

**FILED**

**Jane Dee Hull  
Secretary of State**

State of Arizona  
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Second Regular Session  
1996

CHAPTER 147

**SENATE BILL 1285**

AN ACT

AMENDING SECTIONS 33-804, 33-809, 33-810, 33-811, 33-812, 33-813, 33-1260 AND 33-1806, ARIZONA REVISED STATUTES; RELATING TO DEEDS OF TRUST.

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 33-804, Arizona Revised Statutes, is amended to  
3 read:

4 33-804. Appointment of successor trustee by beneficiary

5 A. If a person appointed as trustee fails to qualify, is unwilling or  
6 unable to serve or resigns as trustee OR IF A TRUSTEE WAS NOT DESIGNATED IN  
7 THE DEED OF TRUST, the beneficiary may appoint a successor trustee, and such  
8 appointment shall constitute a substitution of trustee.

9 B. The beneficiary may at any time remove a trustee for any reason or  
10 cause and appoint a successor trustee, and such appointment shall constitute  
11 a substitution of trustee.

12 C. A notice of substitution of trustee shall be recorded in the office  
13 of the county recorder of each county in which the trust property or some  
14 part of the trust property is situated at the time of the substitution. The  
15 beneficiary shall give written notice through registered or certified mail,  
16 WITH postage prepaid, to the trustor.

17 D. A notice of substitution of trustee shall be sufficient if  
18 acknowledged by all beneficiaries under the trust deed or their agents as  
19 authorized in writing and if prepared in substantially the following form:

Notice of Substitution of Trustee

The undersigned beneficiary hereby appoints \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
successor trustee under the trust deed executed by \_\_\_\_\_ as trustor, in which \_\_\_\_\_ is named beneficiary and \_\_\_\_\_ as trustee, and recorded \_\_\_\_\_, 19\_\_\_\_, in \_\_\_\_\_ county in book or docket \_\_\_\_\_, page \_\_\_\_\_, and legally describing the trust property as:

(legal description of trust property)

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
Signature

(Acknowledgement)

E. A notice of substitution of trustee is effective immediately on execution as prescribed by subsection D ~~of this section.~~

F. A person appointed as a trustee under a deed of trust may resign as trustee at any time. Any such resignation shall be without liability, provided he has not agreed in writing or by his conduct to act in such capacity. If the trustee has agreed in writing or by his conduct to act in such capacity, he may only resign in accordance with the terms of the trust deed and this chapter. If a trustee fails to qualify or is unwilling or unable to serve or resigns, it does not affect the validity of the deed of trust, except that no action required to be performed by the trustee under this chapter or under the deed of trust may be taken until a successor trustee is appointed by the beneficiary or his agent as authorized in writing pursuant to this section. Resignation by a trustee is made by recordation of a notice of resignation in the office of the county recorder of each county in which the trust property or some part of the trust property is situated at the time of the resignation. Written notice shall be given through registered or certified mail, WITH postage prepaid, to the trustor and the beneficiary. A notice of resignation of trustee is sufficient if acknowledged by the trustee and prepared in substantially the following form:

Notice of Resignation of Trustee

The undersigned trustee hereby resigns as trustee under the deed of trust executed by \_\_\_\_\_, as trustor, in which \_\_\_\_\_ is named beneficiary, and recorded \_\_\_\_\_, 19\_\_\_\_, in \_\_\_\_\_ county, in book or docket \_\_\_\_\_, page \_\_\_\_\_, and legally describing the trust property as:

(legal description of trust property)  
Dated this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
Signature

(Acknowledgement)

Sec. 2. Section 33-809, Arizona Revised Statutes, is amended to read:  
33-809. Request for copies of notice of sale; mailing by trustee or beneficiary; disclosure of information regarding trustee sale

A. A person desiring a copy of a notice of sale under a trust deed shall, at any time subsequent to the recording of the trust deed and prior to the recording of a notice of sale pursuant thereto, record in the office of the county recorder in any county in which part of the trust property is situated a duly acknowledged request for a copy of any such notice of sale. The request shall set forth the name and address of the person or persons requesting a copy of such notice and shall identify the trust deed by setting forth the county, docket or book and page of the recording data thereof and by stating the names of the original parties to such deed, the date the deed was recorded, the legal description of the entire trust property, and shall be in substantially the following form:

Request for Notice

Request is hereby made that a copy of any notice of sale under the trust deed recorded in docket or book \_\_\_\_\_ at page \_\_\_\_\_, records of \_\_\_\_\_ county, Arizona, \_\_\_\_\_, 19\_\_\_\_.

