

Errata

At Dearborn™ Real Estate Education, we are proud of our reputation for providing the most complete, current, and accurate information in all our products. We are committed to ensuring the kind of quality you rely on. Please note the following changes, which will be reflected in the next printing of *Arizona Real Estate Principles 1E*.

This document contains a running list of revisions made since the text was first printed. Depending on what printing you have of the book, these revisions may or may not be included.

Page/Location	Reads Now	Should Be
p.2., Figure 1.1	Replaced text in figure	There are other areas of the Arizona Revised Statutes where real estate laws will be found. Example: Title 33 is entitled Property: Landlord Tenant issues, Association and Condominium laws, mechanic's liens, etc.
p.3, Arizona State Constitution, last paragraph		It is important to note that while Arizona real estate licensees receive their right to practice real estate from the 26th Amendment of the Arizona State Constitution, they are not relieved from recommending the advice of an attorney, financial advisor, or other expert. How buyers take title to a property is an example of a question that needs to be referred to an attorney or a financial advisor.
p.4, 2 nd paragraph		Deleted
p.4 Arizona Revised Statutes, last part of paragraph 1 and paragraph 2		The new laws are sent to the appropriate department to expand the language of the statute and by writing 'rules' which will determine how the statute will be implemented. For real estate laws, the rulemaking belongs to the Arizona Department of Real Estate. Arizona Revised Statutes, Rules, Substantive Policy Statements and advisories can be found at https://azre.gov/search/node/substantive%20policy%20statements
p.5 Arizona Administrative Code, 1 st and 2 nd paragraph		Deleted
p.5 Substantive Policy Statements, 2 nd and 3 rd paragraphs		These substantive policy statements can be found on the ADRE website at https://azre.gov/substantive-policy-statements-sps

		SPS No. 2022.03 is about unlicensed assistants and “provides clarification of tasks an unlicensed assistant may and may not perform.” https://azre.gov/substantive-policy-statements-sps
p.5, last sentence		The Real Estate Commissioner may further write substantive policy statements to further define laws.
p.6, 4 th paragraph under Real Estate Commissioner	.	Deleted
p.7, Who must have a real estate license, 1 st paragraph		Deleted
P.8, last 2 paragraphs before License Exemptions	.	A sales associate or an associate broker works under an employing broker (an entity) supervised and managed by a designated broker. Individuals in Arizona who conduct a real estate transaction without a license may ultimately be shut down by the Arizona Department of Real Estate, by the issuance of a cease and desist order through the Arizona Attorney General’s Office.
p.9-10, Obtaining a salesperson or broker license		Original Salesperson Application & Fee Original Arizona State Exam Score Report(s) Proof of Legal Presence (front & back copy) Pre-licensure Education Certificate Disciplinary Actions Disclosure (LI-214/244) DPS issued AZ Fingerprint Clearance Card (front & back copy) 6-hr Contract Writing Course Certificate Disclosure Documentation (if applicable)
p. 10, Obtaining a salesperson or broker license		· Original Broker Application & Fee · Original Arizona State Exam Score Report(s) · Proof of Legal Presence (front & back copy) · Original Broker Verification(s) (LI-226) · Pre-licensure Education Certificate · Disciplinary Actions Disclosure (LI-214/244) · DPS issued AZ Fingerprint Clearance Card (front & back copy) · Sever as a Salesperson Hire as an Associate Broker & Fee (Complete form LI -202) or hire online for a reduced fee · Broker Management Clinic Certificate (9 hrs.) · Disclosure Documentation (if applicable)
p.11, Added at the bottom of the page:		Experience Verification - Broker applicants: Broker applicants must provide documentation to support three (3) years of actual full-time experience as a

