

2026 NMREC CORE COURSE

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CE

CORE



MESA

Real Estate Institute, LLC
New Mexico

In addition to the 2024, 2025, and 2026 Core Courses, MESA REI offers the following:

NEWER:

On-Demand HOAs, COAs, PIDs, and SADs - 4 CE Core Elective
Conveyance of Title – 3 CE Elective
Manufactured Home Title Processing – 3 CE Core Elective
Time Killers, Deal Killers and Other Mines in the Field – 3 CE Elective
What the Bleep Do We Do Now – 4 CE Elective
Fair Housing and History of Discrimination – 4 CE Elective
Working with Buyers and Sellers in the New Era – 4 CE Core Elective
Four Letter Words: HOAs, COAs, PIDs, and SADs – 4 CE Core Elective
The Code Meets the Rules – 4 CE Ethics
RPM – Investment Properties – 3 CE Property Management and Core Elective

CORE ELECTIVES:

A Blunt Conversation About Marijuana – 4 CE
Anatomy of a Listing Contract – 4 CE
Anatomy of a Purchase Contract – 4 CE
Broker Beware: Protect Your Real Estate License – 4 CE
Clear the Confusion: Offers (Counters, Multiples, Contingencies, etc.) – 4 CE
Disclose, Disclose, Disclose (unless you're *not* supposed to) – 4 CE
Highest And Best Offers: An Escalating Concern – 2 CE
Inspections, ORR's & Repairs, Oh My! – 2 CE
Intro to Seller Financing – 4 CE
NMAR Forms Update - 4 CE
NMAR's Many Miscellaneous Forms – 4 CE
One Thing Leads to Another – The PA Contingencies Explained - 3 CE
QB Refresher Course 6 CE
Ready, Set, Go! Broker Duties and Other Required Disclosures – 2 CE
Triple D: Deadlines, Defaults, and Definitions – 3 CE
Yes, Your Honor, I Did Disclose – 4 CE
Understanding And Using NMAR Forms – 8 CE

ETHICS ELECTIVES:

Handling Multiple Offers Ethically and Effectively – 4 CE
NAR Code of Ethics & Enforcement – 4 CE

PROPERTY MANAGEMENT CORE ELECTIVES AND ELECTIVES:

RPM – Brokerage Operations 4 CE Core Elective
RPM – Case Studies 3 CE Core Elective
RPM – Going to Court 3 CE Core Elective
RPM – Leasing and Management 6 CE Core Elective

UORRA – 6 CE Core Elective

ON DEMAND CLASSES:

NMREC Meeting Replays (CE varies by month) - Elective
Handling Multiple Offers Ethically and Effectively - 4 CE Ethics
Triple D: Deadlines, Defaults and Definitions – 3 CE Core Elective
Qualifying Broker Refresher Course – 6 CE (QB Elective) (AB Core Elective)

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36 hours of CE credit for \$420.00. This bundle includes 3 Core Courses, Ethics, Core Electives, and Electives.

QUALIFYING BROKER BUNDLE:

42 hours of CE credit for \$495.00. This bundle includes 3 Core Courses, Ethics, Core Electives, Electives, QB Refresher, and NMREC Meeting Replay.

REFER A FRIEND:

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Updated as of February 2026.



MESA
Real Estate Institute, LLC
New Mexico



The Rental Scam

Several years ago, I listed a house for sale in Albuquerque's Taylor Ranch neighborhood. The property was in disrepair, and it had been vacant for over a year. During that time, a small leak had appeared under the kitchen sink, allowing mold to grow.

A restoration company was called, and the owner's insurance company approved replacing the kitchen cabinets and countertops.

Other repairs needed to be done, and several other contractors had access to the home. There was a contractor's box with a key on the front door.

The listing was three or four houses off Golf Course Blvd., not too far from my house. One day, as I drove down Golf Course heading to an open house across town, I glanced down the road and noticed there was a moving truck in the front yard.

I turned onto the next street and went around the block to check out what was happening. Sure enough, someone was moving into my vacant listing!

The front door was closed, so I rang the bell, and a young lady came to the door. She looked tired and a little sweaty. I pointed out that it was my name on the sign in the yard, and she said, "Thank you, we're going to love renting here!"

That's when I said to her, "This property is not for rent."

Her boyfriend came up behind her as I was saying this, and she turned to him and said, "I told you this was too good to be true," and she started to cry.

I felt bad for them, so I treated them nicely, and after they calmed down, I asked them how they obtained a key to my listing.

They said there was an ad on Craigslist with pictures of the house, and it said the rent was \$1,400 per month. All they had to do was send \$1,400 to an address in Arkansas where the owner supposedly lived, and they would send them the keys.

They sent the check, received the keys, and had moved in for about two hours when I told them that they would have to leave before I called the police.

As I was driving away, more than a little late from my open house, I tried calling two of the local television stations to report my story. Neither station was interested. They said they received reports of this often, so often, in fact, that my story was no longer newsworthy.

What were the red flags in this scenario?

What steps can we take to protect our clients from this kind of fraud?



The Land Scam

Broker Nicole received an email from an out-of-state buyer who owned some vacant land just south of Santa Fe, near Galisteo. They wanted to list the land for sale at \$250,000.00 and secure a quick, cash sale.

Broker Nicole was unsure about the land's value and a little suspicious, so she called her Qualifying Broker.

According to Ed, her qualifying Broker, the land was worth at least \$500,000.00.

Broker Nicole relayed this information to the sellers and asked if she could give them a call or maybe a text to discuss. The sellers said no, that would not be possible.

Nicole asked if they would do a Zoom call with her instead, to which they agreed to, but when she sent them the Zoom link, it was somehow blocked. The sellers were insistent that they use their own Zoom link instead.

What's wrong with this scenario?

What steps can we take to protect our clients from this kind of fraud?



The Wire Scam

In 2008 or so, I helped Mindy purchase her home in Albuquerque's Stormcloud neighborhood. Several years later, Mindy contacted me to help her sell the house because she wanted to move back to Roswell, her hometown. I listed her home for sale, then helped her find a REALTOR® in Roswell to help her shop for a home.

Mindy and her husband quickly found a home to buy and went under contract. On a Friday afternoon, a few days before the closing, she received an email, supposedly from the title company, that read, "Have you wired us your funds yet? If you don't wire us your funds by 5:00 PM today, we won't be able to close you on Monday."

Mindy has an important job interviewing physicians for medical facilities and hospitals, and she had interviews that afternoon, so it was hard for her to leave her desk. She finally managed to leave work a bit early, around 4:45 p.m. She rushed to the bank to make that important wire transfer for their down payment and closing costs. Mindy and her husband were planning to move in on Tuesday after closing on Monday.

As she was rushing to her bank, she hit road construction and heavy traffic. By the time she got there, it was 5:01 p.m., and the bank was closed. She knocked on the door, but they wouldn't open it. Upset that her closing was going to be delayed, she picked up the phone and called her real estate broker. She explained that she had tried to get to the bank before 5 pm, that she was angry and frustrated, and that she didn't understand why they hadn't told her about this in advance.