(legal description of trust property)

Executed by \_\_\_\_\_ as trustor, in which \_\_\_\_\_ is named as beneficiary and \_\_\_\_\_ as trustee, be mailed to \_\_\_\_\_ at \_\_\_\_\_.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
Signature

(Acknowledgement)

B. Not later than thirty days after recording the notice of sale, the trustee or beneficiary shall mail by certified or registered mail, with postage prepaid, a copy of such notice with the recording date shown thereon, together with any notice required to be given by subsection C OF THIS SECTION, addressed as follows:

1. To each person whose name and address are set forth in a request for notice, which has been recorded prior to the recording of the notice of sale, directed to the address designated in such request.

2. To each person who, at the time of recording of the notice of sale, appears on the records of the county recorder in the county in which any part

1 of the trust property is situated to have an interest in any of the trust  
2 property. Such copy of the notice shall be addressed to the person whose  
3 interest so appears at the address set forth in the document. If no address  
4 for the person is set forth in the document, the copy of the notice may be  
5 addressed in care of the person to whom the recorded document evidencing such  
6 interest was directed to be mailed at the time of its recording or to any  
7 other address of the person known or ascertained by the trustee. If the  
8 interest which appears on the records of the county recorder is a deed of  
9 trust, a copy of the notice need only be mailed to the beneficiary under the  
10 deed of trust. If any person having such an interest or the trustor, or any  
11 person who has recorded a request for notice, desires to change the address  
12 to which notice shall be mailed, such change shall be accomplished by a  
13 request as provided under this section.

14 C. The trustee or beneficiary shall, within five BUSINESS days after  
15 the recordation of such notice of sale, mail by certified or registered mail,  
16 with postage prepaid, a copy of any notice of sale to each of the persons who  
17 were parties to the trust deed except the trustee. The copy of the notice  
18 mailed to the parties need not show the recording date OF the notice ~~was~~  
19 ~~recorded~~. Such notice shall be addressed to the mailing address specified  
20 in the trust deed. In addition, notice to each such party shall contain a  
21 statement that a breach or nonperformance of the trust deed or the contract  
22 or contracts secured by the trust deed or both has occurred, and setting  
23 forth the nature of such breach or nonperformance and of the beneficiary's  
24 election to sell or cause to be sold the trust property under the trust deed  
25 and the additional notice shall be signed by the beneficiary or his agent.  
26 A copy of such additional notice shall also be sent with the notice provided  
27 for in subsection B, paragraph 2 OF THIS SECTION to all persons whose  
28 interest in the trust property is subordinate in priority to that of the deed  
29 of trust along with a written statement that the interest may be subject to  
30 being terminated by the trustee's sale. The written statement may be  
31 contained in the statement of breach or nonperformance.

32 D. No request for a copy of a notice recorded pursuant to this  
33 section, nor any statement or allegation in any such request, nor any record  
34 thereof, shall affect the title to the trust property or be deemed notice to  
35 any person that a person requesting a copy of notice of sale has or claims  
36 any interest in, or claim upon the trust property.

37 E. At any time that the trust deed is subject to reinstatement  
38 pursuant to section 33-813, but not sooner than thirty days after recordation  
39 of the notice of trustee's sale, the trustee shall upon receipt of a written  
40 request, provide, if actually known to the trustee, the following information  
41 relating to the trustee's sale and the trust property:

42 1. The unpaid principal balance of the note or other obligation which  
43 is secured by the deed of trust.

1           2. The name and address of record of the owner of the trust property  
2 as of the date of recordation of the notice of trustee's sale.

3           3. A list of the liens and encumbrances upon the trust property as of  
4 the date of recordation of the notice of trustee's sale, excluding those  
5 matters set forth in section 33-438, subsection A.

6 If the trustee elects to charge a fee for providing the information  
7 requested, the fee shall not exceed one-twentieth of the amount the trustee  
8 may charge pursuant to section 33-813, subsection B, paragraph 5, except the  
9 trustee shall not be required to accept a fee less than twenty dollars but  
10 may accept a lesser fee at the trustee's discretion. The trustee, or any  
11 other person furnishing information pursuant to this subsection to the  
12 trustee, shall not be subject to liability for any error or omission in  
13 providing the information requested, except for the wilful and intentional  
14 failure to provide information in the trustee's actual possession.