		licensed real estate salesperson or broker within the preceding five (5) years. Prior to the broker prelicense courses, the Broker Candidate Experience Verification Form (LI-226) may only be completed by each Broker needed to confirm the (3) three years full-time experience to verify that the applicant was actually practicing real estate then should be returned to the applicant for submission to the Department with the license application.
p.11-12, 1 st paragraph		All salesperson and broker candidates are required to complete prelicensing education courses before they are permitted to take the salesperson or broker licensing exams. Both salespersons and brokers must fulfill the training from a Department-certified real estate school and take the final school exam in person before a school-approved proctor. There is an exception: licensees from other states who establish residency in Arizona. ARS 32-4302. If they have had a license in good standing for at least 1 year, they may go directly to the exam.
p.11, second paragraph		Deleted
p.12, Example, first sentence		Deleted
p.16-17, Investigations and Administrative Procedures, 2 nd paragraph to end of section		A licensee may voluntarily surrender to the department the license if the surrender of the license occurs not less than 10 days prior to a hearing. When licensees voluntarily surrender their licenses, they can never obtain an Arizona real estate license again. ARS 32-2157 Suspension of license. This occurs by law, a consent order, Commissioner's Final Order, or Order of Summary Suspension Revocation of license. This occurs after a licensee has agreed through a consent order or the recommendation of the administrative law judge and decreed by the commissioner.
p.19	limited to \$30,000 and \$90,000.	limited to \$30,000/ transaction and \$90,000/ licensee .
p. 22 question 14, answer choice D.	D. Must have completed a contract-writing course	D. Must have been a salesperson for at least 2 years.
p.22, question 16	2020	2022
p.23, question 27	If you are a salesperson from another state who has been active for two of the past five years and are in good standing, you may do which one of these? A. Go directly to the Arizona prelicense test B. Get an Arizona broker's license by taking the broker's exam	If you are a salesperson moving to Arizona who has practiced for at least one year and are in good standing in your previous state, which of these answers is NOT an option? A. You may choose to become licensed as a broker B. Take the state salesperson exam without the 90 hour prelicense course C. Take the salesperson 27 hour state specific course and take the state exam

	<p>C. Take only the Arizona state-specific exam by taking the salesperson exam D. Be waived to active license status</p>	<p>D. Take the 90 hour salesperson course and then take the state exam The answer is choose to become licensed as a broker. Arizona requires 3 years of salesperson experience prior to applying to become a real estate broker.</p>
<p>p. 23, question 31</p>	<p>If the designated broker fails to renew her license by the expiration date, what happens to the employing broker, the licensees, and the designated broker? A. The designated broker’s license will go inactive B. All three categories go inactive C. The designated broker and all sales licensees go inactive D. The employing broker and designated broker licenses go inactive</p>	<p>If the designated broker fails to renew her license by the expiration date, what happens to the employing broker, the licensees, and the designated broker? A. The salespeople can continue to practice real estate B. None of the licensed persons or entities may practice real estate C. The designated broker can continue to practice real estate D. The employing broker and designated broker cannot practice real estate The answer is none of the licensed persons or entities can practice real estate through that employing broker. The employing broker and the designated broker must reactivate their licenses in order for all licensees to conduct real estate transactions again.</p>
<p>p.28, ARS 32-2155 Restriction on Employment or Compensation</p>		<p>A broker shall employ and pay only active licensees, and a licensee shall accept employment and compensation as a licensee only from the legally licensed broker to whom the licensee is licensed. If the licensee is licensed through a PC, a PLC, or a PLLC, the employing broker may pay and the licensee may receive compensation only through the licensed professional corporation of which the licensee is an officer and shareholder or the licensed professional limited liability company of which the licensee is a member or manager.</p>
<p>p.28, Professional Corporation or Professional LLC, 2nd -4th paragraphs</p>		<p>If the licensee is licensed through a PC, a PLC, or a PLLC, the employing broker may pay and the licensee may receive compensation only through the licensed professional corporation of which the licensee is an officer and shareholder or the licensed professional limited liability company of which the licensee is a member or manager.</p>
<p>p.32, 3rd paragraph</p>		<p>The difference between an LLC and a PC: An LLC is an Arizona recognized business entity while a PC, PLLC, or PC is for certain professionally licensed persons who give certain services. The PC offers the person asset protection and taxation benefits.</p>
<p>p.32, under Temporary Licenses</p>		<p>The license may be issued to the surviving spouse, kin, or personal representative in the case of death or in the event of illness, injury, or insanity, the license may be issued to the</p>