Her real estate broker told her, "This seems fishy to me; you don't have to wire your funds. You can go to the bank on Monday before closing, get a certified check, and bring it to the closing table." Her broker asked her who had told her to wire the funds anyway? Mindy said, "It was the escrow officer with the title company."

The real estate broker went over to Mindy's house. After she calmed Mindy down, she looked at the e-mail on Mindy's cell phone. She said, "Wait a minute, this is not right. It looks like her e-mail signature, but this email comes from a different email address."

What's wrong with this scenario?

What steps can we take to protect our clients from this kind of fraud?



Claim Study 1 - Water Woes

Bonnie Broker listed the subject property, which was next to her own home. Bonnie and the sellers had been best friends for years until the sellers moved to another state and rented the subject property. When they were ready to sell, they listed the property with Bonnie.

Years before the listing, an unusually heavy rain event caused water to pond on the subject property. The sellers denied any water intrusion in the home during that event. The insured was adamant that she never saw water ponding on the property.

However, several prior renters testified that they had water intrusion in the home during significant rains and that Bonnie, as the next-door neighbor, was aware of these issues.

The buyers conducted multiple inspections during the due diligence period, none of which disclosed any water intrusion issues. Shortly after closing, another unusually heavy rain fell, and the buyers allegedly experienced ponding on the property near the home.

The buyers engaged a contractor who estimated it would cost at least \$75,000 to grade the landscaping to drain away from the home. Other contractors estimated less than \$10,000.

The buyers sued the sellers and Bonnie, alleging failure to disclose prior water issues, and sought damages of at least \$75,000. Bonnie immediately reported the claim in writing to her E&O provider.

A settlement was reached, with Bonnie's insurer paying over \$50,000 to resolve the claim on her behalf.

The only cost to Bonnie was her \$1,000 damage deductible. Her insurer also incurred tens of thousands of dollars in defense costs on her behalf.

While the buyers did not have proof that Bonnie knew of prior water issues at the subject property, her proximity to the property (next door), close friendship with one of the sellers, and testimony of prior tenants that she was aware of issues increased the risk of a finding against her if the case went to trial.

Bonnie could not have advised the sellers to disclose issues that she was not aware of; however, this serves as a good reminder that it's wise for brokers to review any prior history they may have with a property when taking a new listing.

Notes/Comments



Claim Study 2 – Plumbing Problems

Broker Lynn listed the subject property. When Lynn initially met with the sellers, they informed her that they had ongoing plumbing issues in the home due to tree roots in the sewer line. Lynn informed them that they would need to include that information on their Adverse Material Facts statement.

The Adverse Material Facts form disclosed “roots in sewer line.” During contract negotiations, the sellers agreed to have the sewer line cleared and, if necessary, repaired. The sellers provided Lynn with a copy of the paid invoice from a licensed plumber for \$500 as evidence that they had the sewer line cleaned.

After closing, the buyers experienced plumbing issues and called the same company that the sellers used to clear the sewer line.

The person who came out said he was familiar with the property, as he had unclogged the sewer lines multiple times over the past several years and told the sellers that the sewer line needed to be completely replaced. He provided the buyers with an estimate of \$35,000 for the recommended work.

The buyers sued the sellers and Lynn, alleging that they failed to disclose the extent of the sewer problems and made misrepresentations that the \$500 cleaning would resolve the issue. The lawsuit sought over \$35,000 in alleged damages. Lynn immediately notified her E&O insurance provider of the lawsuit in writing.

During the course of the litigation, the sellers alleged that they relied on Lynn for advice in completing their disclosure form and that she should have advised them to provide more details about their history with plumbing problems on the form.

They also alleged Lynn told them they did not need to do additional repairs to the sewer line if it was in working condition after the cleaning, even if they were aware it was just a “quick fix”, which Lynn denied.

The parties reached a settlement, with Lynn’s insurer paying over \$10,000 on her behalf. The sellers also paid a significant amount to the buyers under the settlement agreement. Additionally, Lynn’s insurer paid nearly \$15,000 in defense costs on her behalf. The only cost to Lynn was her \$1,000 damage deductible.

When listing a property, advise your sellers to fully disclose any problems they have had with the property in writing. When in doubt, disclosure is the safest path.

Notes/Comments



Claim Study 3 - Burning Down the House

Dorothy is a real estate broker in Albuquerque, New Mexico, with good intentions and a big heart. When she learned that a distant family member was looking to sell a Rio Rancho house, she couldn't help but see what she could do to help.

Dorothy met with the property's heir, completed a CMA, and hoped to secure a Listing Agreement when the time was right.

In the meantime, the house had been vacant for a while, and weeds had taken over the front and back yards. Wanting the property to look nice, she hired a landscaper to remove the weeds.

Needing a referral for a landscaper, Dorothy turned to Facebook and posted that she was looking for someone to remove the weeds. A broker friend answered, and Dorothy hired one of the people her broker friend recommended.

That evening, after the weeds were removed, Dorothy received a call from the property owner, who informed her that the house was on fire. Dorothy immediately headed over to the house, stood with the owner, and watched it burn. The landscaper was there too, but the Fire Marshall kept them separated, which was a good thing because Dorothy was very upset.

There was nothing the firefighters could do, and the house burned to the ground.

Dorothy called her Qualifying Broker that evening to make sure they knew what was happening. Dorothy also notified CRES, her Errors and Omissions company, in writing shortly thereafter.

For Dorothy, there were many months of wondering and worrying about what would happen. There were conversations and emails with the Brokerage's attorney and the attorney supplied by CRES, but Dorothy was unsure exactly what was happening. The fact that it could be several weeks before she corresponded with the attorneys did little to ease her fear of being sued. Eventually, she received a demand letter from the seller's insurance company for nearly \$200,000.

Meanwhile, Dorothy's personal and professional life became difficult. She was anxious, felt demoralized, and struggled to get excited about selling real estate. She went from earning \$200,000 a year to \$40,000 a year. Eventually, she took a job at a coffee shop to make ends meet.

While she was trying to put the pieces of her life back together, the insurance company was rebuilding the house that had been burned, and after the property was rebuilt, it was worth more than it had been before the fire. The seller, a distant family member, wasn't too upset about the incident, but it did make things uncomfortable at family events, and the relationship eventually ended.

Dorothy is doing better now; she no longer has to work at a coffee shop to make ends meet and is back to selling real estate. Although, she learned a harsh lesson about hiring contractors. If she could say one thing to you, it would be “Don’t recommend unlicensed contractors, and if you need one, don’t put out an ISO, or 'in search of' on Facebook. You never know what you’re going to get.

Notes/Comments



**NEW MEXICO ASSOCIATION OF REALTORS® — 2026
INFORMATION SHEET –
INDEPENDENT CONSIDERATION**



REASON FOR INDEPENDENT CONSIDERATION

In contract law, three elements are required to create a binding and enforceable contract: 1) offer; 2) acceptance; and 3) consideration. While the first two are relatively straightforward, consideration is more nuanced.

Valid consideration for contract formation requires a bargained-for exchange where a promise is given by one party to a contract in return for performance or a return promise by the other party. For example, Company A promises to provide a service (promise to perform), and the customer promises to pay (return promise) for that service.

