency has been given voluntarily and the parties have read and understand their brokerage engagement agreements.
- (d) Notwithstanding any provision to the contrary contained herein Buyer and Seller each hereby direct Broker while acting as a dual agent to keep confidential and not reveal to the other party any information which could materially and adversely affect their negotiating position.
- ii. Designated Agency Disclosure:** If Broker in this transaction is acting as a designated agent, Buyer and Seller consent to the same and acknowledge that each designated agent shall exclusively represent the party to whom each has been assigned as a client and shall not represent in this transaction the client assigned to the other designated agent.
- b. Brokerage:** Seller has agreed to pay Seller's Broker(s) a commission pursuant to a separate brokerage engagement agreement entered into between the parties and incorporated herein by reference ("Seller Brokerage Engagement Agreement"). The Seller's Broker has agreed to share that commission with the Buyer's Broker. The closing attorney is hereby authorized and directed to pay the Broker(s) at closing, their respective portions of the commissions out of the proceeds of the sale. If the sale proceeds are insufficient to pay the full commission, the party owing the commission shall pay any shortfall at closing. The acceptance by the Broker(s) of a partial real estate commission at the closing shall not relieve the party owing the same from paying the remainder after the closing (unless the Broker(s) have expressly agreed in writing to accept the amount paid in full satisfaction of the Broker(s) claim to a commission). The Brokers herein are signing this Agreement to reflect their role in this transaction and consent to act as Holder if either of them is named as such. This Agreement and any amendment thereto shall be enforceable even without the signature of any Broker referenced herein. The broker(s) are express third-party beneficiaries to this Agreement.
- c. Disclaimer:** Buyer and Seller have not relied upon any advice or representations of Brokers other than what is included in this Agreement. Brokers shall have no duty to inspect the Property or to advise Buyer or Seller on any matter relating to the Property which could have been revealed through a survey, appraisal, title search, Official Georgia Wood Infestation Report, utility bill review, septic system inspection, well water test, tests for radon, asbestos, mold, methamphetamine, and lead-based paint; moisture test of stucco or synthetic stucco, inspection of the Property by a professional, construction expert, structural engineer or environmental engineer; review of this Agreement and transaction by an attorney, financial planner, mortgage consultant or tax consultant; and consulting appropriate governmental officials to determine, among other things and without limitation, the zoning of Property, the propensity of the Property to flood, flood zone certifications, whether any condemnation action is pending or has been filed or other nearby governmental improvements are planned. Buyer and Seller acknowledge that Broker does not perform or have expertise in any of the above tests, inspections, and reviews or in any of the matters handled by the professionals referenced above. Buyer and Seller should seek independent expert advice regarding any matter of concern to them relative to the Property and this Agreement. Buyer and Seller acknowledge that Broker shall not be responsible to monitor, supervise, or inspect any construction or repairs to Property and such tasks clearly fall outside the scope of real estate brokerage services. If Broker has written any special stipulations herein, the party for whom such special stipulations were written: a) confirms that each such stipulation reflects the party's complete understanding as to the substance and form of the special stipulations; b) hereby adopts each special stipulation as the original work of the party; and c) hereby agrees to indemnify and hold Broker who prepared the stipulation harmless from any and all claims, causes of action, suits, and damages arising out of or relating to such special stipulation. Buyer acknowledges that when and if Broker answers a question of Buyer or otherwise describes some aspect of the Property or the transaction, Broker is doing so based upon information provided by Seller rather than the independent knowledge of Broker (unless Broker makes an independent written disclosure to the contrary).

- 11. Time Limit of Offer.** The Time Limit of the Offer shall be the date and time referenced herein when the Offer expires unless prior to that date and time both of the following have occurred: (a) the Offer has been accepted by the party to whom the Offer was made; and (b) notice of acceptance of the Offer has been delivered to the party who made the Offer.

**C. OTHER TERMS AND CONDITIONS**

**1. Notices.**

- a. Generally:** All notices given hereunder shall be in writing, legible and signed by the party giving the notice. In the event of a dispute regarding notice, the burden shall be on the party giving notice to prove delivery. The requirements of this notice paragraph shall apply even prior to this Agreement becoming binding. Notices shall only be delivered: (1) in person; (2) by courier, overnight delivery service or by certified or registered U.S. mail (hereinafter collectively "Delivery Service"); or (3) by e-mail or facsimile. The person delivering or sending the written notice signed by a party may be someone other than that party.



- b. **Delivery of Notice:** A notice to a party shall be deemed to have been delivered and received upon the earliest of the following to occur: (1) the actual receipt of the written notice by a party; (2) in the case of delivery by a Delivery Service, when the written notice is delivered to an address of a party set forth herein (or subsequently provided by the party following the notice provisions herein), provided that a record of the delivery is created; (3) in the case of delivery electronically, on the date and time the written notice is electronically sent to an e-mail address or facsimile number of a party herein (or subsequently provided by the party following the notice provisions herein). Notice to a party shall not be effective unless the written notice is sent to an address, facsimile number or e-mail address of the party set forth herein (or subsequently provided by the party following the notice provisions herein).
- c. **When Broker Authorized to Accept Notice for Client:** Except where the Broker is acting in a dual agency capacity, the Broker and any affiliated licensee of the Broker representing a party in a client relationship shall be authorized agents of the party and notice to any of them shall for all purposes herein be deemed to be notice to the party. Notice to an authorized agent shall not be effective unless the written notice is sent to an address, facsimile number or e-mail address of the authorized agent set forth herein (or subsequently provided by the authorized agent following the notice provisions herein). Except as provided for herein, the Broker's staff at a physical address set forth herein of the Broker or the Broker's affiliated licensees are authorized to receive notices delivered by a Delivery Service. The Broker, the Broker's staff and the affiliated licensees of the Broker shall not be authorized to receive notice on behalf of a party in any transaction in which a brokerage engagement has not been entered into with the party or in which the Broker is acting in a dual agency capacity. In the event the Broker is practicing designated agency, only the designated agent of a client shall be an authorized agent of the client for the purposes of receiving notice.
2. **Default.**
- a. **Remedies of Seller:** In the event this Agreement fails to close due to the default of Buyer, Seller's sole remedy shall be to retain the earnest money as full liquidated damages. Seller expressly waives any right to assert a claim for specific performance. The parties expressly agree that the earnest money is a reasonable pre-estimate of Seller's actual damages, which damages the parties agree are difficult to ascertain. The parties expressly intend for the earnest money to serve as liquidated damages and not as a penalty.
- b. **Remedies of Buyer:** In the event this Agreement fails to close due to the default of Seller, Buyer may either seek the specific performance of this Agreement or terminate this Agreement upon notice to Seller and Holder, in which case all earnest money deposits and other payments Buyer has paid towards the purchase of the Property shall be returned to Buyer following the procedures set forth elsewhere herein.
- c. **Rights of Broker:** In the event this Agreement is terminated or fails to close due to the default of a party hereto, the defaulting party shall pay as liquidated damages to every broker involved in this Agreement the commission the broker would have received had the transaction closed. For purposes of determining the amount of liquidated damages to be paid by the defaulting party, all written agreements establishing the amount of commission to be paid to any broker involved in this transaction are incorporated herein by reference. The liquidated damages referenced above are a reasonable pre-estimate of the Broker(s) actual damages and are not a penalty.
- d. **Attorney's Fees:** In any litigation or arbitration arising out of this Agreement, including but not limited to breach of contract claims between Buyer and Seller and commission claims brought by a broker, the non-prevailing party shall be liable to the prevailing party for its reasonable attorney's fees and expenses.
3. **Risk of Damage to Property.** Seller warrants that at the time of closing the Property and all items remaining with the Property, if any, will be in substantially the same condition (including conditions disclosed in the Seller's Property Disclosure Statement or Seller's Disclosure of Latent Defects and Fixtures Checklist) as of the Offer Date, except for changes made to the condition of Property pursuant to the written agreement of Buyer and Seller. At time of possession, Seller shall deliver Property clean and free of trash, debris, and personal property of Seller not identified as remaining with the Property. Notwithstanding the above, if the Property is destroyed or substantially destroyed prior to closing, Seller shall promptly give notice to Buyer of the same and provide Buyer with whatever information Seller has regarding the availability of insurance and the disposition of any insurance claim. Buyer or Seller may terminate this Agreement without penalty not later than fourteen (14) days from receipt of the above notice. If Buyer or Seller do not terminate this Agreement, Seller shall cause Property to be restored to substantially the same condition as on the Offer Date. The date of closing shall be extended until the earlier of one year from the original date of closing, or seven (7) days from the date that Property has been restored to substantially the same condition as on the Offer Date and a new certificate of occupancy (if required) is issued.
4. **Other Provisions.**
- a. **Condemnation:** Seller shall: (1) immediately notify Buyer if the Property becomes subject to a condemnation proceeding; and (2) provide Buyer with the details of the same. Upon receipt of such notice, Buyer shall have the right, but not the obligation for 7 days thereafter, to terminate this Agreement upon notice to Seller in which event Buyer shall be entitled to a refund of all earnest money and other monies paid by Buyer toward the Property without deduction or penalty. If Buyer does not terminate the Agreement within this time frame, Buyer agrees to accept the Property less any portion taken by the condemnation and if Buyer closes, Buyer shall be entitled to receive any condemnation award or negotiated payment for all or a portion of the Property transferred or conveyed in lieu of condemnation.
- b. **Consent to Share Non-Public Information:** Buyer and Seller hereby consent to the closing attorney preparing and distributing an American Land Title Association ("ALTA") Estimated Settlement Statement-Combined or other combined settlement statement to Buyer, Seller, Brokers and Brokers' affiliated licensees working on the transaction reflected in this Agreement for their various uses.
- c. **Duty to Cooperate:** All parties agree to do all things reasonably necessary to timely and in good faith fulfill the terms of this Agreement. Buyer and Seller shall execute and deliver such certifications, affidavits, and statements required by law or reasonably requested by the closing attorney, mortgage lender and/or the title insurance company to meet their respective requirements.
- d. **Electronic Signatures:** For all purposes herein, an electronic or facsimile signature shall be deemed the same as an original signature; provided, however, that all parties agree to promptly re-execute a conformed copy of this Agreement with original signatures if requested to do so by, the buyer's mortgage lender or the other party.