15           F. At any time during the day of sale but prior to the sale or on the  
16 last business day preceding the day of sale, the trustee shall provide to any  
17 person who requests it a good faith estimate of the maximum credit bid the  
18 beneficiary shall be entitled to make at the sale.

19           G. In providing information pursuant to subsections E and F of this  
20 section, the trustee may, without obligation or liability for the accuracy  
21 or completeness of the information, respond to oral requests, respond orally  
22 or in writing or provide additional information not required by such  
23 subsections. With respect to property which is the subject of a trustee's  
24 sale, the beneficiary of such deed of trust or the holder of any prior lien  
25 may, but shall not be required to, provide information concerning such deed  
26 of trust or any prior lien which is not required by ~~subsections~~ SUBSECTION  
27 E or F of this section and may charge a reasonable fee for providing the  
28 information. The providing of such information by any beneficiary or holder  
29 of a prior lien shall be without obligation or liability for the accuracy or  
30 completeness of the information.

31           Sec. 3. Section 33-810, Arizona Revised Statutes, is amended to read:

32           33-810. Sale by public auction; postponement of sale

33           A. On the date and at the time and place designated in the notice of  
34 sale, the trustee shall offer to sell the trust property at public auction  
35 for cash to the highest bidder. The attorney or agent for the trustee may  
36 conduct the sale and act at such sale as the auctioneer for the trustee. Any  
37 person, including the trustee or beneficiary, may bid at the sale. Only the  
38 beneficiary may make a credit bid, ~~in lieu of cash,~~ at such sale. The  
39 trustee shall require every bidder, ~~except the beneficiary,~~ to provide a  
40 one thousand dollar deposit, ~~in a CASH OR IN ANY OTHER form THAT IS~~  
41 satisfactory to the trustee, ~~as a condition of entering a bid.~~ Every bid  
42 shall be deemed an irrevocable offer until the sale is completed except that  
43 a subsequent bid by the same bidder for a higher amount shall cancel that  
44 bidder's lower bid. To determine the highest price bid, the trustor or

1 beneficiary present at the sale may recommend the manner in which the known  
2 lots, parcels or divisions of the trust property be sold. The trustee shall  
3 conditionally sell the trust property under each recommendation, and, in  
4 addition thereto, shall conditionally sell the trust property as a whole.  
5 The trustee shall determine which conditional sale or sales result in the  
6 highest total price bid for all of the trust property. The trustee shall  
7 return deposits to all but the bidder or bidders whose bid or bids result in  
8 the highest bid price. The sale shall ~~not~~ be ~~deemed~~ completed ~~until~~ ON  
9 PAYMENT BY the purchaser ~~pays~~ OF the price bid in a form satisfactory to the  
10 trustee. THE SUBSEQUENT EXECUTION, DELIVERY AND RECORDATION OF THE TRUSTEE'S  
11 DEED AS PRESCRIBED BY SECTION 33-811 ARE MINISTERIAL ACTS.

12 B. The person conducting the sale may, for any cause deemed in the  
13 interest of the beneficiary or trustor, or both, postpone or continue the  
14 sale from time to time, or change the place of the sale to any other location  
15 authorized pursuant to this chapter by giving notice of the new date, time  
16 and place by public declaration at the time and place last appointed for the  
17 sale. Any new sale date shall be a fixed date within ninety calendar days  
18 of the date of the declaration. No other notice of the postponed, continued  
19 or relocated sale is required except as provided in subsection C of this  
20 section.

21 C. A sale shall not be complete if the sale as held is contrary to or  
22 in violation of any federal statute in effect because of an unknown or  
23 undisclosed bankruptcy. A sale so held shall be deemed to be continued to  
24 a date, time and place announced by the trustee at the sale and shall comply  
25 with subsection B of this section or if not announced, shall be continued to  
26 the same place and at the same time thirty days later, unless the thirtieth  
27 day falls on a Saturday or legal holiday, in which event it shall be  
28 continued to the first business day thereafter. In the event a sale is  
29 continued because of an unknown or undisclosed bankruptcy, the trustee shall  
30 notify, by registered or certified mail, with postage prepaid, all bidders  
31 who provide their names, addresses and telephone numbers in writing to the  
32 party conducting the sale, of the continuation of the sale.