These three elements together create a valid and enforceable contract. Many brokers believe in the context of purchase agreements, the seller’s promise to sell and the buyer’s promise to purchase, together with the earnest money is sufficient consideration to form a contract. While many courts agree, there are courts in various states that have held otherwise.

These courts have ruled that some purchase agreements are option contracts. An option contract is where one party has the option, not the obligation, to perform. Contracts for real estate have been found to be option contracts because the buyer can walk away under multiple contingencies. In this case, their promise to buy becomes illusory. Illusory consideration is not valid consideration, as it doesn’t bind the buyer. Without binding obligations or independent consideration, the contract may not be enforceable.

Under the most recent of the NMAR purchase agreements, the buyer has been given a broad due diligence period in which to thoroughly inspect the property, investigate surrounding areas and review all pertinent documents. Based on buyer’s findings, the buyer may terminate the contract or may make objections to his/her findings. If the parties cannot negotiate buyer’s objections, the buyer may terminate the agreement. In addition, there are multiple other contingencies in the NMAR purchase agreements, such as the ability of the buyer to obtain financing, the appraised value of the property being equal to or greater than the purchase price, and the ability of the buyer to obtain insurance on the property at customary rates to name just a few. In other words, the buyer is not obligated to purchase the property if any of the contingencies are not satisfied. However, buyer does have the option to purchase if all the contingencies are satisfied.

This is where independent consideration becomes important. As the name suggests, it is consideration (i.e., something of value) given independently of the main performance or promise. Independent consideration is generally given to support an option or contract, such as a purchase agreement for real estate.

Independent consideration must be real, bargained-for, not illusory, and it cannot simply be a promise to do what one was already obligated to do. It can be a small sum, even as little as \$10.00, but it cannot be zero.

As it applies to purchase agreements, the independent consideration would be negotiated between the parties and given to the seller (directly or through the title company) upon execution of the purchase agreement or some other short period of time thereafter. As soon as the buyer delivers the independent consideration to the seller or title company, as applicable, it is the seller’s to keep, even if the buyer terminates the purchase agreement.

Independent Consideration does not take the place of earnest money and Independent Consideration and earnest money serve very different purposes. The promise to deliver Independent Consideration and the delivery of Independent Consideration is required for formation of the contract. For this reason, if buyer terminates the purchase agreement, the Independent Consideration is not refunded to buyer. Earnest money is a term of the contract that indicates buyer’s intent to act in good faith and abide by terms of the purchase agreement. If buyer acts in good faith and abides by the terms of the purchase agreement, but terminates the contract per the terms of the purchase agreement, then buyer is entitled to a return of buyer’s earnest money. If buyer fails to act in good faith and abide by the terms of the purchase agreement, then buyer may forfeit his/her earnest money.

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NEW MEXICO ASSOCIATION OF REALTORS® — 2026
INFORMATION SHEET –
INDEPENDENT CONSIDERATION



This change to the NMAR purchase agreements is being implemented to better protect both consumers and brokers. The law is ever changing, and while New Mexico has not specifically ruled that purchase agreements for real estate are option contracts, due to NMAR's further expansion of a buyer's termination rights, this possibility exists. Independent Consideration is necessary to mitigate the possibility that the contract fails for lack of buyer consideration.

LOGISTICS/PROCESS

- **Independent Consideration is required per the NMAR purchase agreements; it is not optional.**
- NMAR purchase agreements do not dictate the amount of Independent Consideration; it can be as little or as much as the parties negotiate, but it cannot be zero dollars (\$0).
- Independent Consideration does not replace earnest money and payment of Independent Consideration does not change how earnest money is treated under the purchase agreement. In the event the parties have agreed that buyer will pay earnest money, payment of the earnest money is in addition to payment of the Independent Consideration. Refund of the earnest money shall be in accordance with the purchase agreement.
- Independent Consideration may be paid to the seller directly or to the title company, as negotiated by the parties in the purchase agreement.
- If Independent Consideration is paid to the seller, it may be paid by any method to which the parties have agreed (cash, check, electronically, etc.). The buyer may request a receipt from the seller indicating seller received the Independent Consideration.
- If Independent Consideration is paid to the title company, it can be paid with the earnest money or at another time as negotiated by the parties in the purchase agreement, but per NMAR purchase agreements, not more than three (3) days after Date of Acceptance.
- Delivery of the Independent Consideration to the seller or the title company, as negotiated, should not be more than three (3) days. The parties agree in the purchase agreements that the buyer's promise to deliver the Independent Consideration within three (3) days after full execution of the purchase agreement, or some shorter timeframe as negotiated by the parties, is sufficient consideration to form the purchase agreement.
- **If buyer fails to deliver the Independent Consideration in accordance with the purchase agreement, the purchase agreement will automatically terminate. Buyer will not have an opportunity to cure buyer's failure to timely deliver the Independent Consideration in accordance with the purchase agreement.**
- If the Independent Consideration is delivered to the title company, the title company will disburse the Independent Consideration to the seller as soon as the title company processes the buyer's payment. Seller will need to direct the title company in writing as to how seller would like the funds distributed to seller. Depending on the disbursement type (for example, check, wire, etc.) there may be title company charges associated with the disbursement. Seller should familiarize him/herself with such charges before providing disbursement instructions to the title company. Processing fees, excluding seller disbursement fees which are borne by the seller, are negotiated between the parties in the purchase agreement.
- The Independent Consideration may be credited to the purchase price, down payment or buyer's closing costs (subject to lender approval), as negotiated between the parties in the purchase agreement. If the Independent Consideration is paid directly to the seller, and the Independent Consideration is being credited to the buyer at closing, the title company may require a copy of the seller's receipt, indicating seller received the Independent Consideration and the amount of the Independent Consideration.
- **If the contract terminates (does not result in Closing) for any reason, except for seller's breach of contract, seller retains the Independent Consideration; it shall not be refunded to buyer.**



**NEW MEXICO ASSOCIATION OF REALTORS® — 2026
PURCHASE AGREEMENT – RESIDENTIAL RESALE**



B. SEVERED OTHER RIGHTS.

- i. Seller Reservation.** If Seller intends to reserve any Other Rights, appurtenant to the Property or otherwise, Seller should NOT sign this offer and should consult with a licensed New Mexico attorney specializing in the subject matter to ensure that the reservation language adequately and accurately addresses the reservation and any related issues.
- ii. Previously Severed.** If Seller is aware that any Other Rights have been previously severed from the Property, and belong to a third party, the Seller must disclose the details and provide related documentation.

C. NO TITLE INSURANCE. Title insurance will not cover/insure Other Rights.

D. CONVEYANCE “SUBJECT TO”. All Other Rights being conveyed are subject to prior reservations, leases, and/or encumbrances of record as identified in the Title Commitment.


E. WATER RIGHTS SPECIFICALLY. If the Property includes water rights, Buyer acknowledges that these rights are subject to regulation by the New Mexico Office of the State Engineer (“OSE”). If the water rights are associated with a ditch or flowing water source, Buyer understands that their use is governed by the state’s priority administration system and may fluctuate based on seasonal availability. If the water rights are associated with an irrigation well, Buyer acknowledges that their use is limited by the well’s permitted capacity and usage restrictions as established by the OSE.
Form 2328 – Information Sheet – Water Rights.