- e. **Entire Agreement, Modification and Assignment:** This Agreement constitutes the sole and entire agreement between all of the parties, supersedes all of their prior written and verbal agreements and shall be binding upon the parties and their successors, heirs and permitted assigns. No representation, promise or inducement not included in this Agreement shall be binding upon any party hereto. This Agreement may not be amended or waived except upon the written agreement of Buyer and Seller. Any agreement to terminate this Agreement or any other subsequent agreement of the parties relating to the Property must be in writing and signed by the parties. This Agreement may not be assigned by Buyer except with the written approval of Seller which may be withheld for any reason or no reason. Any assignee shall fulfill all the terms and conditions of this Agreement.
- f. **Extension of Deadlines:** No time deadline under this Agreement shall be extended by virtue of it falling on a Saturday, Sunday or federal holiday except for the date of closing.
- g. **GAR Forms:** The Georgia Association of REALTORS®, Inc. ("GAR") issues certain standard real estate forms. These GAR forms are frequently provided to the parties in real estate transactions. No party is required to use any GAR form. Since these forms are generic and written with the interests of multiple parties in mind, they may need to be modified to meet the specific needs of the parties using them. If any party has any questions about his or her rights and obligations under any GAR form, he or she should consult an attorney. Provisions in the GAR Forms are subject to differing interpretations by our courts other than what the parties may have intended. At times, our courts may strike down or not enforce provisions in our GAR Forms, as written. No representation is made that the GAR Forms will protect the interests of any particular party or will be fit for any specific purpose. The parties hereto agree that the GAR forms may only be used in accordance with the licensing agreement of GAR. While GAR forms may be modified by the parties, no GAR form may be reproduced with sections removed, altered or modified unless the changes are visible on the form itself or in a stipulation, addendum, exhibit or amendment thereto.
- h. **Governing Law and Interpretation:** This Agreement may be signed in multiple counterparts each of which shall be deemed to be an original and shall be interpreted in accordance with the laws of Georgia. No provision herein, by virtue of the party who drafted it, shall be interpreted less favorably against one party than another. All references to time shall mean the time in Georgia. If any provision herein is to be unenforceable, it shall be severed from this Agreement while the remainder of the Agreement shall, to the fullest extent permitted by law, continue to have full force and effect as a binding contract.
- i. **No Authority to Bind:** No Broker or affiliated licensee of Broker, by virtue of this status, shall have any authority to bind any party hereto to any contract, provisions herein, amendments hereto, or termination hereof. However, if authorized in this Agreement, Broker shall have the right to accept notice on behalf of a party. Additionally, any Broker or real estate licensee involved in this transaction may perform the ministerial act of filling in the Binding Agreement Date. In the event of a dispute over the Binding Agreement Date, it may only be resolved by the written agreement of the Buyer and Seller.
- j. **Notice of Binding Agreement Date:** The Binding Agreement Date shall be the date when a party to this transaction who has accepted an offer or counteroffer to buy or sell real property delivers notice of that acceptance to the party who made the offer or counteroffer in accordance with the Notices section of the Agreement. Notice of the Binding Agreement Date may be delivered by either party (or the Broker working with or representing such party) to the other party. If notice of accurate Binding Agreement Date is delivered, the party receiving notice shall sign the same and immediately return it to the other party.
- k. **Statute of Limitations:** All claims of any nature whatsoever against Broker(s) and/or their affiliated licensees, whether asserted in litigation or arbitration and sounding in breach of contract and/or tort, must be brought within two (2) years from the date any claim or cause of action arises. Such actions shall thereafter be time-barred.
- l. **Survival of Agreement:** The following shall survive the closing of this Agreement: (1) the obligation of a party to pay a real estate commission; (2) any warranty of title; (3) all written representations of Seller in this Agreement regarding the Property or neighborhood in which the Property is located; (4) the section on condemnation; (5) the obligations of the parties regarding ad valorem real property taxes; and (6) any obligations which the parties herein agree shall survive the closing or may be performed or fulfilled after the Closing.
- m. **Terminology:** As the context may require in this Agreement: (1) the singular shall mean the plural and vice versa; and (2) all pronouns shall mean and include the person, entity, firm, or corporation to which they relate. The letters "N.A." or "N/A", if used in this Agreement, shall mean "Not Applicable", except where the context would indicate otherwise.
- n. **Time of Essence:** Time is of the essence of this Agreement.
5. **Definitions.**
- a. **Banking Day:** A "Banking Day" shall mean a day on which a bank is open to the public for carrying out substantially all of its banking functions. For purposes herein, a "Banking Day" shall mean Monday through Friday excluding federal holidays.
- b. **Binding Agreement Date:** The "Binding Agreement Date" shall be the date when a party to this transaction who has accepted an offer or counteroffer to buy or sell real property delivers notice of that acceptance to the party who made the offer or counteroffer in accordance with the Notices section of the Agreement. Once that occurs, this Agreement shall be deemed a Binding Agreement.
- c. **Broker:** In this Agreement, the term "Broker" shall mean a licensed Georgia real estate broker or brokerage firm and its affiliated licensees unless the context would indicate otherwise.
- d. **Business Day:** A "Business Day" shall mean a day on which substantially all businesses are open for business. For all purposes herein, a "Business Day" shall mean Monday through Friday excluding federal holidays.
- e. **Material Relationship:** A material relationship shall mean any actually known personal, familial, social, or business relationship between the broker or the broker's affiliated licensees and any other party to this transaction which could impair the ability of the broker or affiliated licensees to exercise fair and independent judgment relative to their client.







## ATLANTA FINE HOMES SOTHEBY’S INTERNATIONAL REALTY Affiliated Business Disclosure and Disclaimer

This is to give you notice that Atlanta Fine Homes Sotheby’s International Realty (Broker) has a business relationship with AFH Insurance, LLC d/b/a Atlanta Fine Homes Insurance and Home Title, and a joint venture between Atlanta Fine Homes Sotheby’s International Realty and Campbell & Brannon (Law Firm) and Sanctuary Home Mortgage LLC, a joint venture with owners of Atlanta Fine Home Sotheby’s International Realty , Shelter Mortgage Company, L.L.C. (Shelter), and Fairfield Mortgage Partners LLC (Fairfield). Sanctuary Home Mortgage LLC is owned 40% by Legacy Mortgage Partners, LLC, 40% by Shelter Mortgage Company, L.L.C., and 20% Fairfield Mortgage Partners, LLC. Because of this relationship, the referral of a customer (including you) to Sanctuary Home Mortgage LLC will provide owners of Broker, Shelter, and Fairfield, their affiliates, and/or their employees with a financial or other benefit.

