

GUIDE TO SELLING A HOME

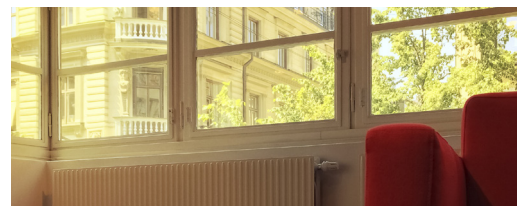


TABLE OF CONTENTS

- 3 USING A WINDERMERE AGENT TO SELL YOUR HOME
- 4 PREPARING YOUR HOUSE FOR SALE
- 6 SHOWING YOUR HOME
- 7 PURCHASE AND SALE AGREEMENT
- 8 IT'S MORE COMPLICATED THAN JUST FINDING A BUYER
- 9 HOME INSPECTIONS
- 10 WORKSHEET: CALCULATING YOUR NET PROCEEDS
- 11 SETTLEMENT—WHO PAYS WHAT
- 12 MOVING TIPS
- 13 PACKING TIPS
- 14 GLOSSARY



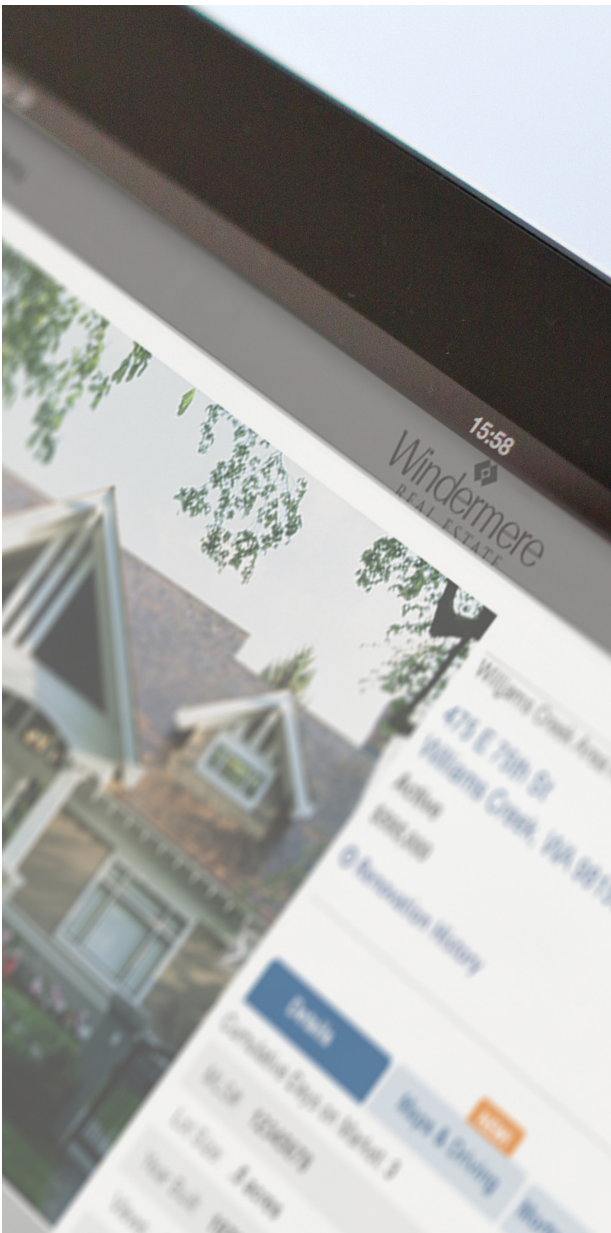


USING A WINDERMERE AGENT TO SELL YOUR HOME

Your home may be your single biggest investment and one of the largest financial transactions you'll ever make. So when you sell, you want to get the best price and the most favorable terms, in the shortest amount of time. There are many marketing options, legalities, and details that go into the sale. The role of your agent is to represent every aspect of the transaction, from the time you set the price to the final closing.

AS YOUR WINDERMERE AGENT

- I know the market and will help you set the right price.
- I also know what buyers are looking for and the financial incentives that will encourage them to buy.
- I am a member of the Multiple Listing Service (MLS), which enables me to provide detailed information about your home to the thousands of other agents assisting buyers.
- In addition to the MLS, I interact with other agents on a daily basis. We trade information about new properties and match eager buyers with the right homes.
- I have access to several advertising opportunities—both in print and online—that will raise interest in your home.
- I will utilize the tools available to me on Windermere.com in order to attract the maximum number of buyers to your home.
- Windermere's global referral system provides me access to the large number of people who relocate each year, increasing the pool of qualified buyers for your home.
- I can quickly separate the qualified buyers from the rest of the pack. This saves you time, because your home is only being shown to serious buyers.



