

A|KG

SELLER'S GUIDE



01

PREP

The first step is the initial consultation with your agent to discuss possibilities, timing and budget. It's important to understand that when your home goes to market it should be presented in its best light.

Some ideas to consider could include:

- | Curb appeal
- | A deep cleaning
- | Neutralize any strong colors
- | De-personalize
- | De-clutter
- | Make repairs
- | Consider professional staging
- | Fresh coat of paint
- | Consider refinishing floors or replacing old carpet
- | Update light fixtures

These expenses up front will pay dividends with a faster sale and a higher price.

02

GOING TO MARKET

Your home is on the market. You've prepared so well and now you have an offer, or multiple offers! Now the real excitement begins.

Purchase offers are often complex and it's important that sellers have a clear understanding of all contract terms in addition to the purchase price offered. Once a seller has accepted an offer, in writing, they generally do not have the unilateral ability to cancel the transaction, so it's most important to be sure all items are negotiated in a seller's best interest.

The following pages will outline the basics of the Residential Purchase Agreement as well as specialized investigations a buyer may choose to perform, additional provisions to be aware of and highlights of the escrow process.

At AKG we also go above and beyond to help you vet buyers prior to a seller accepting or countering any offer. This includes helping you understand how you can verify a buyer's financials. We want you to find a buyer that has their funds readily available; whether paying all cash or financing.

If a buyer is obtaining financing, we will also check in with their chosen lender to be sure they are responsive and have actually verified a buyer's ability to obtain a loan.

03

NEGOTIATING OFFERS

THE PURCHASE AGREEMENT: The Residential Purchase Agreement (also known as the RPA) is the contract that California Association of Realtors® has created for the purchase of residential property. AKG real estate professionals regularly attend intensive contract classes and meetings so that they may better explain key aspects of the contract. It's important, as you receive offers, to carefully review each aspect of the contract and how it pertains to your sale. This is the time to ask any questions that you might have.

PHYSICAL INVESTIGATION, LOAN AND APPRAISAL: The contract contains contingencies that are essentially contractual protections that allow the buyer to cancel the contract based on certain conditions. Your buyer will, typically, have a time period to investigate the property, obtain financing, verify the value of the property, and also exit the contract, if needed, without penalty.

CONTINGENCY CLAUSES INCLUDE:

PHYSICAL INVESTIGATION CONTINGENCY: Your buyer will have the right to investigate any and all conditions and elements of the property. They will engage the services of multiple advisors and inspectors. This is usually the primary contingency where a buyer will decide whether to move forward with the transaction, and will include inspections to make sure all the home's systems and components are in good working order. If defects are discovered, or repairs are needed, the contract may need to be renegotiated.

PROPERTY INVESTIGATION: This is when your buyer will check into schools, crime, permit history and anything else that may be pertinent to a buyer's decision to purchase.

TITLE REPORT: The Preliminary Title Report (prelim) is typically provided by the seller. The buyer receives the Preliminary Title Report which specifies any encumbrances, easements and any legal matters that may affect title to the property. Title insurance insures that there are no "clouds" on title to the property.

SELLER DISCLOSURES: This includes but is not limited to Real Estate Transfer Disclosure Statement (TDS), Seller Property Questionnaire (SPQ), Natural Hazard Disclosure (NHD), Lead-Paint Disclosure if the house was built prior to 1978 and HOA documents, if applicable.

9A/MUNICIPAL REPORT: If applicable, this report will tell you if the property is connected on sewer or septic. It will also show pending assessments, if any. It's important that this be ordered early in the escrow, or ideally prior to opening escrow, as the time period to receive this report varies from city to city. Some cities may not require one.

C.L.U.E. Report (Combined Loss Underwriting Exchange): This report is typically available via the buyer or seller's insurance company and will list any insurance claims made on the property within the past five years.

03

NEGOTIATING OFFERS (CONT.)

LOAN CONTINGENCY: If your buyer is unable to secure a loan, mortgage terms and maximum interest rate as stated in the contract they may legally cancel their offer.

APPRAISAL CONTINGENCY: If the appraised value determined by your buyer's lender's appraiser is less than the agreed-upon purchase price your buyer will have the option to ask you to renegotiate or cancel the agreement. The buyer's contingencies remain in place until they are actively removed by the buyer. They do not expire. In the event a buyer is not performing in removing their contingencies, the seller may issue a notice to perform at the appropriate time. This will allow the seller to cancel the sale.

ADDITIONAL PROVISIONS | HOME WARRANTIES: A home warranty can offer buyer protection against some of the things that can go wrong early on following the close. Often the seller will provide a one-year home warranty plan to the buyer, which offers protection on the property if any of the covered items fail during the first year.

DISPUTE RESOLUTION: Mediation and arbitration of dispute. The contract provides preliminary agreements on dispute resolution. Mediation is part of every contract and both parties can agree to arbitration in the event of a dispute.