33 Sec. 4. Section 33-811, Arizona Revised Statutes, is amended to read:

34 33-811. Payment of bid; trustee's deed

35 A. The ~~purchaser~~ HIGHEST BIDDER at the sale, other than the  
36 beneficiary to the extent of his credit bid, shall pay the price bid by no  
37 later than 5:00 p.m. of the following day, other than a Saturday or legal  
38 holiday. If the ~~purchaser~~ HIGHEST BIDDER fails to pay the amount bid by him  
39 for the property struck off to him at the sale, the trustee, in his sole  
40 discretion, shall either continue the sale to reopen bidding or immediately  
41 offer the trust property to the second highest bidder who ~~shall~~ MAY purchase  
42 the trust property at his bid price. The deposit of the ~~purchaser~~ HIGHEST  
43 BIDDER who fails to pay the amount bid by him shall be forfeited, and shall  
44 be treated as additional sale proceeds to be applied in accordance with

1 section 33-812, subsection A. If the second highest bidder does not pay his  
2 bid price by 5:00 p.m. of the next day excluding Saturdays and legal holidays  
3 after the property has been offered to him by the trustee, the trustee shall  
4 either continue the sale to reopen bidding or offer the trust property to  
5 each of the prior bidders on successive days excluding Saturdays and legal  
6 holidays in order of their highest bid, until a bid price is paid, or if  
7 there is no other bidder, the sale shall be deemed to be continued to a time  
8 and place designated by the trustee, OR IF NOT DESIGNATED, THE SALE SHALL BE  
9 CONTINUED TO THE SAME PLACE AND AT THE SAME TIME TWENTY-EIGHT DAYS AFTER THE  
10 LAST SCHEDULED SALE DATE. IF THE TWENTY-EIGHTH DAY IS A SATURDAY OR LEGAL  
11 HOLIDAY, THE SALE SHALL BE CONTINUED TO THE NEXT BUSINESS DAY. If the sale  
12 is continued, the trustee shall provide notice of the continuation of the  
13 sale by registered or certified mail, with postage prepaid, to all bidders  
14 who provide their names, addresses and telephone numbers in writing to the  
15 party conducting the sale. In addition to the forfeit of his deposit, a  
16 ~~purchaser~~ HIGHEST BIDDER who fails to pay the amount bid by him is liable to  
17 any person who suffers loss or expenses as a result, including attorney fees.  
18 In any subsequent sale of trust property, the trustee may reject any bid of  
19 that person. IN ANY SALE THAT IS CONTINUED PURSUANT TO THIS SUBSECTION, THE  
20 TRUSTEE SHALL REJECT THE BID FROM ANY PREVIOUS BIDDER WHO ELECTED NOT TO PAY  
21 HIS BID PRICE.

22 B. The price bid shall be paid at the office of the trustee or his  
23 agent, or any other reasonable place designated by the trustee. The payment  
24 of the bid price may be made at a later time if agreed upon in writing by the  
25 trustee. Upon receipt of payment, in a form satisfactory to the trustee, the  
26 trustee shall execute and deliver his deed to the purchaser. The trustee's  
27 deed shall raise the presumption of compliance with the requirements of the  
28 deed of trust and this chapter relating to the exercise of the power of sale  
29 and the sale of the trust property, including recording, mailing, publishing  
30 and posting of notice of sale and the conduct of the sale. Such deed shall  
31 constitute conclusive evidence of the meeting of such requirements in favor  
32 of purchasers or ~~encumbrances~~ ENCUMBRANCERS for value and without actual  
33 notice. Knowledge of the trustee shall not be imputed to the beneficiary.

34 C. The trustee's deed shall operate to convey to the purchaser the  
35 title, interest and claim of the trustee, the trustor, the beneficiary, their  
36 respective successors in interest and ~~of~~ all persons claiming the trust  
37 property sold by or through them, including all interest or claim in the  
38 trust property acquired subsequent to the recording of the deed of trust and  
39 prior to delivery of the trustee's deed. ~~Such~~ THAT conveyance shall be  
40 absolute, ~~without~~ without right of redemption and clear of all liens, claims or  
41 interests ~~having~~ THAT HAVE a priority subordinate to the deed of trust AND  
42 SHALL BE SUBJECT TO ALL LIENS, CLAIMS OR INTERESTS THAT HAVE A PRIORITY  
43 SENIOR TO THE DEED OF TRUST.