PREPARING YOUR HOUSE FOR SALE REPAIR AND CLEANING CHECKLIST



EXTERIOR:

- Remove peeling and chipped paint; replace with a fresh coat.
- Fix loose trim and fencing.
- Clear gutters and downspouts.
- Make sure there is good exterior lighting and all walkway lights and front-door lanterns work.
- Clean and repair the roof as needed.
- Clear garage of clutter and tidy shelves.
- Inspect chimney for cracks and earthquake damage.

YARD:

- Mow and trim grass; re-seed and fertilize where necessary.
- Prune all overgrown trees and shrubs.
- Weed flower beds. Remove or replace dead or diseased plants, shrubs and trees.
- Clean grease and oil stains from driveway.

DECKS/PATIO:

- Paint or stain worn areas in wood decks.
- Remove grass growing in concrete cracks; sweep off debris from shrubs and trees.
- Clean all deck rails and make sure they're secure; replace missing slats or posts.
- Clean outdoor furniture.

FRONT DOOR:

- Polish or replace the hardware on the door so it shines.
- Add a fresh coat of paint to get rid of nicks.
- Clean the glass on the storm door; make certain the screen is secure.
- Make sure the doorbell operates properly and there are no squeaks when the door opens and closes.

WINDOWS:

- Clean all windows—inside and out.
- If needed, add a fresh coat of paint to the window trims and sills.
- Make sure all windows open and close easily.
- Replace cracked windowpanes and those with broken seals.
- Make sure window screens are clean and secure; replace any screens with holes or tears.

ENTRY:

- Clean entryway floors and area rugs.
- Downsize clutter in the entry and entry closet to give the appearance of spaciousness.
- Double-check entry lighting to make sure it works.

THROUGHOUT:

- Clean all floors, carpets, walls and trim.
- Replace burned-out light bulbs.
- Empty trash.
- Remove family photos, valuables, and prescription drugs.

KITCHEN:

- Make sure countertops, grout, and sinks are clean and stain-free. Replace grout as needed.
- Fix dripping faucets.
- Organize pantry and cupboards so they appear clean, neat and spacious.
- Make sure the refrigerator and freezer are defrosted and free of odors.
- Clean the oven and cook-top thoroughly.
- Set the table.



LIVING/FAMILY/DINING ROOMS:

- Give rooms a fresh coat of paint as needed.
- Repair cracks and holes in ceiling and walls.
- Make sure all wallpaper is secure.
- Repaint any woodwork that is worn or chipped.
- Clean or replace draperies and blinds; open them to maximize light.
- Make sure draperies and blinds open and close.
- Wash windows.
- Steam-clean carpets. Clean rugs and wood flooring, and remove any stains or odors.
- Position the furniture to showcase the size and space of the room.
- Remove and replace any attached items, such as chandeliers and draperies, that you wish to move with you.
- Put away toys and hobby supplies; remove extra magazines and books from tables.

BATHROOMS:

- Make sure sinks, tubs, showers and countertops are clean and free of stains.
- Repair any leaky faucets.
- Remove grout and soap stains from tile.
- Replace any missing or cracked tiles or grout.
- Make sure all joints are caulked.
- Make sure all fixtures, including heat lamps and exhaust fans, are operating.
- Install a new shower curtain and buy matching towels.
- Store all supplies, such as toilet paper, shampoo bottles and cleansers.

BEDROOMS:

- Repair cracks in ceiling and walls.
- Apply a fresh coat of paint if necessary.
- Make sure wallpaper is secure.
- Clean draperies and blinds; open them to maximize light.
- Put away toys, clothes, and clutter.
- Neatly make up the beds.

BASEMENT:

- Check for water penetration or dampness; call for professional repairs if necessary.
- Get rid of musty odors.
- Clean furnace, hot water heater, and drains.
- Make sure light fixtures work.
- Arrange storage area in a neat and organized manner.
- Make sure stairway handrail is secure.