		surviving spouse, kin, employee, legal guardian, or conservator.
p. 48	2017.01	2022.3
p.53	Blind ads should not be used; the employing broker's name must be included in all advertising.	Blind ads should not be used; the employing broker's name must be included in all advertising; teams cannot advertise as if they are the entity; owner/agent on all agent-owned properties.
p.54, question 3, answer option B	The employing broker's name must be on text messages.	The employing broker's name must be on all text messages.
p.57, question 28, answer option D	Andrew cannot hire or fire.	Andrew cannot open a separate trust account.
p.60, 2 nd sentence under Dual Agency		Deleted
p.60, first sentence under the figure		Dual agency (see Figure 3.2), on the other hand, occurs when the agent represents both the seller and the buyer.
p.60, above figure 3.2, added		There must be a consent to limited representation prior to the presentation of the offer and the disclosure must explain the limitations of representation. The agent may not put one client's interest above the other client. Undisclosed dual agency is not allowed in any state.
p.60-61, paragraphs under figure 3.2		Dual agency can arise unexpectedly and be accidentally created. For instance, this might happen when a sales associate with a brokerage takes a call on a company listing and shows the property to the caller and interest by the potential buyer may escalate into dual agency when the buyer wants to make an offer on that property. An agreement that outlines the duties and responsibilities of the parties should be signed as soon as the principal chooses to make an offer on the brokerage's listing. Consent by both buyer and seller must occur prior to the presentation of any offer. Who is the "agent"? The employing broker supervised by the designated broker. The sales licensee takes listings and buyer representation in the name of the broker, so when an agent has a buyer who wants to purchase a listing with that agent's employing broker, dual agency arises. As a representative of the employing broker, the sales associate carries the fiduciary duties of the employing broker to the transaction. Do sales associates understand?
p.61, last paragraph before Limited Representation		An employing broker who represents both a buyer and a seller in the same transaction is a dual agent.
p.65, Fiduciary Duties		Obedience: to Lawful any lawful instruction of client

p.65, Fiduciary Duties		Confidentiality: lasts for life and the agent may never disclose a client's confidential information
p.65, Fiduciary Duties		Accounting: of all documents and funds Reasonable care is acting with competence. Licensees are expected to perform up to the "standard of care" in their field.
p.65, 2 nd paragraph from the bottom		Deleted
p.67, under Misrepresentation & Fraud, second sentence		One example is Lerner v. DMB where only the seller was found to have misrepresented the reason they were selling the property.
p.69, before E&O Insurance		Imputed knowledge: The client is notified when his agent is notified. Example: The buyer's offer is delivered to the listing agent with a 24-hour response time. The agent cannot find the seller and the time lapses. The offer is no longer good, but it was timely presented to the seller's agent. Constructive knowledge or notice: The client, by making an inquiry, could find the answer to a question by reading certain documents, or looking up information on a website such as the Department of Water Resources and finding information about their well, or reading the obituaries and finding their neighbor had died.
p.77, 5 th bullet	The courts in Arizona have defined the illegal practice of misrepresentation and fraud but puffing is legal.	Arizona case law has defined the illegal practice of misrepresentation and fraud but puffing is legal.
p.78, question 5, answer option C	Green Realty has a new listing, which is perfectly priced, and before the listing goes into MLS, three of its agents bring in buyer offers. All three agents must limit their client representation.	Green Realty has a new listing, which is perfectly priced, and before the listing goes into MLS, three of its agents bring in buyer offers. All three agents and the listing sales associate must limit their client representation.
p.82	Title 33. Chapter 6 Article 1 Deeds of Trust	Title 33. Chapter 6 & 6.1 Mortgages, Agreements of Sale, Deeds of Trusts
p.82, paragraph under Title 33.		Deleted
p.83, under Foreclosure Processes		Late payments Filing of legal action by mortgagee Filing a lis pendens to record constructive notice that property is affected Acceleration of the debt for full amount owed Court action Clerk notified to schedule sheriff's sale Sheriff's sale and bidding Sheriff's certificate to highest bidder Six-month statutory redemption period Sheriff's deed in exchange for sheriff's certificate if mortgagor does not redeem

