



Banish BINSR Babble

CE: 3 HOURS CONTRACT LAW



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RESIDENTIAL BUYER'S INSPECTION NOTICE AND SELLER'S RESPONSE (BINSR)



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1. Contract dated: _____, 20____
MONTH DAY YEAR
2. Seller: _____
3. Buyer: _____
4. Premises Address: _____

BUYER INSPECTIONS AND INVESTIGATIONS COMPLETED

(See Section 6j)

Buyer has completed all desired Inspection Period items, such as:

- (a) physical, environmental, and other inspections and investigations;
- (b) inquiries and consultations with government agencies, lenders, insurance agents, architects, and other persons and entities;
- (c) investigations of applicable building, zoning, fire, health, and safety codes;
- (d) inquiries regarding sex offenders; and the occurrence of a disease, natural death, suicide, homicide or other crime on the Premises or in the vicinity
- (e) inspections and investigations pertaining to square footage, wood-destroying organisms or insects, sewer, flood hazard, swimming pool barriers, and insurance; and
- (f) inspections and investigations of any other items important to Buyer.

Buyer has verified all information deemed important including:

- (a) MLS or listing information; and
- (b) all other information obtained regarding the Premises.

Buyer acknowledges that:

- (a) All desired Inspection Period inspections and investigations must be completed prior to delivering this notice to Seller;
- (b) All Inspection Period items disapproved must be provided in this notice;
- (c) Buyer's election is limited to the options specified below; and
- (d) Buyer is not entitled to change or modify Buyer's election after this notice is delivered to Seller.

Buyer and Seller acknowledge that any agreed upon corrections/repairs;


- (a) Must be performed in a workmanlike manner; and
- (b) Arizona law, A.R.S. § 32-1121, requires that a licensed contractor perform corrections/repairs for which: (i) the aggregate contract price, including labor and materials, is \$1,000 or greater; or (ii) the work to be performed is not of a casual or minor nature; or (iii) the work to be performed requires a local building permit.

Buyer elects as follows:

- Premises Accepted – No corrections requested. Buyer accepts the Premises in its present condition and no corrections or repairs are requested.
- Premises Rejected – Buyer disapproves of the items listed below and elects to immediately cancel the Contract.
- Buyer elects to provide Seller an opportunity to correct or address the disapproved items listed below. (Attach an addendum, if applicable.)

Items disapproved: _____

Arizona Association of REALTORS®

 aaronline.com/2015/08/13/back-to-binsr-basics

August 13, 2015

Updated June 2017

The Arizona Association of REALTORS® Residential Resale Real Estate Purchase Contract (February 2017) provides the buyer an opportunity, during the Inspection Period, to conduct all desired inspections to determine the value and condition of the home (Section 6a).

Prior to expiration of the Inspection Period, the buyer may deliver a signed notice of any items disapproved and cancel the contract or provide the seller the opportunity to correct the item or items (Sections 6i and 6j).

The following are some of the frequently asked questions about the BINSR.

Question: Must all Inspection Period items disapproved be provided on one BINSR?

Answer: Yes. All Inspection Period inspections and investigations must be conducted prior to delivering the BINSR to the seller.

Question: If the buyer elects to cancel the contract during the Inspection Period, must the buyer state the reason for cancellation?

Answer: Yes. The buyer must deliver notice to the seller of the items disapproved.

Question: What if the buyer delivers the BINSR electing to cancel, but fails to give notice of the item(s) disapproved?

Answer: If buyer's notice fails to specify items disapproved, the cancellation will remain in effect but buyer has failed to comply with a provision of the Contract and seller may deliver to buyer a Cure Period Notice. If buyer fails to cure their non-compliance within three (3) days after delivery of the notice, buyer will be in breach and seller is entitled to the earnest money. If, prior to expiration of the cure period, buyer delivers notice specifying items disapproved, buyer is entitled to a return of the earnest money (Section 6j).

Question: Should the buyer use the BINSR to negotiate a price reduction in lieu of providing the seller an opportunity to correct the item disapproved?

Answer: No. If the buyer wants to negotiate a reduction in purchase price in lieu of repairs, the buyer should do so and reduce the agreement to a signed writing and obtain the seller's signature on the amendment prior to delivering the BINSR. If the seller refuses to agree to reduce the purchase price, the buyer can then deliver the BINSR and elect to cancel the contract or provide the seller an opportunity to make the repairs.