6. EARNEST MONEY. Buyer shall deliver the Earnest Money specified in **Para. 1(D)** to the Title Company identified in **Para. 1(H)** (“Title Company”) in any manner acceptable to Title Company, no later than _____ **DAYS (three [3] if left blank)** from **Date of Acceptance** OR **if Buyer has no objections to inspections, the Objection Deadline in Para. 33** or **if Buyer has objections to inspections, the date the parties reach Resolution** OR **OTHER _____**. Earnest Money shall be applied to Purchase Price, down payment, and/or Closing Costs upon Funding Date. If the lender prohibits the credit of any portion of the Earnest Money towards the Purchase Price, down payment and/or Closing Costs, the Earnest Money or applicable portion thereof shall be refunded to Buyer after Closing. Buyer’s failure to timely deliver the Earnest Money shall be considered a default of this Agreement.

7. INDEPENDENT CONSIDERATION. *Independent Consideration is **REQUIRED** for formation of this Agreement. It can be any amount negotiated by the parties, but it must be greater than zero(\$0). If this transaction does not Close for any reason, other than Seller’s breach of this Agreement, the Independent Consideration shall **NOT** be refunded to Buyer. For further explanation of Independent Consideration see Para. 65(M), Form 6302 — Information Sheet - Independent Consideration.*

A. DELIVERY OF INDEPENDENT CONSIDERATION. In consideration of the sum stated in **Para. 1(E)** paid by Buyer, the sufficiency and receipt of which Seller hereby acknowledges, Seller hereby grants Buyer the exclusive right and option to purchase the Property.

- i. Buyer shall deliver Independent Consideration to** **Title Company** or **to Seller**
 - a. If Delivering Independent Consideration to Title Company.**

 **ATTENTION TITLE COMPANY: From Buyer funds received by Title Company per this Paragraph, amounts shall first be credited to Independent Consideration, with the remainder to Earnest Money.**

- The Title Company shall release the Independent Consideration to Seller as soon as Buyer’s Independent Consideration payment to the Title Company has been processed, subject to any Title Company disbursement charges and receipt of Seller’s Independent Consideration disbursement instructions (“Seller’s IC Instructions”). Form 6303 - Seller’s Instructions to Title Company for Disbursement of Independent Consideration.
- Seller’s IC Instructions only require Seller’s signature(s); **no further disbursement agreement between Buyer and Seller (beyond this Purchase Agreement and Seller’s IC Instructions) is required for the Title Company to disburse the Independent Consideration to Seller.**
- If Independent Consideration is being delivered with the Earnest Money, Buyer may make payment for both Independent Consideration and Earnest Money in one check, money order or wire transfer.



**NEW MEXICO ASSOCIATION OF REALTORS® — 2026
PURCHASE AGREEMENT – RESIDENTIAL RESALE**



- Buyer shall be responsible for any fees associated with delivering Independent Consideration to Title Company. Seller shall be responsible for any fees associated with disbursement of Independent Consideration to Seller. Any additional fees charged by Title Company to process the Independent Consideration shall be paid in accordance with **Para. 12**.
- If the Independent Consideration is being delivered to the Title Company by check, check **shall be made payable to the Title Company**.

b. If Delivering Independent Consideration to Seller.

Buyer shall deliver Independent Consideration as follows:

- Check; Electronically; or Other: _____
- Seller shall notify Title Company when Seller receives the Independent Consideration from Buyer. Seller may use Form 2104B — Receipt for Independent Consideration or other method to verify receipt.
 - Delivery of the Independent Consideration to the Seller’s Broker identified on **Cover Page 3** shall constitute delivery to Seller, even if Seller’s Broker is also representing Buyer.

- ii. Date of Delivery.** The Independent Consideration shall be delivered on or before _____ **DAYS after Date of Acceptance (three [3] if left blank).**
- iii. Contract/Agreement Formation.** The parties hereby agree that Buyer’s commitment to deliver the Independent Consideration in accordance with this Paragraph is sufficient consideration to create a legal binding contract from the time of full execution of this Agreement to the time of delivery of the Independent Consideration.
- iv. Buyer’s Failure to Deliver Independent Consideration.** If Buyer fails to deliver the Independent Consideration in accordance with this Paragraph, this Agreement shall automatically terminate, and notwithstanding **Para. 49**, Seller shall have **no obligation** to provide Buyer with any opportunity to cure. Upon termination, neither party shall have any further rights or obligations under this Agreement, with the exception of executing a Termination Agreement *if* required by the Title Company.

B. APPLICATION OF INDEPENDENT CONSIDERATION AT CLOSING. In the event of Closing, the Independent Consideration shall shall NOT be applied to the Purchase Price, down payment, and/or Closing Costs, subject to any lender restrictions, if applicable; Buyer should consult with Buyer’s lender, if any, to determine what, if any, documentation may be needed by lender to allow the credit.

8. CASH, LOAN OR SELLER FINANCING.



Buyer shall not change any of the following without Seller's approval: 1) the means of payment (cash, loan or seller financing); 2) the lender identified in the Pre-Qualification Letter; or 3) the loan-program type identified in the Pre-Qualification Letter. Seller’s approval SHALL NOT BE unreasonably withheld. Upon Seller’s approval, the parties shall execute an addendum to this Agreement that sets forth the change and addresses the disposition of Earnest Money should Buyer be unable to close as a result of the change. Unless otherwise addressed in an addendum, if Buyer is unable to satisfy the Financing Contingency after making a change outlined above, then Earnest Money shall be refunded to Buyer, except in the following event: Buyer does not provide a Rejection Letter in accordance with Para. 8(C).

- A.** **CASH PURCHASE.** Unless either box below is checked, then no later than _____ **DAYS (five [5] if left blank)** after the Date of Acceptance, Buyer shall provide Seller with Proof of Funds. **Brokers are not responsible for verifying the authenticity/veracity of Proof of Funds letters or for determining Buyer’s creditworthiness.**
- B.** **FUNDS ARE CONTINGENT ON THE CLOSING OF A CASH-OUT REFINANCE OR OTHER EVENT.** If ANY portion of this Purchase Price is contingent on the following, Buyer shall complete this Paragraph.
 - i.** **Cash-Out Refinance Contingency.**
 All of Purchase Price or **Portion of Purchase Price: \$** _____ **Buyer shall satisfy or waive this Cash-Out Refinance Contingency and Deliver Proof of Funds to Seller for the above amount no later than** _____ **(“Refinancing Deadline”).** If Proof of Funds is not delivered to Seller by the Refinancing Deadline, this Agreement shall terminate, and any Earnest Money delivered shall be refunded to Buyer.
 - ii.** **Funds are Contingent on Some Other Event:** _____



**NEW MEXICO ASSOCIATION OF REALTORS® — 2026
PURCHASE AGREEMENT – RESIDENTIAL RESALE**



any point prior to the Resolution Deadline, Buyer may withdraw their unresolved objections for the purpose of proceeding to Closing with the understanding that Seller shall not be responsible for repairing or otherwise remedying those objections for which Resolution has not been reached. Form 5144 – Notice of Buyer’s Withdrawal of Unresolved Objections.