		<p>[new bullet] If the mortgagor abandons the property before the sale, the redemption period can be less than six months.</p> <p>Before the sale: Right of equitable redemption --the right to stop foreclosure by paying all owed payments, fees, and fines.</p> <p>After the sale: Statutory right of redemption --6 months</p>
p.83-84, paragraphs under figure 4.1		Deleted
p.84, added under Figure 4.2		<p>Deeds of Trust Sec: 33-801 thru 33-821</p> <p>There are two major differences between the mortgage and the deed of trust:</p> <ul style="list-style-type: none"> * the trustee * foreclosure of the deed of trust <p>Besides the trustee, there is the borrower/trustor and the lender/beneficiary. Figure 59: Trust Deeds outlines the relationships among the three parties. The trustee holds the "bare naked title" and the power of sale, in trust.</p> <p>In a mortgage, the lender only holds a lien against the property.</p>
p.85, above Title Theory vs. lien theory		<p>Anti-Deficiency Statutes: ARS Sections 33-814.G and 33-729.A. prevents a lender from seeking a deficiency judgment after foreclosure when the loan was made to help purchase the home, the property is on less than 2.5 acres and is for a one-family or two-family purpose.</p> <p>Parties to the Deed of Trust:</p> <ul style="list-style-type: none"> Trustor - Borrower Trustee - Holder of Bare Naked Title & Power of Sale Beneficiary - Lender
p.85	Title Theory vs. Lien Theory section	Deleted
p.87	Demand for payoff section	Deleted
p.87, Deed in Lieu		A deed in lieu of foreclosure is an agreement between the borrower and the lender to transfer ownership of the property without going through the normal foreclosure process..
p.88, Staying a Foreclosure, added sentence		<p>[final sentence]</p> <p>Of course, the trustor can catch up on payments which "stays" the foreclosure.</p>
p.88, Chapter 7 Bankruptcy, replace second sentence		Arizona exemptions to "a wipe out"are as follows
p.90	<p>Alaska</p> <p>Arizona</p> <p>California</p> <p>Hawaii</p> <p>Minnesota</p> <p>Montana</p> <p>Nevada (for most residential mortgages initiated from October 2009 onward)</p> <p>North Carolina</p>	<p>Alaska</p> <p>Arizona</p> <p>California</p> <p>Connecticut</p> <p>Idaho</p> <p>Minnesota</p> <p>North Carolina</p> <p>North Dakota</p> <p>Oregon</p> <p>Texas</p> <p>Utah, and</p> <p>Washington</p>

<p>p.92, Arizona homestead exemption replaced text</p>		<p>To qualify for the homestead exemption:</p> <ul style="list-style-type: none"> · Be an Arizona resident at least 18 years of age · Home must be in Arizona · Home must be the primary residence <p>On January 1, 2023, the Arizona homestead exemption increased to \$400,000, but any excess equity could be used to pay properly recorded judgments against the property no matter when it was recorded.</p> <p>The scope of the Arizona homestead exemption is detailed in ARS 33-1101: Example: A seller lists their home for sale at \$800,000. They may owe \$250,000 on their existing loan, leaving the homeowner with \$550,000 in equity. Under the previous Arizona homestead exemption, the homeowner could sell the property and keep 100% of their equity. As of 2022, however, a creditor who obtains a judgment against a homeowner and properly records the judgment with the county recorder, the debt will attach to the home's equity. So, in this scenario, if the homeowner has multiple judgments or a large money judgment against them, the \$550,000 of equity is accessible to any creditor who properly records the judgment, subject to the increased homestead exemption of \$400,000. In this example, before the title company closes the transaction, the seller gets the \$400,000 and the judgment creditors can claim the \$150,000.</p>
<p>p.93, Manufactured homes vs. mobile homes, 5th and 6th paragraphs</p>		<p>Prior to filing an affidavit of affixture the home is considered personal property. After filing the affidavit of affixture, it will become real property and pay real property taxes.</p> <p>There are mobile home parks in Arizona where individuals lease the space and the units continue to be taxed as personal property. The Arizona Motor Vehicle Department issues certificates of title for a fee. If the mobile home owner decides to obtain an affidavit of affixture and make the home permanent, the owner surrenders the title to the MVD, and files the affidavit of affixture. A mobile home identified in an affidavit of affixture recorded pursuant to section 33-1501 (mobile home park) is assessed as personal property. If the home is not in a mobile home park it will be taxed as real property. See ARS 42-15203.</p>
<p>p.94, added section title Estates above "Real estate can be classified in two categories:"</p>		<p>Leasehold: Estate at will: In real estate, estate at will is a type of verbal lease agreement where the landlord and tenant agree that the</p>