1           Sec. 5. Section 33-812, Arizona Revised Statutes, is amended to read:  
2           33-812. Disposition of proceeds of sale

3           A. The trustee shall apply the proceeds of the trustee's sale ~~as~~  
4 ~~follows~~ IN THE FOLLOWING ORDER OF PRIORITY:

5           1. To the costs and expenses of exercising the power of sale and the  
6 sale, including the payment of the trustee's fees and reasonable attorney's  
7 fees actually incurred.

8           2. To the payment of the contract or contracts secured by the trust  
9 deed.

10          3. To the payment of all other obligations provided in or secured by  
11 the trust deed.

12          4. To the junior lienholders or encumbrancers in order of their  
13 priority AS THEY EXISTED AT THE TIME OF THE SALE. After payment in full to  
14 all junior lienholders and encumbrancers payment shall be made to the  
15 trustor.

16          B. The trustee may, in his discretion, instead of any one or more of  
17 the applications specified in subsection A OF THIS SECTION, elect to deposit  
18 the balance of such proceeds with the county treasurer in the county in which  
19 the sale took place pending an order of the superior court of the county.  
20 Upon deposit of the balance of such monies and after giving notice of the  
21 deposit ~~by mail to the parties set forth in subsection A known to the trustee~~  
22 AS PRESCRIBED BY SUBSECTION C OF THIS SECTION, the trustee shall be  
23 discharged from all responsibility for acts performed in good faith according  
24 to the provisions of this chapter.

25          C. IF THE TRUSTEE ELECTS TO DEPOSIT THE BALANCE OF THE SALE PROCEEDS  
26 AS PRESCRIBED BY SUBSECTION B OF THIS SECTION, THE TRUSTEE SHALL MAIL BY  
27 CERTIFIED OR REGISTERED MAIL, WITH POSTAGE PREPAID, WRITTEN NOTICE OF THE  
28 DEPOSIT TO ALL PARTIES OTHER THAN THE BENEFICIARY WHO ARE ENTITLED TO NOTICE  
29 PURSUANT TO SECTION 33-809 AND ANY OTHER PARTY WITH AN INTEREST OF RECORD IN  
30 THE PROPERTY AT THE TIME OF THE SALE. THE NOTICE SHALL INCLUDE A LIST OF THE  
31 LIENS AND ENCUMBRANCES ON THE TRUST PROPERTY THAT ARE KNOWN TO THE TRUSTEE  
32 AND A LIST OF THE PARTIES AND THE ADDRESSES TO WHICH THE NOTICE WAS MAILED.  
33 THE TRUSTEE MAY WITHHOLD FROM THE PROCEEDS OF THE SALE THE COSTS OF  
34 DEPOSITING THE PROCEEDS AND MAILING THE NOTICES AND A REASONABLE FEE.

35          D. ANY PARTY WHO HAS AN INTEREST IN THE PROCEEDS THAT ARE DEPOSITED  
36 PURSUANT TO SUBSECTION B OF THIS SECTION MAY APPLY FOR THE RELEASE OF THE  
37 PROCEEDS BY FILING A CIVIL ACTION IN THE SUPERIOR COURT IN THE COUNTY IN  
38 WHICH THE PROCEEDS ARE DEPOSITED. THE ACTION SHALL NAME THE APPLICABLE  
39 COUNTY TREASURER AS THE DEFENDANT. AN APPLICANT SHALL MAIL COPIES OF THE  
40 APPLICATION TO ALL PARTIES WHO WERE MAILED A NOTICE OF DEPOSIT. ANY PARTY  
41 WHO CLAIMS A RIGHT TO THE PROCEEDS SHALL FILE A RESPONSE TO THE APPLICATION  
42 WITHIN TWENTY DAYS OF THE MAILING OF THE APPLICATION AND SHALL MAIL COPIES  
43 OF THE RESPONSE TO ALL PARTIES. THE APPLICANT MAY FILE AND MAIL A REPLY TO  
44 THE RESPONSE WITHIN TEN CALENDAR DAYS OF THE MAILING OF THE RESPONSE. AFTER

1 THE EXPIRATION OF THE TIME FOR FILING A REPLY, THE COURT MAY HOLD A HEARING  
2 AND SHALL ISSUE AN ORDER DIRECTING THE COUNTY TREASURER TO RELEASE THE  
3 PROCEEDS TO THE PERSON WHO IS ENTITLED TO RECEIVE THEM.