LIQUIDATED DAMAGES: Liquidated damages, if agreed to, determine a settlement in the event that the buyer defaults after all contingencies are removed. Typically, the buyer may be at risk of forfeiting their initial deposit, usually limited to 3% of purchase price.

When you are considering offers for your home, be sure to go over all of these provisions carefully. Of course, if an AKG real estate professional is representing you, we will cover these details with you.

ACCEPTING THE RIGHT OFFER: As you can see there are a lot of terms to consider when reviewing offers; above and beyond the best price. Depending on the market you may find yourself reviewing multiple offers or waiting for an offer. In either case most sellers would, ideally, like a high price but most also are looking for a buyer who will close escrow. Offers are often imperfect and usually the beginning of a conversation so it's important to take some time with your agent, ask questions and craft a counter offer that addresses most of your wants and certainly all of your needs.

FINAL WALK THROUGH: You've accepted the right offer, the right buyer made it through your buyer's contingencies and is moving towards closing. During the last five days of your escrow the buyer will have a right to conduct a final walk through of the property. This is not a contingency but is to verify that the condition of the entire property is essentially the same as it was when the offer was accepted and to verify that any required or negotiated repairs have been completed.

EXPERTISE – COOL UNDER FIRE: It all comes down to keeping cool under fire. Most brokers know how to get an offer accepted for their clients. What defines expertise is being able to navigate through the entirety of the deal with ease and efficiency, maintaining open communication with all parties and handling any issues which arise with integrity and poise.

04

THE ESCROW PROCESS

WHAT IS ESCROW?

The escrow company is a neutral third party with the responsibility of overseeing the contract to make certain that no funds or property will change hands until all terms and conditions of the purchase contract have been met and to make sure that the interests of all parties to the transaction are protected.

The escrow company is determined and agreed upon between the buyer and seller (this is a negotiable item as with all the other terms of the contract). Upon acceptance of the RPA by buyer and seller the escrow process begins and the contract is now officially active. The Realtors® will provide the purchase agreement to the escrow officer and include the contact information for all parties. The escrow officer then reviews the contract, reaches out to the buyer and seller, and provides instructions for the deposit of buyer's earnest money; which is typically 3% of the purchase price.

The earnest money deposit is due into escrow no later than three business days from acceptance, and is held in-trust by the escrow company.

After reviewing the contract, the escrow officer will prepare the escrow instructions. These instructions outline the duties of the escrow company, including those set forth in the RPA, and incorporate the legal description of the subject property, and include the contingency dates as agreed upon in the contract. The escrow officer will generate opening packages that contain documents that need to be signed, completed, and at times notarized. The opening package is to be returned to escrow within five days of receipt. Escrow will help guide you through the package. The escrow officer will also open a title order, if not already done by the listing agent, and will review the preliminary title report. Escrow will work with the seller and the title company to ensure that clear title will pass to the buyer at the close of escrow. This means all encumbrances, liens, property taxes, or other obligations that may be against the property will be paid.

The escrow officer works with every party in the transaction and is a great resource to go to with any questions, updates, or concerns.

*Wire fraud is on the rise, so buyers should always contact the escrow officer by phone to confirm the wire instructions that they've received from escrow. This is just another measure of safety and should be a standard practice anytime funds are being wired.

It is extremely important to use an escrow company that is in compliance with the CFPB (Consumer Financial Protection Bureau). Escrow companies that are not in compliance with the CFPB can put a buyer's and seller's personal information and money at risk.

05

THE CLOSING PROCESS

The closing date (the target date to close the transaction and transfer ownership) is determined by the buyer and seller when the parties have agreed to and accepted the terms of the purchase agreement. This date may be amended by the mutual agreement.

The escrow officer confirms that all the conditions of the purchase agreement have been met, including but not limited to:

- | All required documents have been delivered to escrow holder.
- | Clear title has been verified.
- | Buyer's signed loan documents (if applicable) are complete.
- | Seller's notarized recording documents have been delivered to escrow.
- | Estimated closing statements have been reviewed and approved.
- | Buyer's closing funds have been received by escrow.
- | If the buyer is getting a loan, the completed loan documents are returned to the lender by escrow, the buyer's closing funds are deposited with escrow and the buyer's loan funds.

The escrow holder will then call the title company, confirm the final details of the transaction, order the title insurance policy as called for in the purchase contract, and release the file for recording (also known as "closing") with the county recorder's office for the next business day.

Close of escrow happens when the notarized grant deed that the seller has signed is recorded at the county recorder's office. This deed transfers title of the property from the seller to the new buyer.

Upon the escrow holder's confirmation from the county recorder's office that the deed has been recorded, the escrow officer will notify all parties. Keys are exchanged between agents, seller and buyer, as outlined in the RPA.

The escrow holder will then process the closing, balance the final figures of the file, disburse the funds accordingly (including any refunds to the buyer), and generate and disburse the final closing statements.

CONGRATULATIONS! YOU HAVE OFFICIALLY SOLD YOUR HOME!