		<p>tenant's right of possession may be terminated at any time by any party and where the term of the lease is indefinite.</p> <p>Estate for years: A lease between landlord and tenant that has a start time and an ending time.</p> <p>Periodic Tenancy: A week-to-week, or a month-to-month tenancy. Termination on week-to-week requires a 10-day notice. A month-to-month tenancy requires a 30-day notice.</p>
p.95, add above Ways to Take Title		<p>Arizona is one of only five states that have community property with the right of survivorship laws. The other four states include Nevada, California, Wisconsin, and Texas.</p> <p>A property that was held in joint tenancy with the deceased person (decedent), the survivor will have to pay a capital gains tax on the profit. However, if the property was held as community property, then the profit is not subject to the capital gains tax.</p>
p.96, above Modern types of common ownership		<p>It should be noted that Arizona real estate licensees should refer buyers and sellers to a financial advisor or attorney when making this decision.</p>
p.97 Time-share ownership, replaced content		<p>Time-shares are regulated by Title 32, Chapter 20, Article 9. Under ARS 32-2197</p> <p>Three types of timeshares</p> <ul style="list-style-type: none"> · Deeded · Right-To-Use · Leasehold <p>Timeshare Public Report Requirements: In submitting requirements for a timeshare public report with the Arizona Department of Real Estate many things must be included, such as: one-to-one ration of units to prospective purchasers, financials, property improvements (or dates of completion), sewage disposal facilities, permanent access, assured or adequate water, terms and conditions of conveyance documents, plan for managing property and improvements, along with many other legal documents.</p> <p>Rescission Period: ARS 32-2197.03. Written notice within 10 calendar days of contract execution.</p> <p>Advertising and Promotional: ARS 32-2197.17 All advertising and promotional activities should be submitted to the Department prior to commencing the promotional plan.</p> <p>Timeshare developers may use drawings, contests, or games of chance as ways to draw interested parties to sites, but cannot require participants to attend a timeshare presentation as a condition of participation. R4-28-503 is an exception</p>

		<p>for subdividers and timeshare developers.</p> <p>Premiums: A premium may be given to persons who visit timeshare properties or who attend a timeshare presentation. No person is required to attend any presentation or tour for longer than one hundred twenty minutes to receive the premium.</p>
p.97, Real Estate investment trust (REIT), replaced text		<p>A REIT has a board of directors or a trustee, who generally lease the REIT's properties out to tenants, collects the income, and disburses it to the shareholders in the form of dividends. REITs are listed on the NYC stock exchange and are purchased as stock securities.</p>
p.97 under Joint ventures, replaced text		<p>A partnership formed with (1) a community of interest in the venture, (2) an agreement to share profits, (3) an agreement to share losses, and (4) a mutual right of control or management of the enterprise. Usually the JV lasts for a short period of time rather than long term or in perpetuity.</p>
p.98, under Adverse possession, replaced text		<p>ARS 12-526 defines adverse possession as follows:</p> <p>Under Arizona law, adverse possession occurs where there is actual trespass of the property by a nonowner, where the trespass is open and notorious, hostile, and has been continuous for at least ten consecutive years.</p> <p>If the owner discovers the trespasser and permits the continued use of the property by the trespasser by giving permission (a license), the license stops any claim to adverse possession.</p>
p.98, Prescriptive easement, new sentence at the end.		<p>If the parties cannot come to an agreement, Arizona courts determine these issues through a quiet title action.</p>
p.99-100, Arizona real property taxation	Replaced text	<p>Arizona requires an affidavit of property value to be recorded simultaneously with the deed in the county of the property with the following information: the selling price, date of sale, type of deed, financing or cash, down payment, solar or no, property type/use, and where to mail tax bill.</p> <p>From the Affidavit of Property Value:</p> <ul style="list-style-type: none"> a. Vacant Land b. Single Family Residence c. Condo or Townhouse d. 2-4 Plex e. Apartment Building f. Commercial or Industrial Use g. Agricultural