Atlanta Fine Homes Insurance, LLC is an insurance company that is owned 50% by Atlanta Fine Homes, LLC d/b/a Atlanta Fine Homes Sotheby’s International Realty and 50% by The Nsure Network, LLC.

Home Title, LLC is owned 25% by Broker and 75% by Law Firm. Because of this relationship, the referral of a customer (including you) to Home Title, LLC will provide Broker and Law Firm, their affiliates, and/or their employees with a financial or other benefit.

You are NOT required to use Atlanta Fine Homes Insurance or Home Title or Sanctuary Home Mortgage as a condition for purchase, sale, or insurance of property. THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES. Federal law provides that this notice be given in conjunction with the referral of consumers to settlement service providers. While insurance services may or may not constitute settlement services, Atlanta Fine Homes Sotheby’s International Realty is providing this disclosure to assure that you are aware that Atlanta Fine Homes Sotheby’s International Realty may receive a financial or other benefit as the result of this referral.

Set forth below is the estimated charge or range of charges of the services provided by Atlanta Fine Homes Insurance:

Service Provided: Charge or Range of Charges:  
**Homeowners Insurance:** \$250 to \$10,000 premium charge, depending on insurance products chosen, and associated risk factors such as location/construction type/age of home, age of roof, replacement cost of home, optional coverage selected, loss deductible, insurance score/claims history of the buyer, etc.

Set forth below is the estimated charge or range of charges for the settlement services listed. You are NOT required to use the Law Firm as a condition for settlement of your loan, purchase or sale of the subject property.

Service Provider	Service Provided	Charge or Range of Charges
Home Title, LLC	Lender’s Policy	\$2.50 - \$4.00 per \$1,000 of coverage, based on type and total amount (minimum \$165)
	Owner’s Policy	\$3.20 - \$4.50 per \$1,000 of coverage, based on type and total amount (minimum \$270)
Campbell & Brannon, LLC	Closing Fee	\$675-\$775
	Title Search and Exam Fees	\$200-\$250 per property
	Document Preparation	\$75
	Title Update	\$100 (when required)
Sanctuary Home Mortgage LLC	Loan Origination Charges	0% - 2% of the loan amount, depending on product
	Underwriting Fee	\$0 - \$399, depending on product
	Processing Fee	\$0 - \$899, depending on product
	Loan Discount Points	0% - 4%, depending on rate chosen

ACKNOWLEDGEMENT: I/we have read this disclosure form, and understand that Atlanta Fine Homes Sotheby's International Realty is referring me/us to purchase the above-described settlement service(s) from Atlanta Fine Homes Insurance and/or Home Title and/or Sanctuary Home Mortgage and that any such referrals may provide the referring company, its affiliates and/or their employees with a financial or other benefit.

SignatureDateSignatureDate

Updated September 2020

# THE APPRAISAL PROCESS

## WHAT IS AN APPRAISAL?

An appraisal is an unbiased, professional opinion of a home’s value. Appraisals are almost always used in purchase and sale transactions and commonly used in refinance transactions. In a purchase and sale transaction, an appraisal is used to determine whether the home's contract price is appropriate given the home’s condition, location and features. In a re-finance, it assures the lender that it isn’t handing the borrower more money than the home is worth.

Lenders want to make sure that homeowners are not over borrowing for a property because the home serves as collateral for the mortgage. If the borrower should default on the mortgage and go into foreclosure, the lender will recoup the money it lent by selling the home. The appraisal helps the bank protect itself against lending more than it might be able to recover in this worst-case scenario. (Investopedia)



## THE APPRAISAL PROCESS

Because the appraisal primarily protects the lender's interests, the lender will usually order the appraisal. According to the Appraisal Institute, an association of professional real estate appraisers, a qualified appraiser should be licensed or certified (as required in all 50 states) and be familiar with the local area. Federal regulations state that the appraiser must be impartial and have no direct or indirect interest in the transaction. Fannie Mae requires appraisers to certify that they have experience appraising similar properties in the same geographic area.

A property's appraisal value is influenced by recent sales of similar properties and by current market trends. The home's amenities, number of bedrooms and bathrooms, floor plan functionality and square footage are also key factors in assessing the home's value. The appraiser must do a complete visual inspection of the interior and exterior and note any conditions that adversely affect the property's value, such as needed repairs.

Typically, appraisers use Fannie Mae's Uniform Residential Appraisal Report for single-family homes. The report asks the appraiser to describe the interior and exterior of the property, the neighborhood and nearby comparable sales. The appraiser then provides an analysis and conclusions about the property's value based on his or her observations.

The report must include a street map showing the appraised property and comparable sales used, an exterior building sketch, an explanation of how the square footage was calculated, photographs of the home's front, back and street scene, front exterior photographs of each comparable property used and any other information, such as market sales data, public land records and public tax records, that the appraiser uses to determine the property's fair market value. An appraisal costs several hundred dollars and generally the borrower pays this fee. (Investopedia)



# WHAT IS AN APPRAISAL CONTINUED

## WHO PERFORMS THE APPRAISAL?

- Appraisers are licensed by individual states after completing coursework and internship hours that familiarize them with their real estate markets.
- The lender might use an appraiser on its staff, or contract with an independent appraiser. If you are allowed to choose the appraiser, and it isn't someone the lender is familiar with, the results might be subject to review before they are accepted.
- The appraiser should be an objective third party, someone who has no financial or other connection to any person involved in the transaction. (About.com)

## WHAT YOU WILL SEE ON A RESIDENTIAL APPRAISAL REPORT

Appraisals are very detailed reports, but here are a few things they include:

- Details about the subject property, along with side-by-side comparisons of three similar properties.
- An evaluation of the overall real estate market in the area.
- Statements about issues the appraiser feels are harmful to the property's value, such as poor access to the property.
- Notations about seriously flawed characteristics, such as a crumbling foundation.
- An estimate of the average sales time for the property.
- What type of area the home is in (a development, stand alone acreage, etc.). (About.com)

## RESIDENTIAL APPRAISAL METHODS

There are two common appraisal methods used for residential properties:

1. Sales Comparison Approach: The appraiser estimates a subject property's market value by comparing it to similar properties that have sold in the area. The properties used are called comparables, or "comps". No two properties are exactly alike, so the appraiser must compare the comps to the subject property, making paperwork adjustments to the comps in order to make their features more in-line with the subject property. The result is a figure that shows what each comp would have sold for if it had the same components as the subject.
2. Cost Approach: The cost approach is most useful for new properties, where the costs to build are known. The appraiser estimates how much it would cost to replace the structure if it were destroyed.

## WHAT YOUR AGENT CAN DO FOR YOU TO HELP THE APPRAISAL PROCESS

The best thing a homeowner or broker can do to help the appraisal process is to prepare a one-page sheet for the appraiser that outlines the changes and repairs that the home has undergone since it was bought. (NY Times)

## WHAT THE APPRAISAL MEANS TO YOU

As a seller, a low appraisal, if accurate, means you will have to lower your home's price to get it sold. Lenders will not approve loans for more than a home is worth, and holding out for an all-cash buyer who doesn't require an appraisal as a condition of completing the transaction is unlikely to net you a higher sales price. No one wants to overpay for a home.

Unfortunately, recent distressed sales in the surrounding area can lower your home's appraisal value. If you feel that your home's value has been dragged down by the sales prices of nearby foreclosures and short sales, you may be able to convince the appraiser that your home is worth more if it is in significantly better condition than those properties. Sellers should also know that federal guidelines (intended to eliminate the inflated appraisal values that contributed to the housing crisis) sometimes cause appraisals to come in below fair market value and can make low appraisals difficult to challenge.