Question: What if the seller agrees to correct some, but not all, of the items disapproved?

Answer: The buyer has two options: cancel the contract within five days after receiving the seller's responses, or accept the premises with the correction of only those items the seller agreed in writing to correct.

Question: What if the parties need more time to negotiate the items disapproved?

Answer: Any agreement to extend the Buyer Disapproval time periods must be agreed upon in writing and signed by all parties before the time expires.

Question: What if the buyer does not give written notice of items disapproved to the seller during the Inspection Period?

Answer: The buyer must proceed with the transaction and close escrow without the correction of any disapproved items (except for warranted items).

Question: What happens if the seller fails to respond to the buyer's written notice of items disapproved?

Answer: The seller's failure to respond is a refusal to correct any of the items disapproved.

Question: Can the buyer change the buyer's election once the election has been made?

Answer: No. The buyer is not entitled to change or modify the election after the notice is delivered to the seller.

Question: What happens if the seller fails to make the agreed upon repairs?

Answer: The buyer should immediately deliver a Cure Period Notice. The seller will be liable for breach of contract, if the repairs are not completed by Close of Escrow.

Question: Is a buyer entitled to enter into multiple contracts (without informing the sellers), with the intent to buy only one, since the buyer can cancel the contracts during the Inspection Period in the buyer's sole discretion?

Answer: No. The buyer must act in good faith and deal fairly with the seller.

Question: Must repairs be performed by a licensed contractor?

Answer: No, unless required by law or contractually agreed upon by the parties. Generally, a contractor's license is required by statute for work that exceeds \$1,000 in value. Thus, to the extent that any repairs exceed \$1,000, the seller should hire a licensed contractor to make those repairs.

For more information about the BINSR or other Contract issues, visit aaronline.com.

2.1 STRUCTURAL COMPONENTS

The floor in the laundry room is not level and is uneven. The reason for the condition is unknown and could only be established by invasive testing and inspection. Recommendation: Evaluation and repair by a licensed flooring contractor.



At the time of the inspection, I notated minor cracking at the south perimeter stem wall of the home. No differential settlement was apparent with the home or its structure. Recommendations: Patch and paint as appropriate.



Moisture stain were evident at the insulation at one of the roof penetrations.

Recommendations seal roof penetrations as appropriate by a licensed roofer.



There was evidence of cracks in the exterior carport masonry support. Recommendations: Repair as appropriate by a licensed concrete contractor.



2.2 EXTERIOR

There is missing wood trim on the home at the west perimeter. Besides being unsightly, loose trim can result in water penetration that leads to rot and insect infestation. Recommendation: Repair or replacement as appropriate.



The glass patio slider door at the patio when opening or closing indicated to have worn out door track rollers/wheels and does not open or close without using excessive force. Recommendations: Repair as appropriate by a licensed patio door contractor.



Wood rot was visible on the roof sheathing or fascia under the eave at the south and west side of the home and at the patio. It is unknown if this condition is the result of the present roof cover or one prior. Rot usually occurs when the sheathing has been wet or when the paint/stain finish has been allowed to deteriorate. Rot attracts wood destroying insects and organisms. Recommendation: Replacement of damaged area to include protection by a quality paint/stain.



The horizontal beam at the carport exhibited dry rot and or possible termite damage. This condition attracts wood destroying insects. Recommendation: Replacement of affected components.



Contact between the exterior wall surface and grade was noted at some points along the west perimeter of the residence. This state promotes a condition that is conducive to infestation by wood deteriorating organisms or wood rot. It is important that materials such as leaves, vegetation, soil, silt or other debris are not permitted to accumulate at any part of the lower exterior wall. Correction requires lowering flatwork, re-grading the landscaping or adjusting the point at which the wall cladding terminates. Recommendation: Adjust grade to provide for a 4-inch separation between the bottom of the wall and grade.



One or more of the tape seams in the carport ceiling is cracked. Recommendation: Repair and paint as appropriate.



The concrete driveway, concrete carport and concrete flatwork has some cracks that detract from its appearance, but it is still very viable and can probably be satisfactorily repaired. Recommendation: Seal cracks with epoxy to prevent moisture from undermining the concrete.