		<p>h. Mobile or Manufactured Home Affixed Not Affixed Each county has its own rates, but always, commercial is highest. With the advent of vacation rentals, the Transaction Privilege Tax (TPT), a tax on the privilege of doing business in Arizona, will be required for these rentals of 29 days or less, as well as a tax for the rental property classification. A tax license is required from the Arizona Department of Revenue (ADOR).</p>
p.101, Income Tax Aspects of Real Estate section	Replaced text	<p>Arizona State Taxes Beginning January 1, 2023, Arizonans will pay a 2.5% flat tax.</p>
p.102, Mechanics' liens	Replaced text	<p>Arizona's mechanic's lien statute is mainly for the purpose of new construction, but may include remodels, repairs, et al. according to ARS 33-992 and ARS 33-992.01, and if under ARS 33-1002(B) against an owner-occupant providing there is a direct written contract with that owner-occupant.</p>
p.102, Persons ineligible	Removed section	
p.105, 3 rd paragraph	Deleted 3 rd paragraph	
p.105, Security Agreements and Uniform Commercial Code	Replaced text	<p>Arizona's statute of frauds, ARS 44-101, states that certain items must be in writing and at least signed by the "party to be charged".</p> <ul style="list-style-type: none"> • Sale of goods of \$500 or more must be signed by the party to be charged • Agreements that don't commence for at least 1 year must be in writing • All real property conveyances must be in writing • Leases over 1 year must be in writing • Real estate commission agreements must be in writing • All loans greater than \$250,000 must be in writing <p>Uniform Commercial Code ("UCC") establishes a standard for recording liens across the country. The Arizona Secretary of State processes liens which protect financial interests on, for example, consumer goods or commercial equipment.</p>

		Arizona judgments are good for 10 years and renewable for another 10 years.
p.106	Alternatives to foreclosure include short sale and loan modification.	Alternatives to foreclosure include short sale, bankruptcy, and loan modification.
p.107, question 8, choice D	D. Its requirements are set by the legislature	D. Low return on investment, high risk
p.108, question 16, choice C	C. The debt is accelerated, the court gives the mortgagee a judgment, and the trustee sale is held.	C. The high bidder gets deed to the property at the auction.
p.113, Executed or Executory, replaced text in first two paragraphs		<p>A real estate purchase agreement is executed when all material terms are negotiated and agreed to, signed, and delivered to all contracted parties.</p> <p>While in escrow, the agreement is said to be in an executory state. An executory contract has not yet been completed, or is "in progress" where tasks such as inspections, title search, and other escrow work are being completed.</p> <p>When the contract is recorded or the deed is conveyed to the grantee, or the deed is recorded as per the agreement, the purchase agreement is executed for the 2nd time, and is now a completed transaction.</p> <p>During the executory phase of a purchase agreement, the seller has legal title and the buyer has equitable title.</p>
p.115, Offer and Acceptance, 3 rd paragraph new sentence		Simple consideration could just be the promise to perform.
p.116, 6 th paragraph, last sentence		It will be considered executed when the original party to sign the agreement has received a copy of the executed agreement.
p.117, Example 3	Under community property law, because both parties had signed the purchase contract, both had to agree to sell the property.	Under community property law, because both parties are owners, must agree to agree to sell the property.
p.119, example replaced text		The Environmental Protection Agency (EPA) implemented a ban on the production and import of Freon R22 for use in air conditioners and heat pumps. Most sellers are not aware of this new rule if their air conditioner or heat pump has been working properly. Any unit built before 2010 uses Freon. The