When everything goes smoothly, the home appraisal is just another box to tick on a loan-closing checklist. When the appraisal value is lower than expected, the transaction can be delayed or even canceled. Regardless of which situation you encounter in your homebuying, selling or refinancing experience, a basic understanding of how the appraisal process functions can only work in your favor. (Investopedia)





# QUICK FIXES

Quick fixes for improving the value of your home that your agent should have told you (by D. Scott Murphy, Appraiser):

1. Landscaping – Too much landscaping and you waste your money, but enough to create good curb appeal is well worth it.
2. Paint – Painting is relatively inexpensive and probably the No. 1 return on investment. It makes a great first impression for a buyer to enter a freshly painted home. Keep it neutral to appeal to the largest pool of buyers.
3. Wash your Windows – May not seem significant but it is an easy do-it-yourself project and is often overlooked and helps give your house that well kept and maintained feel. Along with this, you will most likely be removing your screens to give a cleaner look and allow more light in. Store the screens for the buyers future use.
4. Update the Hardware throughout the House – An easy do-it-yourself project that will go a long way to improving the value of your home.
5. De-clutter and Remove Personal Items – This is a common recommendation of agents and stagers. Appraisers put ourselves in the shoes of a typical buyer and this will go a long way with a buyer, as well as the appraiser.
6. Bedrooms – Do you have as many as you think you have? The bedroom count has the most impact on value. Many homeowners convert two bedrooms to one, removing doors, windows and closets that are required for a room to be counted as a bedroom.
7. Allowances – Rather than give an allowance, your seller will be better off replacing the carpet, or painting the house, etc. The new carpet or new paint will draw more offers and generally result in higher offers than the offer with the allowance (taking into consideration the cost to complete the repair). Also, most lenders do not allow significant allowances and it could cause problems with the appraisal and loan approval.
8. Driveways – Seriously damaged, cracked driveways will deter buyers. They also may create a safety hazard and be flagged by the home inspector and appraiser. While out of the control of the seller, the slope of the driveway must be considered as FHA may not approve financing if the slope exceeds 14%.
9. Taxes and Utility Bills – Get your financial “house” in order. Buyers will be looking at many homes and comparing tax bills and utility bills. Plan ahead as tax bills can only be contested during a 45-day window each year (usually around March/April/May). Think about added insulation, weather stripping and completing other energy conserving projects which will result in a series of lower utility bills at the time of listing. Most utility companies offer free home energy audits.
10. Closets – Most homes lack sufficient closet space. There are numerous options for closet organization systems to improve the value of your home.



# THE INSPECTION PROCESS

## BUYER’S RIGHT TO INSPECT

According to the Purchase and Sale Agreement, the buyer has the opportunity to have your home inspected by a professional before closing. The contract specifies when the inspection will take place after the offer is accepted and that in certain cases, the closing is contingent upon a satisfactory inspection. The buyer pays for the inspection, and it is advised that the seller not be present during the inspection. NOTE: As the seller, you do have the option to market your home “as is,” but the buyer may still have the property inspected.

A pro-active approach anticipating the inevitable will be time and money well spent. A pre-sale home inspection can identify potential issues and serve as a sales tool. A professional inspection report presented next to the disclosure helps inspire confidence for the potential buyer.

Identifying problem areas and correcting them before the buyer’s inspector finds them has some advantages. The repairs can be made at the seller’s discretion and time frame instead of last minute repairs scrutinized by the buyer. The cost of a pre-sale home inspection is part of the marketing costs of selling a home. The next best thing is staging the house for a home inspection. This is when the seller addresses common problem areas that an inspector will surely discover. Make these discoveries yourself and correct the issues proactively.

SPECIAL NOTE: If you are selling a stucco home, you may want to have the stucco pre-inspected and have repairs, if any, completed prior to putting your home on the market. The buyer may elect to have a separate inspection of the condition of the stucco.





# FREQUENTLY ASKED QUESTIONS

## WHAT IS A HOME INSPECTION?

A home inspection is a visual inspection of structures and components of a home to find items that are not performing correctly, items that are unsafe and items that are in violation of the code at the time the house was built or remodeling occurred. If a defect or a symptom of a defect is found, the home inspector will include a description of the defect in a written report and may recommend further evaluation. Cosmetic issues should not appear on an inspection report.

## CAN THE BUYER ASK THE SELLER TO MAKE REPAIRS?

The due diligence paragraph gives the buyer the ability to give an amendment to the seller to “address concerns” with the property which would be repairs. The buyer gives this amendment to the seller and the parties can negotiate a satisfactory solution to the areas of concern.

## WHAT ARE THE TOP TEN HOME INSPECTION PROBLEMS?

- Gutters not draining properly
- Rotted wood around window fascia and soffit boards
- Water entry into the basement or crawl space
- Broken seals on double pane windows
- Missing grout around tubs and shower stalls
- Heating and cooling equipment needing service
- Small nail holes (known as toe board nail holes) along the bottom edge of the roof
- Creosote build-up in the flu pipe of the fireplace
- Faulty Ground Fault Circuit Interrupter (GFCI) outlets
- Windows painted shut

# DO-IT-YOURSELF REPAIRS

Many inspection issues can be handled by the homeowner. The items below are relatively common and are within the capabilities of most homeowners or handymen. Specialized professional help is suggested as needed. Allow a couple of hours to carefully evaluate the visible components of your home. Try to look at the house like you are seeing it for the first time. Carefully scrutinize the interior and exterior of your home. Go up in the attic and down into the basement or crawl space. Inspect the garage. The average home inspection report will have 20-30 items. Most will be very minor and are often issues due to a lack of maintenance.

## EXTERIOR

- Cut back all vegetation approximately two feet from house.
- Keep pine straw, bark, mulch and earth six inches from bottom of siding.
- Replace damaged siding, chimneys and areas around windows and doors. Use cement-based lap siding to replace.
- A thick coat of paint will fill up the open cracks that develop in moisture affected hardboard siding. Caulk or seal all gaps as needed.
- A good power wash can make a paint job look new.
- If the deck is nailed or screwed to the house, the inspector will suggest bolting for additional strength. Bolting with carriage bolts is simple if the interior walls are unfinished. Extensive lag screwing is the alternative if no access is available.
- Are deck hand rails secure at all corners, or wobbly? Are deck stair treads in good shape? Are deck guardrail pickets no more than four inches apart? Buyers will be concerned if this is on the report.
- Power wash and seal deck with stain.
- Repair or replace wood rot in wood trim.
- Seal openings around penetrations in exterior wall, use spray foam around gas supply lines, AC refrigerant-condensate drain lines and exhaust vents.

- Test operation of garage door automatic openers, reverse sensors and the sensors located at the door tracks.
- Do garage door springs have safety cables running through them? This is a safety item.
- Cracks in brickwork? Patch missing mortar with matching mortar color.
- Remove dead trees from property.
- Steel support columns on a deck or sunroom should be wire brushed for rust and repainted.
- Are dampers on bathroom exhaust vent hoods closing when not in use?
- Is the clothes dryer vent cleaned?

## ROOF

- Clean gutters, downspouts and roof valleys. Replace leaky gutters.
- Replace missing roof shingles.
- Extend downspouts away from the foundation.
- Check roof protrusions to see if there are any leaks in the attic.
- Clean all debris out of the attic.





# DO-IT-YOURSELF REPAIRS CONTINUED

## PLUMBING

- Is plumbing supply made of polybutelyne plastic? This can be blue or grey. Be prepared for possible negotiation on allowance to replace.
- Check for leaks under all sinks at water supply and drain lines.
- Is there any noticeable corrosion at water heater?
- Are shut-off valves accessible?
- Slow drains? Low water pressure? Check for clogged pipes.
- Grout/caulk that which is missing at ceramic tile shower stall.
- Try to rock toilets sideways. If they rock, they need to be secured to floor.

## HEATING AND AIR CONDITIONING SYSTEMS

- Are exhaust flue connections secure and clearing combustible surfaces?
- Change dirty filters.
- Seal leaky ductwork with metal tape 181 UL.
- Professionally service older units.
- Are exterior AC units on pad above grade?
- Is there water in the attic over flow pan? This indicates a problem.