2.3 PLUMBING SYSTEM

The hot and cold bathtub faucets have been reversed at the hall and master bathrooms. The choice for hot is always on the left and the choice for cold on the right. Recommendation: Repair as appropriate by a licensed plumbing contractor.



The tub stopper in the hall bath does not seal (tub will not hold water). Recommendation: Repair as appropriate.



Moisture and heavy corrosion was observed at the bottom of the water heater indicating that the tank might be leaking. Recommendation: Evaluation by a licensed plumbing contractor for replacement as appropriate.



The kitchen sink back flows in the opposite drain of the kitchen sink basin, this may indicate a drain blockage or restriction. Recommendations evaluation and repair as appropriate by a licensed plumber.



The hall bath sink drain has a accordion drain line installed and should be replaced with a straight nonrestrictive drain line to prevent future drain restrictions or obstructions. Recommendations: Replace with proper non-restrictive straight drain line by a licensed plumber as appropriate.



The service life for cast iron is 30-35 years, although there is no way to tell what types of drain lines are present due to a non-invasive inspection and drains being behind the wall. Newer construction methods require the fitting of schedule 40 ABS plastic drains. Recommendation: Due to the age of the home and a large tree located in the proximity of the city meter, a further inspection using a fiber optic closed circuit camera is probably prudent by a licensed plumber to ensure functionality and serviceability of all drain lines (laundry room as well) and main water supply to the home.



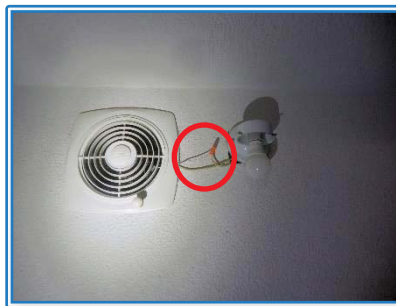
2.4 ROOF SYSTEM

Early indications of surface failure, such as erosion of the protective granular coating, damaged shingles were evident at the time of inspection. Recommendation: Evaluation by a licensed roofing contractor for repairs and or replacement timetable and associated cost.



2.5 ELECTRICAL SYSTEM

There are electrical wires at fixtures at the laundry room that have been spliced and not contained in approved junction boxes. Recommendation: Have all splices installed inside required junction boxes by a licensed electrical contractor.



One or more of the outlets at the exterior of the home are not GFCI protected as required.
Recommendation: Upgrade outlets as appropriate by a licensed electrical contractor.

2.6 AIR CONDITIONING SYSTEM

At the time of the inspection, I notated that there was no HVAC supply register installed at the master bathroom. Recommendations Evaluation and repair as appropriate by a licensed HVAC contractor.

2.7 INTERIOR

There is a water-stained wall at the laundry room that indicated to be the result of water intrusion, possibly from flashing or roof leaks or interior plumbing fixtures or water lines. There is no indication that the stains are the result of active leaks. It is unknown how these have affected unseen areas, and whether or not there could be structural damage caused by rot. Recommendation: Confirm from seller if the stains are related to a previously repaired problem or obtain evaluation for the source of the moisture by licensed roofing, siding or plumbing contractor and repair as appropriate.



There is evidence of moisture damage to the wall in the laundry room. Recommendation: Repair and paint as appropriate after the source of the moisture intrusion is identified and repaired.



One or more of the window locks are missing or unusable. Recommendation: Repair as appropriate.



The seals between the master bathtub, hall bathtub and the wall surrounds are not water tight as required. There is also developing mildew where the seal is breached. Recommendation: Re-seal between tubs and surrounds.



2.8 INSULATION AND VENTILATION

At the time of the inspection i notated that the laundry room exhaust fan does not direct the room air to the exterior of the home. Recommendations repair as appropriate.



The master bathroom exhaust vent is configured incorrectly. The vent terminates in the attic. Recommendation: Installation of proper ductwork from exhaust vent to roof vent so it vents to the outside of the home.



2.9 APPLIANCES

There is no anti-tip bracket behind the range/oven to prevent it tipping when the door is opened. Anti-tip devices come with new range/ovens and are supposed to be used. Without an anti-tip bracket, the range could tip away from the wall, spilling its contents or injuring small children. Recommend installing proper device.

This concludes the Executive Summary. The full report begins on the following page.