AKG currently represents the largest market share of luxury listings in the country, with over \$2 billion in active luxury inventory and over \$700 million in sales for 2020, making it one of the highest producing years of any agency in the country. Based in the heart of Beverly Hills, AKG has a team of over 90 agents and a staff of 10.

AKG attributes its success to its vast marketing and advertising strategies, partners, market knowledge, exclusive contact base and genuine love of luxury sales. Many developers seek AKG to sell multi-unit projects, including a private island in the Pacific, Turks and Caicos, the W Hotels, and others.

AKG

#1

LUXURY TEAM
IN LOS ANGELES
TOTAL SALES VOLUME IN 2018 - WSJ

\$726,627,632

TOTAL SALES VOLUME
IN 2020

AKG

CANBY & CO

STATS

- 2015, 18 property transactions in 1st year. (National Average is 2)
- 2016, the top 1% of sophomore agents.
- 2017, record-breaking property sales in Costa Mesa & Hollywood Hills California.
- 2018, the top 10 agents in the Keller Williams Beverly Hills office for units closed.
- 2018, achieved prestigious 'capping' volume at Keller Williams Beverly Hills.
- 2019, 9th largest sales volume out of 453 agents at Keller Williams Beverly Hills.
- 2019, recorded the highest neighborhood sale ever at \$2.2M (28359 San Nicolas-Rancho Palos Verdes)
- 2019, recorded the second-highest neighborhood sale ever at \$1.8M (28327 San Nicolas-Rancho Palos Verdes)
- 2019, achieved elite 'capping' volume at Keller Williams Beverly Hills.
- 2020, recruited and joined the #1 real estate team in Los Angeles.
- 2020, set multiple record breaking sales in Los Feliz, CA.
- Expert in selling properties within 21 days from entering the market.
- Specialized in selling expired, probate, commercial & residential properties.



TRAVIS CANBY

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Travis Canby is a licensed California Realtor and the co-owner of the Canby & Co. Group (CCG) – a highly successful real estate team in conjunction with the Aaron Kirman Group and Compass. Canby has a devotion to God, his fiancé and business partner, Judith Lovingfoss plus his 2 rescue dogs, Charlie & Anonymous. Born with an internal drive for success, Canby elevated to the top 0.83% of basketball players in the world landing a (NCAA-D1) scholarship with Kansas State University. After graduating with honors, he played professionally in Germany clinching a championship while exploring European cultures and customs. Exhausting his athletic potential he returned to his hometown of Atlanta, Georgia beginning his medical device sales career.

Years of success followed before leaving Atlanta in 2010 for the golden coast of San Diego, California. He drove across the country to a local Stryker Medical office (the job he wanted) and sat in the lobby until someone would interview him - he was determined. After 6 hours of waiting and a 30-minute interview, he secured a sales position and was quickly negotiating million-dollar medical contracts. Travis excelled past his peers and was requested by the nation's leading surgeons to assist under intense medical operations. Surgeons enjoyed his calm demeanor and natural ability to problem solve under pressure, especially in life-or-death situations. Fascinated with the art of negotiating, Travis studied the craft diligently and became a top 10% representative in the United States but couldn't shake his dream of being a Realtor. In August of 2015 he traded in his scrubs for a real estate license and started door knocking neighborhoods.

His southern charm and instant add value approach played well as he recorded 4 listings in his first week and ended the year with 14 more placing him in the top 1% for rookie real estate agents. In the coming years Travis set multiple record sales stretching from the Hollywood Hills to Rancho Palos Verdes and eventually started his own company called, The Canby and Co. Group (CCG). The CCG became a top 10 producing team in Beverly Hills while Travis and Judith placed 9th in volume closed out of 453 agents. Travis has worked every aspect of the industry representing sellers, buyers, developers and investors while strengthening his working relationships with agents throughout California. In 2020, the #1 team in Los Angeles, the Aaron Kirman Group recruited the Canby & Co. Group to join forces and continue dominating. Past clients say Travis' greatest ability is using his experience and foresight to proactively address details before they become a problem.

When Travis isn't working on real estate you can find him playing basketball & swimming, exploring new restaurants, traveling, writing his book or donating his time to those in need. Overall, Travis Canby is truly dedicated to his craft providing a first-class real estate experience.



JUDITH LOVINGFOSS

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Eight years ago, Judith Lovingfoss left her hometown of Redlands, California to spearhead Los Angeles real estate and severely elevate the customer service experience. In the past years Judith has built an elite reputation amongst other leading Realtors in California and recognized as a top 10 producer multiple times and now with the #1 team in LA, The Aaron Kirman Group. During the rise of her success, she became the co-owner of Canby & Company, a top-performing team in Los Angeles. She has since penetrated some of Southern California's most luxurious neighborhoods while setting multiple record sales. Judith's passion has always been connecting clients with what they love. Her vibrant personality, fluid communication, and thorough understanding of California make the selling or buying process a true dream. In her free time, Judith is dedicated to fighting human trafficking, advocating for children in foster care through the CASA organization, hiking with her 2 dogs, Charlie & Anonymous, and creating memories with loved ones.

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