## ELECTRICAL SYSTEM

- Any open junction boxes must be covered.
- Buy a \$10 tester and check all receptacles.
- Check electrical panel box for double taps, sloppy wiring and excessive splices.
- Service wire to kitchen sink disposal encased in protective conduit and properly clamped to disposal.
- Are all receptacles in wet areas Ground Fault Circuit protected?

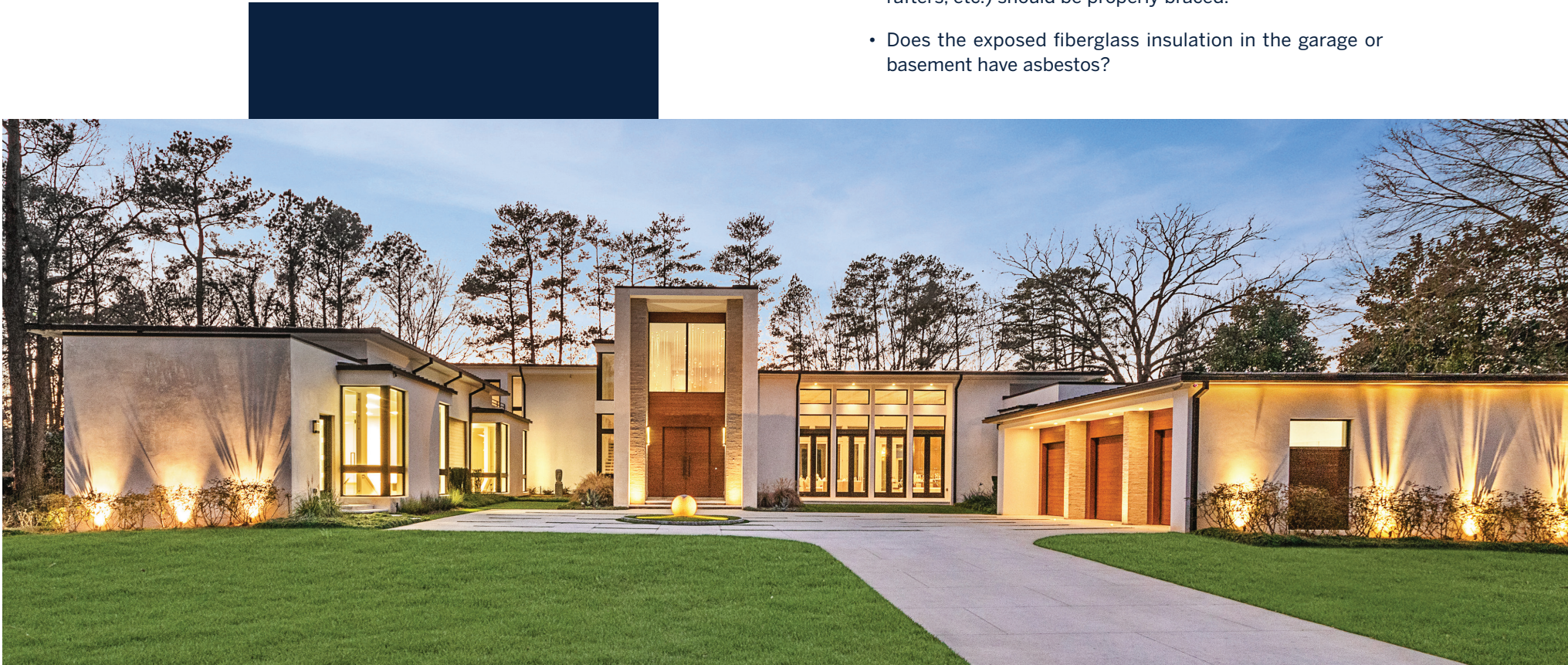
## INTERIOR

- Seal and paint any inactive water stains in drywall ceilings and walls.
- Smoke detectors should have good batteries.
- Unstick all windows.
- Have fireplaces been cleaned and inspected recently? Check damper operation.
- Is masonry fireplace liner in good condition?
- Is any mortar missing from brickwork?
- Are bathrooms and dryer vent exhausted to exterior?
- Are stairway pickets four inches or less apart?
- Are there any water stains on the attic roof sheathing? Look around ridge vents, plumbing vents, fascia boards, rafters, etc.
- Are there any cracked or damaged roof truss members or rafters?
- Attic framing (ridge beams, hip and valley ridge beams, rafters, etc.) should be properly braced.
- Does the exposed fiberglass insulation in the garage or basement have asbestos?

## CRAWLSPACE

- Do any excessive standing water, grade or drainage issues exist?
- Is there any rotten wood subfloor or joists around bathroom/kitchen plumbing?
- Are vents to exterior provided?
- Clean out debris.
- Is the plastic vapor barrier continuous?

SPECIAL NOTE: These issues represent a small sample of potential concerns that could show up on an inspection report. Every home is unique in its design, construction, materials and condition.





# WHAT SHOULD I KNOW ABOUT TERMITES?

In the state of Georgia, no longer is the seller responsible for presenting the buyer with a termite inspection letter stating the condition of the home and whether or not it has been affected by termites. However, if the buyer chooses to do a home inspection, the home inspector will reveal if there has been any damage in the past or present and this most often can be alarming to the perspective buyer. We highly recommend that both parties know what the circumstances are so the information is disclosed for properly.

How badly can termites hurt your home? Well, throughout the United States they cause billions of dollars in destruction every year. They can destroy things ranging from wood, trees on your property, books, plants and even parts of swimming pools. Just by existing, they can prevent you from selling your home – no one is going to want to buy without getting rid of them first and assessing the extent of the damage.

If you have termites in your home, the good news is that they can take quite a while before you see any real damage. In many cases, it takes up to five years or so before you see any signs of the problem. On the other hand, a healthy colony can consume an entire foot of a 2x4 in just a few months. That doesn't sound so bad, but the extent of the harm depends on how it's distributed in your house - the termites don't eat the entire board, they tunnel around in them. It is tough to tell exactly how much it will cost you to repair it because it can vary so much.

## CAN THE PROBLEMS BE REPAIRED?

Yes. In fact, sometimes you can get away with just reinforcing the damaged wood if it has not been hurt that badly. You are going to have to have a professional come look at it if you have had a colony for a while, though –all termites often eat away at load-bearing wood, and you need to make sure that your home is still structurally sound.

We strongly encourage that the homeowner have an annual contract with a qualified pest control company that is bonded for not only treatment but, treatment and repair. In addition, the Sentricon bait system is found to be a very effective way in controlling termites from ever coming near the structure of your home.



# WHAT SHOULD I KNOW ABOUT MOLD?

## FACTS ABOUT MOLD

Molds are simple, microscopic organisms whose purpose in the ecosystem is to break down dead materials. Molds can be found on plants, dry leaves and on just about every other organic material. Some molds are useful, such as those used to make antibiotics and cheese. Some molds are known to be highly toxic when ingested, such as the types that invade grains and peanuts. Most of the mold found indoors comes from outdoors.

Molds reproduce by very tiny particles called spores. The spores float in on the air currents and find a suitable spot to grow. Spores are very light and can travel on air currents. If mold spores land on a suitable surface, they will begin to grow. Molds need three things to thrive – moisture, food and a surface to grow on. Molds can be seen throughout the house, and can be found in most bathrooms. Mold growth can often be seen in the form of discoloration, and can appear in many colors – white, orange, pink, blue, green, black or brown. When molds are present in large quantities (called colonies), they can cause health problems in some people.

Mold spores can cause adverse reactions, much like pollen from plants. Mold spores cause health problems when they become airborne and are inhaled in large quantities. Everyone is exposed to mold in some concentration in the outdoor air. Indoor exposure to molds is not healthy for anyone. In particular, people with allergies, existing respiratory conditions or suppressed immune systems are especially susceptible to health problems from mold exposure. Additionally, infants and children, pregnant women and the elderly can be sensitive to the effects of mold exposure. Some molds are more hazardous than others are. For some people, a small number of mold spores can cause health problems. For others, it may take many more.