⚠ ATTENTION BUYER AND BUYER’S BROKER – EARNEST MONEY AT RISK ⚠

Under this Inspection/Documents/Due Diligence Contingency, if Buyer timely elects to terminate this Agreement based on this Contingency, or timely elects to make objections and the parties cannot come to Resolution on Buyer’s objections, then any Earnest Money delivered by Buyer shall be refunded to Buyer. However, notwithstanding Buyer’s right to a refund of Earnest Money under this or any other contingency of this Agreement, if Buyer or Buyer’s Broker sends the entire inspection report in violation of this Para. 33 (“Buyer’s Inspection Default”), and this Agreement terminates for any reason, excepting Seller’s breach of this Agreement, Buyer shall forfeit any Earnest Money delivered. If Buyer is otherwise entitled to terminate this Agreement based on the Inspection Contingency or any other contingency, Buyer’s forfeiture of the Earnest Money shall be the extent of damages to which Seller shall be entitled for Buyer’s Inspection Default; Buyer shall not be liable for any additional damages for Buyer’s Inspection Default. Request for inspections must come from Seller, not Listing Broker, unless Listing Brokerage has an agency agreement with Seller. Form 5145 – Seller’s Request for All/Sections of the Inspection Report.

- i. Asking for Repair/Replacement.**
 - a. Making Objections to Documents/Video.** If Buyer **OBJECTS** to an item on a document (other than an inspection report) or a video, Buyer shall produce with the objection(s) a copy of the **ENTIRE** document, or video on which Buyer's objection(s) is based.
 - b. Making Objections to Inspections.** If Buyer **OBJECTS** to an item on an inspection report, Buyer shall produce with the objection(s) **ONLY the SPECIFIC ITEM(S)** of the report on which Buyer’s objection(s) is/are based and **SHALL NOT SEND the entire inspection report or any portion thereof, unless requested by Seller in writing.**
- ii. Asking for Price Modification or Seller Concession.** If Buyer is making a request only for a monetary concession, **Buyer SHALL NOT LIST the items/deficiencies for which Buyer is requesting the monetary concession and SHALL NOT SEND the entire inspection report or any portion thereof, unless requested by Seller in writing.**

C. RESPONSE/NEGOTIATION.

- i. Seller’s Response.** If Buyer elects to make objections, then in response to Buyer’s objections, Seller may do one of the following: agree to cure Buyer’s objections as requested; provide an alternative cure for Buyer’s objections; or refuse to cure Buyer’s objections - Form 5142 - Response to Notice of Objection. Seller is not required to cure any of Buyer’s objections; however, Seller may not terminate this Agreement based on the fact that Buyer made objections. **If in Seller’s initial response, Seller does not agree to cure ALL of Buyer’s objections in the manner requested by Buyer, then Buyer may elect to terminate this Agreement.**
- ii. Buyer’s Response.** If Buyer does not agree with Seller’s Response, Buyer may create Buyer’s own Response outlining Buyer’s desired cure - Form 5142 - Response to Notice of Objection.

D. RESOLUTION DEADLINE: _____ (specific date) or _____ DAYS (five [5] if left blank) from the Inspection, Document/Due Diligence Deadline or Other: _____

- i. Resolution Addendum.** If Buyer makes objections, the parties shall have through the Resolution Deadline to negotiate a Resolution to Buyer’s objections and to execute a Resolution Addendum, which Resolution Addendum shall set forth the parties’ agreement – Form 5143 - Resolution Addendum. **If Buyer is obtaining a loan, Buyer is advised to discuss terms of the Resolution Addendum with Buyer’s lender BEFORE executing the Resolution Addendum, as changes to the Purchase Agreement as set forth in the Resolution Addendum may impact Buyer’s loan.**
- ii. Repairs/Completion Deadline.** If Seller agrees to complete any repairs prior to Closing, Seller shall complete the repairs no later than _____ DAYS (three [3] days if left blank) prior to Settlement/Signing Date (“Repair Completion Deadline”). **If state or federal law requires that the type of repair/replacement be performed by a licensed professional/contractor, Seller shall hire an appropriately licensed individual to make the repair/replacement and copies of all repair invoices, which shall include vendor contact information and license number, shall be provided to Buyer on or before the Pre-Closing Walk-Through Date in Para. 43.**



**NEW MEXICO ASSOCIATION OF REALTORS® — 2026
INFORMATION SHEET – WATER RIGHTS**



This form is NOT a disclosure and does NOT provide property-specific information. The general information contained herein is not an exhaustive analysis of the subject matter. Brokers are not experts in the subject matter. If you have additional questions or concerns, you are encouraged to conduct further research and to consult with the appropriate professional.

This Information Sheet applies only to non-domestic water rights, such as those used for:

- Irrigation (agricultural or landscaping purposes)
- Livestock (stock) watering
- Commercial or industrial operations
- Municipal or utility systems

This does not apply to water use from exempt domestic wells, which are governed separately. NMAR Form 2307 – Information sheet – Domestic Wells.

KEY TERMS:

- **OSE:** Office of the State Engineer – the state agency managing water rights.
- **APPURTENANT:** A water right legally tied to a parcel of land.
- **ADJUDICATION:** A legal process that validates and confirms a water right.
- **PRIORITY DATE:** The date when water was first used, which determines seniority.
- **BENEFICIAL USE:** The lawful and efficient use of water for an approved purpose.
- **FORFEITURE:** Legal loss of a water right due to nonuse.

In New Mexico, all waters, whether above ground or underground, are declared to be the property of the public. The right to use water for a specific purpose is a separate legal right known as a water right. These rights are regulated and administered by the New Mexico Office of the State Engineer (OSE).

Water rights are not automatically granted to property owners. A person may own land, including land with a river, stream, or irrigation ditch running through it, and still have no legal right to divert or use that water without an authorized water right.

New Mexico follows the doctrine of prior appropriation, meaning that the first person to put water to beneficial use has priority over those who come later. This doctrine is summarized as “first in time, first in right.” Seniority of rights is extremely important during times of drought or water shortages.

Water rights are legally distinct from land and they do not automatically transfer when land is sold. Buyers and sellers must identify whether water rights exist, determine how they are held, and ensure any transfer is done legally and properly.

A valid water right may be evidenced by one or more of the following:

- A permit, license, or declaration issued by the OSE;
- Documentation of adjudication through a court process;
- A recorded priority date, which establishes its place in line relative to other rights;
- Acequia or ditch association memberships, if delivery occurs through a community irrigation system; and/or
- Physical evidence of infrastructure such as headgates, diversion dams, pipelines, or metering equipment.

The presence of irrigation infrastructure or ditch access does not guarantee a water right exists. A right must be legally established and used according to its approved purpose and location. Buyers should never assume a water right exists—or will be conveyed—without specific documentation and disclosure from the Seller.