TIDY EXTRAS:

- Use air fresheners or bake treats to make the house smell good.
- Plant flowers to brighten a walkway and enrich the entry.
- Remove any indoor houseplants that are brown or losing their leaves.
- Remove all “fixer” cars, campers and boats from the property.
- Discard the clutter of magazines on the coffee and end tables.
- Tidy and declutter all closets.
- Hide or get rid of worn-out throw pillows.
- Store pet supplies.
- At night, turn on the porch light and outdoor lighting. Buyers often drive by homes they are considering at various times of day.

SHOWING YOUR HOME

Once your home is ready to show, as your Windermere agent, I will begin marketing it to potential buyers and other sales associates. If possible, leave the home when buyers are present so they feel comfortable asking their agent candid questions. Other helpful tips include:

- Remove pets. Take them with you or keep them penned in the yard or garage.
- Open shades and curtains to let in light.
- Turn on enough lights so the home is well-lit.
- Remove clutter from tables and bookshelves. Neatness makes rooms seem larger.
- Put away items in the yard such as garden tools, bicycles and toys.
- Turn on gas fireplaces to create a cozy atmosphere.
- Grind up part of a lemon in the disposal to add a fresh smell to the kitchen.
- Keep radios and TVs off, or on low volume.
- Keep money and other valuables, as well as prescription drugs, locked up.





PURCHASE AND SALE AGREEMENT

Once you've found a buyer for your home, I will work with you through the purchase and sale agreement. This is the contract in which you and the buyer outline the details of your property transfer. The purchase and sale agreement usually consists of the following:

- Earnest money receipt
- Financing addendum
- Inspection addendum
- Conditions/disclosure addendum
- Contingency addendum, when appropriate
- Addendum outlining special conditions
- Lead-based paint notification, when appropriate

In selected areas, the following forms will also be part of your agreement:

- Agency disclosure form
- Property disclosure form



HOME INSPECTIONS



Once a buyer has decided to make an offer on your home, it will usually be contingent upon a professional inspection of the entire property—including improvements. The home inspector looks beyond the cosmetics to make sure that the home's general systems operate properly. The inspector will also look for large repairs that are needed and report on the condition of the home.

The standard home inspector's report will review the conditions of the home's heating and cooling systems; interior plumbing and electrical systems; the roof, attic and visible insulation; walls, ceilings, floors, windows and doors; foundation, basement and visible structure. The inspector will also look for cracks in cement walls, water stains that indicate leakage, and any indication of wood rot.

A home inspection also points out the positive aspects of a home, as well as the maintenance that will be necessary to keep it in good shape.

As the seller, you can also elect to hire an inspector to evaluate your home prior to putting it on the market. Many times an inspector can point out major or minor issues with your home that you may be unaware of and that may affect its value.

As your Windermere agent, I'm familiar with home-inspection services and can provide you with a list of names from which to choose. Another good way to find a home inspector is to ask a friend, or perhaps a business acquaintance, who has had a home inspection and can recommend a home inspector they were satisfied with.

Remember, no home is perfect. If major problems are found, I will help you negotiate through the process.



WORKSHEET: CALCULATING YOUR NET PROCEEDS



ESTIMATED DISBURSEMENTS: (ADD ITEMS FOR TOTAL)

Your net proceeds, simply put, equal the sale price of your home minus any disbursements you make during the closing process. As your Windermere agent, I can help you determine the following costs:

Existing home loans	\$
Other liens	+ \$
Standard title insurance ¹	+ \$
State excise tax	+ \$
Loan discount	+ \$
Escrow	+ \$
Brokerage/service fees	+ \$
Proration of interest	+ \$
Recording	+ \$
Inspections (pest, roof, septic, etc.)	+ \$
Miscellaneous	+ \$
Total estimated disbursements	= \$
Sale price of home	\$
Estimated disbursements	- \$
Estimated net proceeds²	= \$

¹ Many title companies will offer a discount to sellers who have a copy of the title report received when purchasing or refinancing a property. Let me know if you have a copy at the time of the listing, and I will request a discount.

² This figure is an estimate based on our experience and reflects current rates and charges. Actual proceeds will be calculated by the escrow officer and will vary according to the specifics of the final sales transaction.



SETTLEMENT—WHO PAYS WHAT

During the negotiation stage of the transaction, a mutually agreed-upon date for closing is determined. “Closing” is when you and the buyer sign all the paperwork and pay your share of the settlement fees, and the documents are recorded. Settlement obligations vary widely due to specific contract language, local laws and customs. Prior to closing, the closing agent (usually an escrow or title company or attorney) will complete a detailed settlement statement for both buyer and seller. As your Windermere agent, I can help you understand which of the following typical settlement fees apply to you.

