

Valley of the Sun Real Estate Update

May, 2005

The New Purchase Contract: What's In It?

The Arizona Association of Realtors will be introducing the newest version of the Residential Purchase Contract this week. The committee that drafted the new version worked closely with many experienced agents, as well as title companies, lenders, and other related professionals. Their efforts were further refined by making a preliminary copy available to all agents for review and comment before the final version was put together. While the contract will never be perfect, I believe the result is a significantly better contract that is easier for the consumer to read & understand.

Only time will tell how the updates to the contract will affect the day-to-day practice of agents and clients. What is already clear, though, is that the new version has several major changes that need to be considered by anyone buying or selling a home. The most striking new feature is the introduction of a "Cure Period" that allows a party in potential breach of contract an opportunity to correct the problem without penalty.

In the old contract, if one party failed to perform certain tasks in a timely manner, the other party was entitled to immediately cancel the contract. In the current market environment, with sellers getting well over list price with multiple back-up offers, and buyers sometimes jumping in over their heads, it is easy to see how someone might look for an easy exit out of the transaction. However, it can be devastating to a client to lose a deal over what seems like a technicality, especially when a simple notification could avert the problem.

The new contract requires the aggrieved party to deliver a notice of non-compliance to the other party. The non-complying party then has three days to correct their error. Only after that three-day Cure Period can the other party cancel the contract. In effect, this change requires all parties to "play nice" and reduces the opportunity for one party to force the other out of the deal.

In general, I think this is a very positive change. In fact, it provides a good approximation of a clause that we at ERA Lucas Realty Group have been using in our contracts for the last two years. Still, this is a huge change in contractual procedure, and it is very important for agents to educate themselves about how it will affect the escrow process. Agents who do not understand this change, and the many others in the new contract, will be placing their clients at a significant disadvantage in a very competitive marketplace.

Since this is such a big deal, we'll look at another aspect of the new contract in the next issue. In the meantime, if you have any questions about how the new contract changes might affect your plans to buy or sell a home, please feel free to be in touch.

On the Home Front



Taran is doing great—as you can see, he has just discovered the joy of sticking things in his mouth. He had his 2-month checkup last week, and I'm happy to say he is a healthy and happy little boy!



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Recipe of the Month

Sirloin Steak in Cognac Sauce

This month's recipe has a lot of virtues: it sounds elegant, it's easy to prepare, looks great on the plate, and it's delicious!

¾ lb sirloin steak	½ cup chicken broth
Olive oil spray	1 tablespoon Dijon mustard
Salt & fresh ground pepper	3 tablespoons heavy cream
4 tablespoons cognac	Watercress for garnishing

1. Spray both sides of steak with olive oil. Heat a small, non-stick skillet on medium-high and also spray this with olive oil. Brown steak 2 minutes – reduce heat to medium if steak browns too quickly. Turn steak over and salt and pepper the cooked side. Brown for 2 more minutes.
2. For a 1-inch thick steak, continue to cook about 6 more minutes for medium-rare, turning every 2 minutes. Adjust time for thinner steaks. A meat thermometer should read about 145° for medium-rare or 160° for medium. Remove steak to a cutting board and cover to keep warm.
3. Add cognac to the skillet and deglaze the pan by scraping up the brown bits (note: if skillet is too hot, cognac will evaporate almost immediately!) Cook to reduce cognac by half, then add chicken broth. Raise to high heat and again reduce by half, 2 minutes or more.
4. Add mustard and blend. Remove from heat and stir in cream, adding salt & pepper to taste.
5. Cut steak into ½-inch slices and place on serving plates. Cover with sauce, and garnish with watercress or other fresh greens. Makes 2 portions.

Serve with rice, cous cous, or potatoes, fresh vegetables and warm French bread. If you don't have any cognac on hand, try brandy, scotch, or dark rum.

Adapted from AZ Republic, 01/05

Culture Corner

Quick reviews of some recent favorites

Movies: A Greek myth set amongst the gods and goddesses of early Hollywood, **The Aviator** tells the story of the rise & fall of Howard Hughes. A man of limitless ambition and nearly limitless wealth, Hughes moved in the upper realms of American society until he was ultimately brought low not by his pride but by the frailties that his power and wealth obscured for so long.

Food: Here's the latest entry in the "Great Chinese Place I Should Have Been To A Long Time Ago" category: **Best Hong Kong Dining**, across the street from Mesa Community College at Southern & Dobson. Some friends brought over takeout the other day, and everything we had was great, especially the pepper chicken and the shrimp in lobster sauce. Can't wait to go there in person!

Movies: It's loud and violent, with no great message to deliver, but **Sin City** is also a brilliantly filmed tribute to Hollywood's age of noir thrillers. The adaptation of Frank Miller's graphic novels may be one of the best on-screen translations of comic book style, and the cast features an endless stream of all-star performers.



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