DUE DILIGENCE FOR BUYERS

Water rights are complex and highly regulated. Buyers are strongly encouraged to complete the following due diligence steps prior to the end of the Inspection/Due Diligence Period:

- Confirm the existence and status of any water rights through the OSE;

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NEW MEXICO ASSOCIATION OF REALTORS® — 2026 INFORMATION SHEET – WATER RIGHTS



- Review OSE records to verify the point of diversion, place of use, purpose of use, and priority date;
- Determine whether the right is adjudicated or involved in a pending adjudication;
- Inspect the condition of any physical systems (e.g., headgates, pumps, canals);
- Identify any acequia or ditch associations, including fees, bylaws, delivery schedules, and transfer requirements; and
- Consult with a qualified water rights attorney or professional consultant.

Under New Mexico law, a water right may be forfeited or canceled if it is not placed to beneficial use for a specified period.

TRANSFER OF WATER RIGHTS

Water rights are a separate legal property interest and they must be specifically addressed in a real estate transaction. Unless clearly conveyed, the water right may remain with the Seller—even if the land is sold.

To lawfully transfer a water right, the following steps are typically required:

- The right must be specifically identified in the purchase agreement;
- A separate Quitclaim Deed or Assignment of Water Rights must be executed;
- The Buyer and Seller must file a Change of Ownership form with the OSE and with the County Clerk's Office of the County in which the water right is located;
- The deed or assignment should be recorded with the county clerk; and
- If the water is delivered through an acequia or ditch, the applicable organization may have its own approval process.

Water rights transfers are not effective until they are reviewed and accepted by the OSE, and may not take effect immediately upon closing.

TITLE INSURANCE LIMITATIONS

Standard title insurance policies in New Mexico do not cover water rights. Title companies typically exclude them because of the difficulty in verifying ownership, priority, or validity.

This means:

- Title insurance does not confirm the existence of water rights;
- Buyers must perform their own investigation; and
- Legal assistance is highly recommended to assess the water rights component of any transaction.

RESOURCES FOR RESEARCHING AND TRANSFERRING WATER RIGHTS IN NEW MEXICO

New Mexico Office of the State Engineer (OSE) – Main Website

<https://www.ose.state.nm.us/>



Water Rights Database - Research

<https://www.ose.nm.gov/WRAB/index.php>



Water Rights Forms – Including Change of Ownership

<https://www.ose.state.nm.us/WR/forms.php>





Questions for a Listing Broker to Ask About Solar (before you list, please!)

- 1) Is the system leased, loaned, owned, or PPA?
- 2) Do you have all the documentation for the system? Do you have system schematics, component details, and anticipated generation information?
- 3) Who installed the system? Do you have contact information for the company, the salesperson, and the installer?
- 4) Who was the manufacturer of the system (panels, inverter, etc.)?
- 5) Is the system under warranty? Is the warranty transferable? Is there a cost to transfer?
- 6) Do you have production information or reports?
- 7) Who holds the loan or lease? Will it be paid off at closing, or will it be assumed by the new owner?
- 8) Is there an app? If so, what is the name of the app? Is there a fee to transfer that app? Does the app provide production reports?
- 9) Do you have a copy of the interconnection agreement with the utility company and any agreement where the seller is being compensated for power generation (net metering)?
- 10) Can you provide copies of the utility bills?



NEW MEXICO ASSOCIATION OF REALTORS® — 2026 INFORMATION SHEET – SOLAR SYSTEM PANEL



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1. HOW SOLAR ENERGY WORKS.

Solar Panels (also called distributed energy generation systems, (DEGS)) are made of photovoltaic (PV) cells which convert sunlight into Direct Current (DC) electricity throughout the day. An inverter changes the DC electricity to Alternating Current (AC) electricity which travels into the home through the electrical panel or “breaker box.” During the day, excess AC electricity not used in the home is sent back to the utility grid, resulting in a credit to the homeowner (this is net metering). Net metering allows resident to get credit for extra electricity produced by their solar panel at peak retail prices during the day (the electric meter spins backwards giving energy back to the grid) and draws from the grid during the night, at lower off-peak rates (the electric meter spins forward returning electricity from the grid to the home).

2. SOLAR RIGHT LAWS

A. NM’s Solar Rights Act (SRA) – 1997. The owner of real property upon which a DEGS can claim a solar right, which allows the owner to create a solar easement for the purpose of protecting and maintaining proper access to sunlight. The solar right prevents neighboring property owners from constructing new buildings or planting new trees which would block their access to the sun.

The SRA establishes procedures for filing a solar right through the County Clerk's Office, which includes the requirement that the property owner seeking the solar right give advanced notice to the adjacent property owners, who are entitled to contest the claim. Once awarded, the solar right attaches to the property (easement appurtenant) and remains in effect even if the property is sold. Further, the solar right can be sold separately from the property; this allows a neighboring property owner to purchase the solar right and then cancel it. An owner of a solar right may enforce the right in court.

B. Solar Recordation Act - 1983. The Solar Rights Act and the Solar Recordation Act includes provisions that allow local governments to create their own ordinances or zoning rules pertaining to the protection of solar rights.

C. Solar Collector Definitions and Restrictions Bill (SCDRB) - 2007. The SCDRB strengthened solar access rights in New Mexico by limiting the ability of a county or municipality to restrict the placement of solar collectors unless the location is within a historic district. It also voided all covenants and restrictions (from July 1, 1978 forward) that effectively prohibit the installation of solar collectors.

D. Distributed Generation Disclosure Act. After January, 2018, any agreement governing the financing, sale or lease of a DEGS or the sale of power to a power purchaser, governing the financing, sale or lease of a DEGS, or the sale of power to a power purchaser, shall include a written statement with font no smaller than 10 points and no more than four pages, unless a font larger than ten points is used, separate from the agreement and separately signed by the buyer or lessee, that includes provides detailed provisions regarding the DEGS. See Exhibit “A” attached.

E. Local Ordinances. In addition to state laws regarding Solar Panels, local jurisdictions may have ordinances that impact the installations and rights associated with a DEGS.

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INFORMATION SHEET – SOLAR SYSTEM PANEL



3. **BUYING OR LEASING SOLAR PANELS.** *NOTE: Consumers should explore all of the solar financing options available to determine the “best” choice for their individual needs.*

DEGS may be bought or leased. The most significant practical distinction between buying and leasing of an DEGS is in the ownership. When purchasing a DEGS, the buyer owns the system, either outright (if purchasing with cash) or after repaying the solar loan. When leasing the DEGS or entering into a power purchase agreement (PPA), a third party owns the DEGS. This distinction impacts the cost, maintenance, terms, financial offsets, and savings/returns on investment of the DEGS. Not all companies offer solar leases and/or PPAs.

A. Solar Leases. Solar Leases help eliminate most or all upfront costs, maintenance and operations costs associated with operating a DEGS. The developer installs and owns the DEGS, and is responsible for the maintenance, monitoring and insurance for the DEGS. A standard lease term is 15-25 years and typically comes with a minimum performance or production guarantee, compensating the borrower if the DEGS fails to meet the energy output required for in the lease for that period. State or federal tax credits associated with owning the solar energy system will go to the 3rd party owner of the system, the homeowner does NOT reap the benefits of tax credits. Scheduled monthly lease payments must be included in the debt-to-income (DTI) ratio if the buyer is getting a loan and the appraisal should NOT give value to the solar panels. The title work will reflect a Uniform Commercial Code (“UCC”) financing statement or Notice of Independent Solar Energy and the UCC financing statement termination or Release of Notice of Independent Solar Energy would need to be obtained at closing as evidence of its removal.