THE SELLER WILL RECEIVE:

- Utility deposits held by gas, electric, cable, telephone and other companies
- Prorated portion of pre-paid property taxes
- Prorated mortgage interest from payments made during the current month
- Fuel rebate for oil or propane remaining in storage tank
- Net proceeds after seller’s share of expenses is paid

THE SELLER PAYS:

- Brokerage commission (the sum or percentage of the sale price previously agreed upon by the seller and real estate agent)
- One-half of escrow or legal fees paid to the attorney or escrow company for preparing the closing (In California, the party paying escrow fees varies from county to county)
- Document preparation fees, if applicable
- Recording and notary fees, if applicable
- Title search and title insurance (paid by either the seller or the buyer)
- Local transfer taxes, if applicable
- State taxes, if any
- Repairs or inspections, if any, seller has agreed to pay for





SIX TO EIGHT WEEKS BEFORE:

- Use up things that may be difficult to move, such as frozen food.
- Get estimates from professional movers or from truck rental companies if you are moving yourself.
- Once you've selected a mover, discuss insurance, packing, loading and delivery, and the claims procedure.
- Sort through your possessions. Decide what you want to keep, what you want to sell and what you wish to donate to charity.
- Record serial numbers on electronic equipment, take photos (or video) of all your belongings and create an inventory list.
- Change your utilities, including phone, power and water, from your old address to your new address.
- Obtain a change of address packet from the post office and send to creditors, magazine subscription offices and catalog vendors.
- Discuss tax-deductible moving expenses with your accountant and begin keeping accurate records.

TWO TO FOUR WEEKS BEFORE:

- If you're moving to a new community, contact the Chamber of Commerce and school district and request information about services.
- Make reservations with airlines, hotels and car rental agencies, if needed.
- If you are moving yourself, use your inventory list to determine how many boxes you will need.
- Begin packing nonessential items.
- Arrange for storage, if needed.
- If you have items you don't want to pack and move, hold a yard sale.
- Get car license, registration and insurance in order.
- Transfer your bank accounts to new branch locations. Cancel any direct deposit or automatic payments from your accounts if changing banks.
- Make special arrangements to move pets, and consult your veterinarian about ways to make travel comfortable for them.
- Have your car checked and serviced for the trip.
- Collect items from safe-deposit box.

TWO TO THREE DAYS PRIOR:

- Defrost your refrigerator and freezer.
- Have movers pack your belongings.
- Label each box with the contents and the room where you want it to be delivered.
- Arrange to have payment ready for the moving company.
- Set aside legal documents and valuables that you do not want packed.
- Pack clothing and toiletries, along with extra clothes in case the moving company is delayed.
- Give your travel itinerary to a close friend or relative so they can reach you as needed.

MOVING DAY: OLD HOME

- Pick up the truck as early as possible if you are moving yourself.
- Make a list of every item and box loaded on the truck.
- Let the mover know how to reach you.
- Double-check closets, cupboards, attic, basement and garage for any left-behind items.

MOVING DAY: NEW HOME

- Be on hand at the new home to answer questions and give instructions to the mover.
- Check off boxes and items as they come off the truck.
- Install new locks.
- Confirm that the utilities have been turned on and are ready for use.
- Unpack your “first day” box (see below for suggested contents).
- Unpack children’s toys and find a safe place for them to play.
- Examine your goods for damage.

ESSENTIAL PACKING MATERIALS:

- | | | |
|----------------------|-------------------------------|--------------------------------|
| ■ furniture pads | ■ newspapers or packing paper | ■ felt-tip markers |
| ■ handtruck or dolly | ■ scissors | ■ cornstarch packing “peanuts” |
| ■ packing tape | ■ utility knife | ■ plenty of boxes |
| ■ bubble wrap | ■ labels | |

HANDY ITEMS INCLUDE:

Pack a “first day” box with items you will need right away.