## SYMPTOMS OF MOLD EXPOSURE

There are many symptoms of mold exposure. The extent of symptoms depends on the sensitivity of the exposed person. Allergic reactions are the most common and typically include respiratory problems such as wheezing and difficulty breathing, nasal and sinus congestion, burning, watery, or reddened eyes, blurry vision, sore throat, dry cough, nose and throat irritation, shortness of breath and skin irritation. Other less common effects are include nervous system problems (headaches, memory loss and moodiness), aches and pains; and fever. If you have any of these symptoms, and they are reduced or completely gone when you leave the suspected area, chances are you have been exposed to some sort of allergen, quite possibly mold.

## DETECTING MOLD

Some mold problems are obvious – you can see it growing. Others are not so obvious. If you can see mold, or if there is a musty odor in your house, you probably have a mold problem. Areas that are wet, or have been wet due to flooding, leaky plumbing, leaky roofing, or areas that are humid (such as bathrooms and laundry rooms) are most likely to have mold growth. Look for previous water damage. Visible mold growth may be found underneath wallpaper and baseboards, behind walls, or may be evident by discolored plaster or drywall.

Many home inspectors or industrial hygienists can conduct air sampling to detect the presence of mold spores. If there is obvious mold, you can conduct a swab test that can be analyzed to determine the molds that are present. Testing is the only way to determine if you have a mold problem and what type it is.



WHAT TO DO ABOUT MOLD

The first course of action is to determine why the mold is growing. Investigate any areas that are moist and repair the source of the moisture. There could be a roof or plumbing leak, or groundwater leaking into the basement. The air conditioning drip pan could have mold growing in it. The air duct system could be contaminated with mold. If you see mold in the laundry room, chances are the dryer is not properly vented to the outside. Clothes dryers generate humidity and should never be vented inside the house.

Mold will grow on any surface that provides moisture and food. Substances that are porous and can trap molds, such as paper, rags, wallboard and wood, should be thrown out. After all repairs have been made it is time to clean.

Use the following pointers:

Mix a household cleaner (without ammonia) with hot water and scrub affected areas before sanitizing with a bleach solution that is 10% bleach and 90% water. Wear gloves when handling moldy materials. If you are sensitive to mold, you may wish to wear a particulate-removing respirator or face mask. Also, wear protective clothing that is easily cleaned or may be discarded. Hard, non-porous materials can be cleaned with a solution of bleach and water, 10% bleach to 90% water. Use a sponge or cloth to wipe the area clean. Never mix bleach with other cleaning products; it can produce a toxic gas! It is important to clean thoroughly. If you leave some mold behind, the spores will be easily released back into the air when the material dries out. Remove porous materials such as ceiling tiles, carpeting and sheetrock (drywall) and dispose of them. They are nearly impossible to clean and will surely produce more spores when dry. If mold is the result of flooding, remove all drywall to at least 12 inches above the high water mark. Visually inspect the interior of the walls to ensure that you removed all contaminated drywall. Allow the area to dry for 2-3 days after cleaning and sanitizing with the bleach solution. Use a stiff brush to remove mold from block walls or uneven surfaces. Have family members or bystanders leave the area while cleaning or abatement is being done.

WHAT SHOULD I KNOW ABOUT LEAD-BASED PAINT?

Many houses and condominiums built before 1978 may have paint that contains high levels of lead (called lead-based paint). Buyers are encouraged to check for lead prior to buying or renovating pre-1978 housing. Federal law requires that individuals receive certain information regarding lead-based paint prior to buying.

Sellers have to disclose known information on lead-based paint and lead-based paint hazards prior to selling a house. Sales contracts must include a disclosure about lead-based paint. Buyers have up to 10 days to check for lead.

Renovators disturbing more than two square feet of painted surfaces have to give you a pamphlet from the EPA entitled, "Protect Your Family From Lead In Your Home."

Ask your agent for additional information regarding this subject and a copy of the pamphlet.

THE CLOSING PROCESS

WHAT IS A CLOSING?

The closing process is the final step in buying or selling real estate. Different states have varying ways of handling the closing process. In Georgia, real estate closings occur with the assistance of a real estate attorney who specializes in real estate transactions. Customarily the closing attorney has the responsibility of examining the title to the property, preparing the of closing loan documents, conducting the closing, recording the closing documents, issuing title insurance and dispersing the lender's and/or purchaser's funds. In a real estate transaction where a lender is providing financing, the closing attorney represents only the lender. While the actual closing can be conducted in any number of ways, it is the closing attorney who coordinates all parties to assure compliance with contractual obligations generated by the Purchase and Sale Agreement, the lender's requirements and compliance with state and federal regulations.

WHO DOES WHAT?

From the seller's perspective, the closing process is usually much simpler than the buyer's closing process. Once the Purchase and Sale Agreement has been accepted by all parties a copy of that agreement is transmitted to the designated closing attorney and the closing is scheduled. In transactions where the buyer will be borrowing money, you should normally expect at least 30-45 days as the minimum time needed to prepare for a closing. During this time, while buyer and seller work to execute the conditions of the Purchase and Sale Agreement (inspections, loan applications, repairs, etc.) the closing attorney will be busy making sure that clear title exists to the property, that no liens exist and all recorded mortgages are known or satisfied. Additionally, the buyer must document that funds are on hand or obtain financing for the purchase of the property. Lenders typically have a list of attorneys who they will allow to close transactions for them. This means that while the buyer may nominate the closing firm or attorney, the attorney is actually working for the lender, not the buyer. When no lender is used, or the buyer hires an attorney, it is advisable for a seller to obtain representation on their own from a qualified real estate attorney to represent his or her legal interests in the transaction.





# DEBITS AND CREDITS

Prior to closing, the attorney will prepare a statement of funds and expenses for each party to the transaction. This uniform document is known as a Settlement Statement and contains a detailed accounting of the entire financial transaction. In Georgia, the closing costs associated with the lender and loan normally fall on the buyer's side of the transaction unless a prior agreement has been made in the Purchase and Sale Agreement. Seller's side expenses typically include commissions and marketing expenses for the property, prorations and adjustments, payoff costs for first, second and other mortgages, and courier fees. The seller may also be asked to pay for a home warranty if included in the Purchase and Sale Agreement.

Typically, the seller's expenses are paid at closing out of the proceeds received from the buyer, with the seller receiving a single check, net of all deductions. In some circumstances when sellers expenses exceed the proceeds from the buyer, the seller will be required to pay additional sums at closing to complete the sale.

# WHAT SHOULD I BRING TO CLOSING?

At the closing, the seller should be prepared with the following:

1. All house keys and electronic devices for garage doors, alarm systems, mail boxes, etc.
2. Documentation/receipts required by the Purchase and Sale Agreement for repairs, cleaning, etc.
3. Warranties that might still be in effect.
4. Warranties and receipts on repairs if applicable.
5. Photo identification.
6. Certified check and a personal check book if the seller owes money at closing.
7. Original Power of Attorney, if necessary, drafted by the attorney closing the transaction.

# PROBLEMS AT CLOSING

Since the process of closing a real estate transaction involves numerous parties, multiple contractual commitments and lots of money, problems are not uncommon. The saying that "nothing is over until it's over" is very appropriate with regard to a real estate closing. However, careful planning and diligent attention to the contractual details can alleviate many potential problems before they happen. Making sure that agreed-upon repairs are completed in advance and accepted by the buyer is one key example of careful planning. Your agent is an excellent resource in identifying and eliminating factors that might interfere with your successful closing. Other factors, beyond the control of the buyer or the seller can also affect a closing. Should the loan be unable to be closed on the proposed date, or that the seller fails to satisfy title upon written notice provided before the agreed-upon closing date, either party can extend the contract closing date up to seven days. Once this option is used by either party, the right terminates and is no longer able to be exercised.

# PRE-CLOSING AND CLOSING CHECKLIST

## IMMEDIATELY UPON ACCEPTANCE OF THE CONTRACT

- Follow-up on any terms outlined in the contract (providing homeowner association paperwork, clearance letters, etc.).
- Make any repairs included in the contract.
- Provide the current mortgage loan(s) information and/or equity line of credit information to your agent (this should include your account numbers, contact information for the lender(s) and your personal information).