B. Power Purchase Agreements (PPAs). PPAs are solar energy agreements where the homeowner purchases the energy generated by the DEGS. The homeowner only pays for the energy that was produced. PPA payments are excluded from the DTI ratio since the payments are solely based on the energy produced. As with solar leases, a third-party buy, installs and maintains the DEGS and is the owner of the DEGS and therefore; the beneficiary of any state of federal tax credits. As with a solar lease, the maintenance, monitoring and insurance is the responsibility of the third-party owner. In the case of a loan, the appraisal will not give value to the solar panels. Like a Solar Lease, the title work will reflect a UCC financing statement or Notice of Independent Solar Energy, which would need to be released in the same manner at closing.

C. Solar Loans. A homeowner borrows money from a lender or solar developer for the installation of the DEGS. The homeowner owns the system and is therefore the beneficiary of all state and federal tax credit as well as responsible for the maintenance, monitoring operation of the system. The loan payment is included in the DTI ratio. The appraisal should give value to the solar panels. The system is not covered under an insurance policy or warranty, it is the homeowner’s responsibility to seek out insurance.

D. Property Assessed Clean Energy (PACE) Program. A PACE Program allows a property owner to finance renewable energy improvements to that owner’s property through an additional assessment added to the owner’s tax bill. (usually for a period of 15-20 years). The PACE assessment is attached to the property rather than to the homeowner, thus, making it easier for homeowners to purchase a DEGS, even if they may want to sell their home before the system is fully paid off. Two New Mexico laws address PACE Loans: The Renewable Energy Financing District (“REFD”) Act and the Solar Energy Improvement Assessment (“SEIA”) Act, both passed in 2009. Both Acts address the priority of a PACE Loan.

Under the REFD Act, full special assessment constitutes a lien on the property, which has priority over ALL OTHER liens except liens for ad valorem property taxes. Under the SEIA ACT, PACE Liens have priority co-equal with other property tax liens and no lien can exceed the annual amount of Solar Energy Improvement Special Assessment imposed on the property. FHA announced in December 2017 that it would no longer insure mortgages on homes that carry a PACE lien.

4. **CONSIDERATIONS WHEN SELLING/BUYING A HOME WITH A DEGS:**

If the DEGS is owned out right, it may increase the value of the property and result in a faster sales time. If the seller purchased the DEGS with a loan, the loan will have to be paid off before selling the property. If the DEGS is leased, the issue becomes more complicated. As discussed, DEGS leases can last between 10 and 20 years, and it can be

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**NEW MEXICO ASSOCIATION OF REALTORS® — 2026
INFORMATION SHEET – SOLAR SYSTEM PANEL**



expensive to “buy out” the DEGS lease or roll the lease into the house purchase. Further, if the DEGS lease raises the buyer’s DTI ratio, the buyer may not be able to qualify for a mortgage. Sellers should prepare the following resources for prospective buyers, as Buyers should investigate these issues BEFORE purchasing a home with a DEGS:

- A. If the DEGS is leased, what are the steps for transferring a lease?** Find out the details of the contract, including monthly fees, length of the contract, transferability of the lease/PPA. **Whether a buyer will qualify for a lease assumption depends on a number of factors and buyers should make this determination early in the process. See Solar Panel System Lease/Loan/PPA Assumption (NMAR Form 5125).**
- B. Which company installed the DEGS and what are the system’s warranty details?** Consult the DEGS paperwork to determine if the warranty will cover a new buyer and if it does, to determine the length of time for such coverage.
- C. How can the DEGS be removed?** There is a possibility a buyer will request the solar panels to be removed, either because they do not want them or because they do not qualify for the lease/PPA. Speak with the company that installed the DEGS to see how much it would cost to remove or relocate the DEGS. **NOTE: Often, a DEGS may NOT be removed unless the DEGS owner/seller has another property upon which to immediately install the DEGS.**
- D. Who manufactured the DEGS?** Determine the array’s manufacturers. If the DEGS was produced by a U.S. corporation, DEGS owners are covered by the Magnuson–Moss Warranty Act, which protects U.S. consumers from misleading warranty terms.
- E. What’s the size of the DEGS?** The size of the solar array will determine the energy bill savings. Review past energy bills or find out the number of kilowatts the system produces.
- F. Does the utility company offer net metering?** Depending on the utility company, some DEGS owners are eligible for net metering. This can help you determine how much a prospective buyer may save on their monthly electricity

5. CONVENTIONAL LOAN/APPRAISAL CONSIDERATIONS. NOTE: Other loan programs may have different and/or additional loan requirements.

A. DEGS Owned by Seller

If the DEGS is owned, a copy of the DEGS receipt/sales agreement must be provided to the underwriter. The appraiser must identify the property energy-efficient features, comment on any effect to value or marketability and make appropriate adjustments to reflect the market reaction to the energy-efficient features. The appraisal must indicate that the property has access to traditional electric utilities (there must be a backup in the event the solar panel is defective or does not produce the amount of energy intended). For a loan or if the system is owned, the appraisal **CAN** give value to the solar panels.

B. DEGS Leased or Owned by a Third-Party.

A copy of the Power Purchase Agreement (PPA) will have to be provided and the following shall apply:

1. The solar panels may not be included in the appraised value of the property;
2. The property must maintain access to an alternate source of electric power that meets community standards; and
3. The monthly lease payment must be included in the DTI Ratio calculation unless the lease is structured to: provide delivery of the specific amount of energy at a fixed payment during a given period and has a production guarantee that compensates the borrower on the prorated basis in the event the solar panel fail to meet the energy output required for in the lease for the period. **NOTE:** Payments under the PPA where the payment is calculated solely based on the energy produced may be excluded from the DTI ratio.

6. Power Purchase Agreement MUST include/state:

- A.** Any damage that occurs as a result of installation, malfunction, Any damage that occurs as a result of installation, malfunction, manufacturing defect, or the removal of the solar panels is the responsibility of the owner of the equipment and the owner must be obligated to repair the damage and return the improvements to their original or prior condition (for example, sound and watertight conditions that are architecturally consistent with the home).