		replacement cost of a new air conditioner unit or heat pump can run between \$6,000 and \$22,000.
p.131, Buyer Disclosures	Content replaced	A buyer must disclose anything material to the sale --for example, a double escrow. Escrow 1: X contracts for Y's house. Escrow 2: X contracts to sell Y's house to Z, but X doesn't own it until Escrow 1 closes. X is not using his money to buy Y's house, he is using Z's money. In Arizona, this is wholesaling. ARS 44-5101. Disclosure is required prior to entering into any binding contract. Another example of buyer disclosure would be a buyer making offers on multiple properties and going into escrow on all of them. Does the buyer have the funds to purchase both? In <i>Lombardo v. Albu</i> , the court opined: "Arizona real estate agents have a duty to deal fairly with all other parties to the transaction, and they have a duty to disclose certain material information, including any information that the buyer is or may be unable to perform due to insolvency or otherwise."
p.149, question 4, option B	Undisputed monies must be deposited immediately.	Property Manager must be the only person to take money out
p.150, question 10, option D	A sender of a cure notice may never just waive the contract condition in question.	A cure notice can be verbal.
p.152, question 25, answer choices changed		A. An option is a right to purchase property at a set price for a fixed period of time. B. A first right of refusal is only used in lease agreements C. A right of first refusal is a right to purchase property only if it is offered for sale in the future for a set price D. An option is used when a tenant wants to purchase their rental if the property goes on the market.
p.152, question 26, option B		B. Being of sound mind
p.153, question 38, option C		C. The buyer broker licensee must wait to hear from the listing agent
p. 167, Abandonment notice		Removed first two paragraphs
p.190, question 11, options B, C		B. Landlord can increase the rent C. Landlord begins the eviction process by filing a special detainer
p.190, question 12, option C		C. Yes, by giving a 5-day notice
p. 190, question 18, option B		B. The landlord must give notice to enter the property.

p. 193, last sentence of 2 nd paragraph		We've come a long way and we still have a long way to go due to these recent years of drought.
p.195, first paragraph		In 1994 Santa Cruz was added and in 2023, Douglas was added. The six AMAs include 80% of Arizona's population and 70% of the state's groundwater overdraft. The Act also established the 100-year assured water supply required by developers in order to acquire their public disclosure report from the Arizona Department of Real Estate.
p.196, Arizona real estate transactions, 4 th paragraph	.	Currently, 14 Arizona tribes have fully resolved or partially resolved their water rights. The area of these adjudications covers more than half the State of Arizona. You can learn more about general stream adjudications at https://www.azwater.gov/adjudication-proceedings .
p.197, 2 nd paragraph	New text	But, some of the cities and counties are beginning to restrict or deny water. Case in point is the community of Rio Verde which found itself cut off from Scottsdale for water hauling. Through legislation and intergovernmental agreements between the City of Scottsdale and the Rio Verde Standpipe District, EPCOR will deliver CAP water, some of Scottsdale's allotment, until December 31, 2025.
p.198, below image		The Verde River is currently being adjudicated with decisions on who has the right to the water will be determined in the near future.
p.201, Active Management Area list		Added Douglas
p. 201,	Removed 4 paragraph.	
p.202	Removed sentence under figure.	
p.215, question 15	D. Arizona has four irrigation Non-Expansive Areas.	D. Arizona has five irrigation Non-Expansive Areas
p.215, question 11	D. ADEQ limits new irrigation in INAs	D. ADEQ allows new irrigation in INAs.
p.217, question 34	B. All five AMAs were established when the Act became law.	B. All six AMAs were established when the Act became law.
p. 217, question 36, new question		What is Arizona's allotment of Colorado River water without cuts? A. 2.0 million acre feet B. 2.8 million acre feet

		C. 2.5 million acre feet D. 2.2 million acre feet
p.218, question 42	C. Contact the appropriate ditch association	C. Contact ADWR
p.289, Key Point Review	Most of Arizona is mapped using the Rectangular Survey System—PLSS. It provides for a unit of land approximately 24 miles square divided into areas six miles square called townships. Townships are further divided into 36 sections, each 1 mile square.	All of Arizona is mapped using the Rectangular Survey System—PLSS. It provides for a unit of land approximately 24 miles square divided into areas six miles square called townships. Townships are further divided into 36 sections, each 1 mile square.
p.290, 3 rd bullet	While awaiting the application for the public disclosure report, the subdivider/developer may take lot reservations.	While awaiting the application for the public disclosure report, the subdivider/developer may take lot reservations but charge no more than \$5,000..
p.293, question 26	B. They will receive a seller property disclosure statement from builder,	B. They will receive a home warranty.
p.296, 14	14. D The answer is must have completed a contract-writing class. The contract-writing class is only required of a sales associate candidate before activating his license.	14. D The answer is must have been a salesperson for at least 2 years. Must have been a salesperson for at least 3 years.
p. 296, 16	2020	2022
p.297, question 27, updated rationale		27. A. The answer is choose to become licensed as a broker. Arizona requires 3 years of salesperson experience prior to applying to become a real estate broker.
p.297, question 27 updated rationale		31. B The answer is none of the licensed persons or entities can practice real estate through that employing broker. The employing broker and the designated broker must reactivate their licenses in order for all licensees to conduct real estate transactions again. The salespeople have the option to change brokerages and conduct real estate.
p.298, question 16 answer	2017.01	2022.03
p.299, question 28, updated rationale		28. D The answer is Andrew cannot open a separate trust account.
p.301, answer 3,	There is no reinstatement period	Removed
p. 301, answer 7	Commercial: 16–20%; Land: 15–16%; Residential: 10%; Residential Rentals: 10%.	Removed