- | | | |
|--------------------|--------------------------------------|-----------------------------|
| ■ scissors | ■ instant coffee or tea, soft drinks | ■ shelf liner |
| ■ utility knife | ■ pencil and paper | ■ paper plates |
| ■ local phone book | ■ soap | ■ snacks |
| ■ coffee cups | ■ bath towels | ■ toilet paper |
| ■ teakettle | ■ trash bags | ■ children’s toys and books |



- ADJUSTABLE-RATE MORTGAGE (ARM)** interest rates on this type of mortgage are periodically adjusted up or down depending on a specified financial index
- AMORTIZATION** a method of equalizing the monthly mortgage payments over the life of the loan, even though the proportion of principal to interest changes over time. In the early part of the loan, the principal repayment is very low, while the interest payment is very high. At the end of the loan, the relationship is reversed
- ANNUAL PERCENTAGE RATE** the actual finance charge for a loan, including points and fees, in addition to the stated interest rate
- APPRAISAL** an expert opinion of the value or worth of a property
- ASSESSED VALUE** the value placed on a property by a municipality for purposes of levying taxes. It may differ widely from appraised or market value
- BALLOON PAYMENT** a large principal payment due all at once at the end of some loan terms
- CAP** a limit on how much the interest rate can change in an adjustable-rate mortgage
- CERTIFICATE OF TITLE** a document, signed by a title examiner, stating that a seller has an insurable title to the property
- CLOSING** the deed to a property is legally transferred from seller to buyer, and documents are recorded
- CLOSING COSTS** see “settlement” or refer to “Settlement—Who Pays What” in this guide
- COMMISSION** a fee (usually a percentage of the total transaction) paid to an agent or broker for services performed
- COMPARATIVE MARKET ANALYSIS (CMA)** a survey of the attributes and selling prices of comparable homes on the market or recently sold; used to help determine a correct pricing strategy for a seller’s property
- CONTINGENCY** a condition in a contract that must be met for the contract to be binding
- CONTRACT** a binding legal agreement between two or more parties that outlines the conditions for the exchange of value (for example: money exchanged for title to property)
- DEED** a legal document that formally conveys ownership of a property from seller to buyer
- DOWN PAYMENT** a percentage of the purchase price that the buyer must pay in cash and may not borrow from the lender
- EQUITY** the value of the property actually owned by the homeowner: purchase price, plus appreciation, plus improvements, less mortgages and liens
- ESCROW** a fund or account held by a third-party custodian until conditions of a contract are met



FIXED-RATE MORTGAGE	interest rates on this type of mortgage remain the same over the life of the loan. Compare to “adjustable-rate mortgage”
FIXTURE	a recognizable entity (such as a kitchen cabinet, drape or light fixture) that is permanently attached to a property and belongs to the property when it is sold
HAZARD INSURANCE	compensates for property damage from specified hazards such as fire and wind
INTEREST	the cost of borrowing money, usually expressed as a percentage rate
LIEN	a security claim on a property until a debt is satisfied
LISTING CONTRACT	an agreement whereby an owner engages a real estate company for a specified period of time to sell a property, for which, upon the sale, the agent receives a commission
MARKET PRICE	the actual price at which a property sold
MARKET VALUE	the price that is established by present economic conditions, location and general trends
MORTGAGE	security claim by a lender against a property until the debt is paid
MULTIPLE LISTING SERVICE (MLS)	a system that provides to its members detailed information about properties for sale
ORIGINATION FEE	an application fee(s) for processing a proposed mortgage loan
PITI	principal, interest, taxes and insurance, forming the basis for monthly mortgage payments
POINT	one percent of the loan principal. It’s charged in addition to interest and fees
PREPAYMENT PENALTY	a fee paid by a borrower who pays off the loan before it is due
PRINCIPAL	one of the parties to a contract; or the amount of money borrowed, for which interest is charged
PRORATE	divide or assess proportionately
PURCHASE & SALE AGREEMENT	a contract between buyer and seller that outlines the details of the property transfer; or refer to “Purchase and Sale Agreement” in this guide
SETTLEMENT	all financial transactions required to make the contract final. See “Settlement—Who Pays What” in this guide.
TITLE	a document that indicates ownership of a specific property
TITLE SEARCH	detailed examination of the entire document history of a property title to make sure there are no legal encumbrances



Windermere offers you an unsurpassed full-service network to help you reach your real estate goals. Our agents have access to a wide range of innovative tools and programs, allowing them to serve their clients in a way that is truly unique to Windermere. So whether you're buying or selling, our goal is to make your experience uncommonly rewarding.

If you would like more information about Windermere or any of its programs, please ask your Windermere agent or visit our website at Windermere.com.