## DURING THE HOME INSPECTION

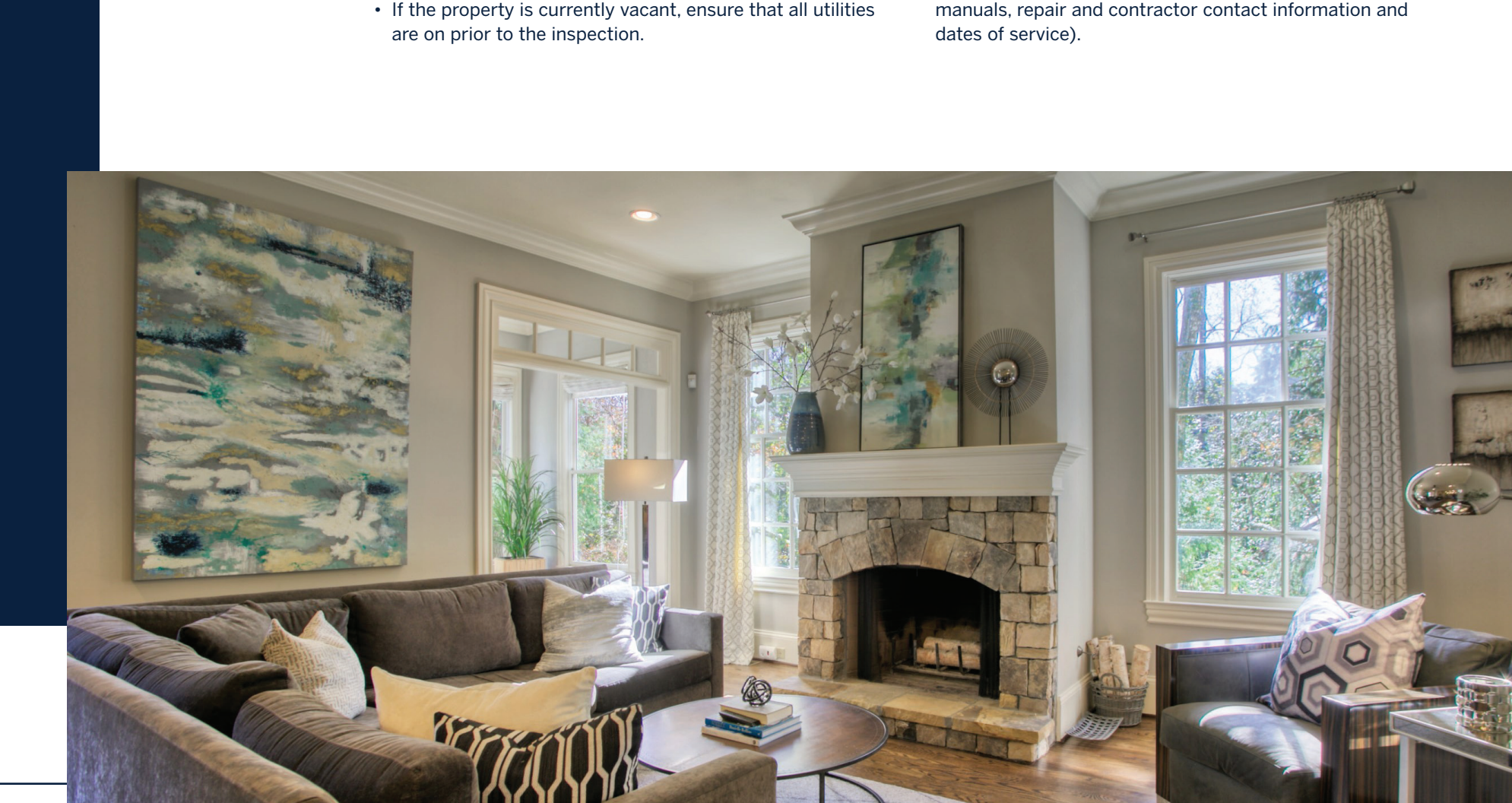
- You should not be onsite, but your real estate agent may be there as your representative.
- If possible, be accessible by phone to answer any questions.
- Provide your agent with keys to any areas (crawlspaces, attics, etc.) that the inspector will need to access.
- If the property is currently vacant, ensure that all utilities are on prior to the inspection.

## ONE TO TWO WEEKS FOLLOWING THE ACCEPTANCE DATE OF THE CONTRACT

- Review any inspection amendment from the buyer with your agent and begin making agreed repairs.
- Provide your agent with your preferred closing time.
- Reserve your moving truck or schedule your moving service.
- If contractually obligated to provide a termite clearance letter, you should call the company that provided your initial letter prior to listing (this must be done no more 30 days before closing).

## TWO WEEKS BEFORE CLOSING DATE

- Get a change of address package from the post office.
- Begin notifying family, friends, debtors, etc. of address change.
- Begin collecting information to pass on to the new owner (receipts for appliances, warranty information, owner's manuals, repair and contractor contact information and dates of service).





ONE WEEK BEFORE CLOSING

- Call your utility companies to schedule the final readings and the disconnect dates.
- Get directions to closing attorney's office from your real estate agent.
- Collect receipts and information in relation to the work done to satisfy the inspection amendment and give copies to your real estate agent.

DAY BEFORE CLOSING

- Review the HUD 1 Settlement Agreement to verify that the terms of the contract are correct and pay special attention to the line items for water bills, homeowner association dues and mortgage balances.
- If you have any concerns, discuss them with your agent.
- If there is a chance of any dispute, your agent will advise you to bring proof of payment to the closing.

DAY OF CLOSING

- Bring a photo ID and any documents requested by the closing attorney or either real estate agent.
- Bring your checkbook, just in case there is a small item that needs to be handled on the spot (this is usually not necessary, but it's always nice to have that option).
- Bring updated termite clearance letter, if required by contract.
- Give the new owner your forwarding address and phone number in case anything is accidentally sent to you at the old address.



# THE MOVING PROCESS

## MOVING CHECKLIST

EIGHT WEEKS BEFORE MOVING

- Call several movers for estimates. Remember, on-site estimates are always more accurate.
- Be sure to get references from prospective movers.
- Once you've chosen your mover, discuss costs, packing, timing and insurance.
- Create a "move file" to store important information and collect receipts for moving-related expenses.
- Ask the Internal Revenue Service for information about tax deductions on moving expenses and what receipts you will need to keep.

SIX WEEKS BEFORE MOVING

- Contact any clubs or organizations you are associated with for information on transferring, selling or ending your memberships.
- Start becoming acclimated to your new community. Familiarize yourself with your new shopping districts, location of hospitals, police and fire departments. Contact the Chamber of Commerce or Visitor's Bureau to request any desired information on schools, parks and recreation, community calendars and maps.

SEVEN WEEKS BEFORE MOVING

- Prepare an inventory of everything you own. Divide this inventory into three separate categories: (1) items to be handled by the mover, (2) items to be handled by yourself, and (3) items to be left behind.
- Stock certificates, wills and other one-of-a-kind items (jewelry, photos and home videos) are difficult or impossible to replace. Plan to carry them with you instead of packing them.
- Two good ways to rid yourself of items no longer needed: (1) host a garage sale or (2) donate to charities. These two techniques can help you to raise a little cash or serve as a tax deduction.
- Arrange for disposal of items not sold or donated.
- Contact your insurance agent to transfer property, fire, auto and medical insurance.
- Organize dental and medical records. Be sure to include prescriptions, eyeglass specifications and vaccination records.
- Inquire about changes that may occur in your auto licensing and insurance when moving. Notify your children's school(s). Make arrangements for records to be forwarded to the new school district.

FIVE WEEKS BEFORE MOVING

- Start including your children in the process. Make it exciting and fun by having your kids do some of their own packing and labeling.
- If you plan to do any part of the packing, start collecting suitable containers and packing materials.
- If no longer required, cancel local deliveries.
- If you have pets, call your new township to determine if there are any specific requirements for pet ownership. In addition, transfer veterinarian records.
- Register your children in their new schools.
- Check on specific medical forms required for Georgia schools that need to be filled out.