4 E. THE TRUSTEE SHALL DISPOSE OF THE PROCEEDS OF THE SALE PURSUANT TO  
5 THIS SECTION WITHIN NINETY DAYS AFTER COMPLETION OF THE SALE.

6 Sec. 6. Section 33-813, Arizona Revised Statutes, is amended to read:

7 33-813. Default in performance of contract secured;  
8 reinstatement; cancellation of recorded notice of  
9 sale

10 A. If, prior to the maturity date fixed by the contract or contracts,  
11 all or a portion of a principal sum or interest of the contract or contracts  
12 secured by a trust deed becomes due or is declared due by reason of a breach  
13 or default in the performance of the contract or contracts or of the trust  
14 deed the trustor or his successor in interest, any person having a  
15 subordinate lien or encumbrance of record thereon or any beneficiary under  
16 a subordinate trust deed may, before ~~five o'clock~~ 5:00 p.m. on the last day  
17 other than a Saturday or legal holiday before the date of sale or the filing  
18 of an action to foreclose the trust deed, reinstate by paying to the  
19 beneficiary, the trustee or the trustee's agent in a form acceptable to the  
20 beneficiary or the trustee the entire amount then due under the terms of the  
21 contract or contracts or trust deed, other than such portion of the principal  
22 as would not then be due had no default occurred, by curing all other  
23 defaults and by paying the amounts due under subsection B OF THIS SECTION.

24 B. The beneficiary shall notify the trustee in writing of the  
25 performance and the name of the person who performed such conditions. The  
26 proceedings shall be dismissed and the contract or contracts and trust deed  
27 shall be deemed reinstated and in force as if no breach or default had  
28 occurred upon performance of such of the following which may be applicable:

29 1. Payment of the entire amount then due.

30 2. Payment of costs and expenses incurred in enforcing the terms of  
31 such contract or trust deed.

32 3. Payment of reasonable ~~attorney's~~ ATTORNEY fees actually incurred  
33 IN RELATION TO THE TRUSTEE'S SALE PROCEEDINGS, in an amount not to exceed two  
34 hundred fifty dollars or one-half of one per cent of the entire unpaid  
35 principal sum secured, whichever is greater.

36 4. Payment of the recording fee for a cancellation of notice of sale.

37 5. Payment of the trustee's fees, in an amount not to exceed two  
38 hundred fifty dollars or one-half of one per cent of the entire unpaid  
39 principal sum secured, whichever is greater.

40 6. PAYMENT OF EXPENSES AND REASONABLE ATTORNEY FEES THAT ARE NOT  
41 OTHERWISE PROVIDED FOR IN THIS SECTION AND THAT ARE INCURRED IN PROTECTING  
42 AND PRESERVING THE BENEFICIARY'S INTEREST IN THE TRUST PROPERTY.

1 C. Fees charged pursuant to subsection B, paragraph 3 OF THIS SECTION  
2 shall not duplicate or include fees charged for services rendered under  
3 subsection B, paragraph 5 OF THIS SECTION.

4 D. Upon request, the trustee shall provide to the trustor, or any  
5 person entitled to notice pursuant to section 33-809, subsection B, at any  
6 time that the trust deed is subject to reinstatement, a good faith estimate  
7 of the sums which appear necessary to reinstate the trust deed, separately  
8 specifying costs, fees, accrued interest, unpaid principal balance and any  
9 other amounts which are required to be paid as a condition to reinstatement  
10 of the trust deed.

11 E. If the trust deed is reinstated as provided in subsection B OF THIS  
12 SECTION, the trustee shall have a cancellation of the notice of sale recorded  
13 in the same county recorder's office where the notice of sale was recorded.  
14 A trustee who, for thirty days after reinstatement, fails to have proper  
15 notice of the cancellation of the notice of sale recorded is liable, to the  
16 person who performed the conditions resulting in reinstatement, for all  
17 actual damages resulting from such failure.