p.301, answer 8, updated rationale		8. D The answer low return on investment, high risk. Just the opposite: High return with low risk.
p. 302, updated rationale		16. C The answer is the high bidder gets deed to the property at the auction. The high bidder will get a Sheriff's certificate. After the 6 month mortgagor's right of redemption, the certificate holder gets the sheriff's deed to the property. 17. D The answer is because the foreclosure is a nonjudicial action, the event starts with a default letter to the trustor and a 90-day redemption period. A "redemption period" is an event (6 months) that ONLY happens with the foreclosure of a mortgage. A deed of trust has a "reinstatement period" of 90 days that allows the trustor time to bring the loan current.
p.303, question 4, updated rationale		4. B The answer is a cure notice can be verbal. It must be in writing as it is a legal notice to the other party that they must perform or risk being in breach of the agreement.
p.304, question 25, updated rationale		25. A The answer is option is a right to purchase property at a set price for a fixed period of time. It's a unilateral agreement between a buyer and a seller. Seller must perform if buyer wants to buy. Buyer does not have to execute the option. First right of refusal agreement on a property is only in the case that the seller chooses to sell. No set price or consideration.
p.305, answer 26,		The answer is being of sound mind is a requirement in order to make a contract.
p.305, question 38, updated rationale		C The answer is The buyer broker licensee must wait to hear from the listing agent.
p.306, question 11, updated rationale		11. C The answer is landlord begins the eviction process by filing a special detainer.
P306, question 12, updated rationale		12.

		C The answer is hoarding is considered a disability; tread with caution. It's against the law to discriminate against disabled individuals, and hoarding is a recognized and diagnosable mental disorder in the DSM-5, the book used by the American Psychiatric Association (APA) to classify mental disorders. Because hoarding is considered a disability, property owners must comply with the Fair Housing Act and provide reasonable accommodations.
p.307, question 18, updated rationale		18. B The answer is the landlord should give notice to inspect property. Arizona statutes require 48-hour notice to tenants for access. Because the neighbor is the source of the abandonment, landlord needs to follow all statutory regulations. Peek in the window, but do not go in before the 48 hours. Post the notice on the door and send notice of abandonment by certified mail.
p. 309, updated rationale for 11	.	11. D The answer is ADEQ allows new irrigation in INAs. ADWR regulates water in INAs. No NEW irrigation in INAs.
p. 309, updated rationale for 15		D The answer is Arizona has five Irrigation Non-Expansive areas. Arizona has three INAs: Joseph City, Harquahala Valley, Douglas and Hualalai Valley.
p.310, updated rationale for 34		34. B The answer is all six AMAs were established when the Act became law. This is the rationale: In 1980, the Groundwater Management Act was adopted, and it established the Arizona Department of Water Resources. Four Active Management Areas (AMAs) were created: Phoenix, Tucson, Pinal, and Prescott. In 1994 Santa Cruz was added and in 2023 Douglas voted to become an AMA.
p. 310, updated rationale for 36		36. B The answer is 2.8 million acre feet without cuts. Starting 2023, Arizona will be cut 512,000 acre feet. Cuts depend upon amount of precipitation and snowpack each winter.

p.311, updated rationale for 42		42. C The answer is contact the ADWR.
p.312, updated rationale for 26		26. B The answer is they will receive a home warranty. The new home builder does not give home warranties but the new home builder is responsible for defects up to 8 years.