# MOVING CHECKLIST CONTINUED

## FOUR WEEKS BEFORE MOVING

- If you are moving out of a multi-story building, contact building management to inquire about scheduling your move date and time. Certain buildings may have date and or time restrictions as to when moving can be done. Remember to keep this in mind when planning to move, especially if you are doing your own packing. If you cannot finish packing by the move-in day and time allotted to you, you can accumulate additional costs.
- Contact your moving company to schedule your move date. It is always easier to change your move date than to reschedule at the last minute.
- Visit USPS.com to fill out a change-of-address form. Notify magazine subscriptions, stocks, mutual funds, banks, credit card companies, newspapers, doctors, lawyers, accountants, REALTORS®, state and federal tax authorities, workplaces, schools, alma maters, your voter registration office and motor vehicle bureau of your change of address. Anything mailed to you the month before you move, insert a change-of-address card with the effective date.
- Close any local charge accounts.
- Make airline and hotel reservations (if necessary).
- Notify insurance companies of your move. Transfer all insurance on your home and possessions.
- Contact utilities for disconnection or transfer (electric, gas, phone, cable, etc.). If possible, be certain to still have them connected on moving day. Arrange to have them disconnected from your present home or schedule a last reading after your scheduled move-out.

## THREE WEEKS BEFORE MOVING

- If necessary, arrange for a babysitter to watch your children on moving day. You may need someone to keep your children occupied and make sure they remain safe during the busy loading process.
- While you are sorting through your belongings, remember to return library books and anything else you have borrowed. Also, remember to collect all items that are being cleaned, stored or repaired (clothing, shoes, furs, watches, etc.).

## TWO WEEKS BEFORE MOVING

- Call ahead to have utilities connected at your new home.
- Make final packing decisions. Start packing items you don't use often.
- Clean and clear your home, including closets, basements and attics.
- Call your bank to find out how to transfer your bank accounts.
- Each year, many people move without clearing their safety deposit boxes. Do not be one of them.
- You should carry valuables with you. If you have hidden any valuables around the house, be sure to collect them before leaving. Some state laws prohibit the moving of house plants. Consider giving your plants to a friend or local charity.
- Plan meals that will use up the food in your freezer and refrigerator.
- Have your automobile serviced if you are traveling by car.
- Transfer all current prescriptions to a drugstore in your new town, if needed.
- Dispose of flammable items such as fireworks, cleaning fluids, matches, acids, chemistry sets, aerosol cans, paint, ammunition and poisons, such as weed killer.
- Drain all the oil and gasoline from your lawn mower and power tools to ensure safe transportation. Refer to your owner's manual for specific instructions.

## ONE WEEK BEFORE MOVING

- This is your week to tie up loose ends. Check back through this guide to make sure you have not overlooked anything.
- Your moving company should have provided you with various labels for your goods. These can include "Do Not Load," "Load First," "Load Last" and "Fragile." Take special care to label your goods appropriately.
- Pack your suitcases and confirm your family's travel arrangements (flights, hotel, rental cars, etc.). Try to keep your plans as flexible as possible in the event of an unexpected change of schedule.
- Make sure your moving agent knows the address and phone number where you can be reached if you are not going directly into your new home.
- At least one day before moving, empty, defrost and clean your refrigerator and freezer. If necessary, prepare your stove to be moved. Try using baking soda to get rid of odors.
- Prepare a "Trip Kit" for moving day. This kit can contain items such as snacks, beverages and games for the kids to keep them occupied during the move. If you are stopping overnight, be sure to pack items such as toothbrushes and other essentials you will need while your belongings are in transit.
- Plan on returning rented cable receivers.

## MOVING DAY

- Strip your beds, and make sure the bedding goes into a "Load Last" box.
- Make sure to be on hand when the movers arrive. It is important that an adult be authorized to take your place if you are unable to be present at any time while the movers are there. Let the agent know to whom you have given this authority. Be sure that your chosen representative knows exactly what to do. Remember – this person may be asked to sign documents obligating you to charges.
- Confirm the delivery date and time at your new address. Write directions to your new home for the van operator, provide the new phone number and include cell phone numbers where you can be reached in transit. Make sure to take along the destination agent's name, address and telephone numbers.
- Always try to spend as much time with the mover as possible. If you have special instructions, like what to load first and last, make sure it is explained to your mover. Communicate well with the movers. If you choose to have your mover handle your valuables or other fragile goods, tell the mover in advance.
- When the van operator arrives, review all details and paperwork. Accompany the driver as he or she inspects and tags each piece of furniture with an identifying number. These numbers, along with a detailed description of your goods and their condition at the time of loading, will appear on the inventory sheets.
- It is your responsibility to see that all of your goods are loaded, so remain on the premises until loading is completed. To ensure that nothing gets left behind, always do a final inspection of the premises. Do not sign any releases without completing this inspection.
- If you get to the destination before the mover, be patient. They might have encountered traffic or some other type of delay.
- Since you will probably want to clean before the furniture is unloaded, make sure your vacuum is packed last, so it can be unloaded first.





# MOVING CHECKLIST CONTINUED

## MOVE-IN DAY

- The van operator will contact you or the destination agent 24 hours prior to the expected arrival time. This allows time to locate you and arrange for unloading. If for some reason you cannot be reached, it is then your responsibility to contact the destination agent.
- Be sure you are there when the movers arrive. Plan to stay around while they unload in case they have any questions. If you cannot be there personally, be sure to authorize an adult to be your representative to accept delivery and pay the charges for you. Inform the destination agent of your chosen representative's name. Your representative will be asked to note any change in the condition of your goods noted on the inventory at the time of loading, and to note any items missing at the time of delivery.
- Have payment on hand for your moving charges. Unless other billing arrangements were made in advance, payment is required upon delivery in cash, traveler's checks, money order or cashier's check. Most of the time, personal checks are not accepted.
- Check to make sure the utilities have been connected, and follow up on any delays.
- Confine your pets to an out-of-the-way room to help keep them from running away or becoming agitated by all of the activity.
- It is a good idea to review your floor plan so you can tell the movers where to place your furniture and appliances. Plan to be available to direct them as they unload. To prevent possible damage, televisions, stereos, computers, other electronic equipment and major appliances should not be used for 24 hours after delivery, allowing them to adjust to room temperature
- GET SOME REST AND ENJOY YOUR NEW HOME!

## AFTER THE MOVE

- Get new driver's licenses, library cards and voter registration cards.
- Walk and drive around your neighborhood and community to orient yourself and your family.





PACKING LIST BY ROOM

ROOM	CONTENTS	BOX NO.
Kitchen	Cupboards Closets Drawers Other: _____ Other: _____	
Dining Room	China Cabinet or Hutch Light Fixture(s) and Lamp(s) Table (s) and Chair(s) Other: _____ Other: _____	
Living Room	Bookcase(s) and Content(s) Entertainment Center Stereo, TV, DVD, etc. Knickknacks and Artwork Lamps Couch, Chair(s) and Table(s) Other: _____ Other: _____	
Family Room	Entertainment Center Stereo, TV, DVD, etc. Knickknacks and Artwork Lamps Couch, Chair(s) and Table(s) Other: _____ Other: _____	
Owner's Bedroom	Closet Dresser and Contents Bed, Dresser, Night Stands and Desk Other: _____ Other: _____	
Bedroom No. 1	Closet Dresser and Contents Bed, Dresser, Night Stands and Desk Other: _____ Other: _____	
Bedroom No. 2	Closet Dresser and Contents Bed, Dresser, Night Stands and Desk Other: _____ Other: _____	

ROOM	CONTENTS	BOX NO.
Bedroom No. 3	Closet Dresser and Contents Bed, Dresser, Night Stands and Desk Other: _____ Other: _____	
Study/Office	Computer Equipment: CPU, Monitor and Printer Desk and Contents Bookshelves and Contents File Cabinets and Contents Other: _____ Other: _____	
Bathroom No. 1	Cupboards and Contents Linens and Towels Knickknacks and Wall Hangings Other: _____ Other: _____	
Bathroom No. 2	Cupboards and Contents Linens and Towels Knickknacks and Wall Hangings Other: _____ Other: _____	
Bathroom No. 3	Cupboards and Contents Linens and Towels Knickknacks and Wall Hangings Other: _____ Other: _____	
Attic	Trunks Boxes Other: _____ Other: _____	
Garage	Yard Equipment and Garden Tools Home Maintenance Equipment and Tools Other: _____ Other: _____	
Basement	Cupboards and Shelves Knickknacks and Wall Hangings Other: _____ Other: _____	





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