18 F. An acknowledged recorded cancellation of a recorded notice of sale  
19 under a trust deed shall be sufficient if it is in substantially the  
20 following form:

21 Cancellation of Notice of Sale

22 The undersigned hereby cancels the notice of sale recorded  
23 \_\_\_\_\_, 19\_\_\_\_, on trust property legally described as:  
24 (legal description of trust property)  
25 which notice of sale refers to a trust deed executed by  
26 \_\_\_\_\_ as trustor, in which \_\_\_\_\_ is named as  
27 beneficiary and \_\_\_\_\_ as trustee, and recorded  
28 \_\_\_\_\_, 19\_\_\_\_, in docket or book \_\_\_\_\_, at page  
29 \_\_\_\_\_, records of \_\_\_\_\_ county, Arizona.

30  
31 Dated this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

32 \_\_\_\_\_  
33 Signature of trustee

34 (Acknowledgement)

35 Sec. 7. Section 33-1260, Arizona Revised Statutes, is amended to read:  
36 33-1260. Resale of units; information required; definition

37 A. Except for a sale in which a public report shall be issued pursuant  
38 to section 32-2183 or an exempt sale pursuant to section 32-2181.02 or  
39 unless otherwise waived in writing by the purchaser, a unit owner shall  
40 furnish to a purchaser seven days before conveyance of the unit:

- 41 1. A copy of the bylaws and the rules of the association.
- 42 2. A copy of the declaration.
- 43 3. A dated statement containing:

1 (a) The ~~phone~~ TELEPHONE number and address of the president of the  
2 board of directors.

3 (b) The amount of the common expense assessment for the unit and any  
4 unpaid common expense assessment, special assessment or other assessment, fee  
5 or charge currently due and payable from the selling unit owner.

6 (c) A statement as to whether a portion of the unit is covered by  
7 insurance maintained by the association.

8 (d) Any information the unit owner may have of any alterations that  
9 violate any provision of the declaration.

10 (e) Any notice the unit owner may have received of any violations of  
11 the health or building code with respect to the unit.

12 B. A person damaged by the failure of the unit owner to disclose the  
13 information required by subsection A of this section may pursue any and all  
14 remedies at law or in equity against the unit owner.

15 C. For purposes of this section, unless the context otherwise  
16 requires, "unit owner" means the seller of the condominium unit title and  
17 excludes any real estate salesperson or real estate broker who is licensed  
18 under title 32, chapter 20 and who is acting as a salesperson or broker AND  
19 A TRUSTEE OF A DEED OF TRUST WHO IS SELLING THE PROPERTY IN A TRUSTEE'S SALE  
20 PURSUANT TO CHAPTER 6.1 OF THIS TITLE.

21 Sec. 8. Section 33-1806, Arizona Revised Statutes, is amended to read:

22 33-1806. Resales of units; information required; definition

23 A. Except for a sale in which a public report shall be issued pursuant  
24 to section 32-2183 or a sale which is exempt pursuant to section 32-2181.02  
25 and unless otherwise waived in writing by the purchaser, a unit owner shall  
26 furnish to a purchaser, before conveyance of the unit, a copy of the bylaws,  
27 the rules of the association, the declaration and a dated statement  
28 containing:

29 1. The ~~phone~~ TELEPHONE number and address of the president of the  
30 board of directors.

31 2. A statement setting forth the amount of common regular assessment  
32 and the unpaid common regular assessment, special assessment or other  
33 assessment, fee or charge currently due and payable from the selling unit  
34 owner.

35 3. A statement as to whether a portion of the unit is covered by  
36 insurance maintained by the association.

37 4. A statement as to whether the unit owner has knowledge of any  
38 alterations or improvements to the unit that violate any provision of the  
39 declaration.

40 5. A statement as to whether the unit owner has knowledge of any  
41 violations of the health or building code with respect to the unit.

42 B. A person damaged by the failure of the unit owner to disclose the  
43 information required by subsection A of this section may pursue any and all  
44 remedies at law or in equity against the unit owner.

1           C. For purposes of this section, unless the context otherwise  
2 requires, "unit owner" means the seller of the unit title and excludes any  
3 real estate salesperson or real estate broker who is licensed under title 32,  
4 chapter 20, and who is acting as a salesperson or broker AND A TRUSTEE OF A  
5 DEED OF TRUST WHO IS SELLING THE PROPERTY IN A TRUSTEE'S SALE PURSUANT TO  
6 CHAPTER 6.1 OF THIS TITLE.

APPROVED BY THE GOVERNOR, APRIL 10, 1996.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 11, 1996.