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INFORMATION SHEET – SOLAR SYSTEM PANEL



- B. The owner of the solar panels agrees not to be named loss payee (or named insured) on the property owner's property insurance policy covering the residential structure on which the panels are attached. As an alternative to this requirement, the lender may verify that the owner of the solar panels is not a named loss payee (or named insured) on the property owner's property insurance policy, and
 - C. In the event of foreclosure, the lender or assignee has the discretion to:
 - 1. Terminate the lease/agreement and require the third-party owner to remove the equipment
 - 2. Become, without payment of any transfer or similar fee, the beneficiary of the borrower's lease/agreement with the third party, or
 - 3. Enter into a new lease/agreement with the third party, or
 - 4. Enter into a new lease/agreement with the third party, under terms no less favorable than the prior owner
 - D. An exception to coverage on the title insurance policy for recorded instruments relating to the solar panels must comply with B7-2-05, Title Exceptions and Impediments, which addresses the UCC lien discussed above.
7. **FANNIE MAE:** Fannie Mae also requires a letter on the Lease Holder, or third party owner's letterhead, dated, and signed stating the following: *"In the event of foreclosure, the lender or assignee has the discretion to: terminate the lease/agreement and require the third-party owner to remove the equipment; become, without payment of any transfer or similar fee, the beneficiary of the borrower's lease/agreement with the third party or enter into a new lease/agreement with the third party, under terms no less favorable that the prior owner."*

SAMPLE

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SOLAR PANEL SYSTEM LEASE/LOAN OR POWER PURCHASE AGREEMENT ASSUMPTION CONTINGENCY ADDENDUM

THIS FORM TO BE USED WHEN THE SOLAR PANEL SYSTEM INSTALLED ON THE PROPERTY IS SUBJECT TO A LEASE, LOAN OR A POWER PURCHASE AGREEMENT AND NEITHER PARTY WILL BE SATISFYING (PAYING-OFF) THE LEASE, LOAN OR POWER PURCHASE AGREEMENT PRIOR TO CLOSING.

FOR MORE INFORMATION, NMAR FORM 5130- SOLAR PANEL SYSTEM INFORMATION SHEET

This Addendum is hereby incorporated into and made part of the Purchase Agreement dated _____, 20____ between _____ ("Buyer") and _____ ("Seller") and relating to the following Property:

Address (Street, City, State, Zip Code)

Legal Description

or see metes and bounds description attached as Exhibit _____, _____ County(ies), New Mexico.

Subject to the terms of this Addendum, the Agreement is contingent on the following: 1) Buyer's approval of Solar Panel System Documents, as defined herein; and 2) Buyer obtaining approval from the Lessor to assume Seller's Solar Panel System lease/loan or PPA under the existing terms and conditions thereof.

1. TYPE OF ASSUMPTION: A solar photovoltaic ("PV") panel system ("Solar Panel System") has been installed on the Property that is subject to a lease, unpaid loan or Power Purchase Agreement ("PPA"). The Solar Panel System shall convey with the Property. The term "Lessor," as used herein, shall refer to the company that leases the Solar Panel System to Seller, the company with whom the Seller has entered into a PPA or the servicer of the unpaid loan used by Seller to purchase the Solar Panel System, as indicated below.

- A. [] Loan on Solar Panel System
B. [] Lease on Solar Panel System
C. [] Power Purchase Agreement

2. SELLER OBLIGATIONS. [] Seller has OR [] Within _____ days after Date of Acceptance, Seller shall:

- A. Deliver to Buyer the most recent version of the Solar Panel System lease/loan or PPA documents and all other Solar Panel System documents in Seller's possession. (collectively, "Solar Panel System Documents");
B. Provide to Buyer the name and phone number of the Lessor; and;
C. Notify Lessor of the sale, the name of Buyer, and the name of the Escrow Company as set forth in Paragraph 3 of the Agreement.

3. BUYER DUE DILIGENCE.

A. Buyer is advised that if the cost, insurability, operation, or value of the Solar Panel System is a material matter to Buyer, Buyer must investigate all concerns within the allotted time frame set forth below. This may include, but is not limited to:

- *Age *Maintenance *Tax Implications
*End of Lease Terms *Output and Production Guarantees *Payment Adjustments
*Grid Tie-In *Utility and Lessor Fees *Warranties
*Homeowner's Insurance Coverage *Utility Bills

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**SOLAR PANEL SYSTEM LEASE/LOAN OR
POWER PURCHASE AGREEMENT ASSUMPTION CONTINGENCY ADDENDUM**

- B. Seller and Buyer recognize, acknowledge and agree that Brokers are not qualified to advise on solar panel systems, including, but not limited to, cost, insurability, operation, value, or transferability. Seller and Buyer are instructed to consult with independent legal counsel and other qualified licensed professionals to assist in their due diligence efforts.
- 4. **BUYER’S OBJECTION PERIOD.** Buyer shall have _____ days from receipt of Solar Panel System Documents to terminate the Agreement based on the Solar Panel System Documents or any information discovered by Buyer’s due diligence (“Solar Panel System Objection Deadline”). Buyer’s failure to deliver a signed notice of termination within Solar Panel System Objection Deadline, shall conclusively be deemed a waiver of Buyer’s right to terminate the Agreement based on objection(s) to the Solar Panel System Documents.
- 5. **LEASE/LOAN ASSUMPTION CONTINGENCY.**
 - A. If Buyer does not terminate the Agreement by the Solar Panel System Objection Deadline, Buyer shall immediately apply for lease/loan or PPA assumption approval in the manner required by Lessor, and Seller and Buyer agree to cooperate fully with Lessor and supply the necessary documentation to complete the assumption.
 - B. Buyer shall assume the Solar Panel System lease/loan or PPA under the existing terms and conditions within _____ days prior to the Settlement/Signing Date. (“Assumption Approval Deadline”). This Agreement shall terminate, and Earnest Money shall be refunded to Buyer if, after a diligent and good faith effort, Buyer: (i) is unable to obtain assumption of the Solar Panel System lease/loan or PPA from Lessor; and (ii) delivers to Seller no later than the Assumption Approval Deadline a notice from the Lessor stating that Buyer was unable to obtain approval of the Solar Panel System lease/loan or PPA (“Rejection Notice”).
 - C. If Buyer does not assume the Solar Panel System lease/loan or PPA within the Assumption Approval Deadline and fails to deliver a Rejection Notice prior to the Assumption Approval Deadline, Buyer shall forfeit his Earnest Money to Seller.

ADDENDUM PROVISIONS CONTROL. If there is any conflict between the provisions of this Addendum and the provisions of the Agreement and/or any earlier Addendum, the provisions of this Addendum shall control. The remaining, unchanged provisions of the Agreement and/or any previously dated Addendum shall remain in effect.

⚠ IMPORTANT NOTICE ⚠

Because conducting due diligence with respect to the Solar Panel System is beyond the scope of Broker’s expertise, Seller and Buyer expressly release and hold harmless Broker(s) from liability for any defects, conditions or transferability problems pertaining to the Solar Panel System

BUYER(S)

Buyer Signature Printed Name Date Time

Buyer Signature Printed Name Date Time

SELLER(S)

Seller Signature Printed Name Date Time

Seller Signature Printed Name Date Time

If additional signature lines are needed, please use NMAR Form 1150 — Signature Addendum



Types of Insurance to Consider for Your Business

General Liability

General Liability covers legal or medical expenses that your business is responsible for, such as if a customer is injured as a result of your business's products or services. It also provides coverage if your business is liable for property damage or if it's sued for things like libel or false advertising. Just about every business needs general liability insurance.

Business Owner's Policy

A Business Owner's Policy (BOP) combines several types of commercial insurance—such as general liability, property, and business interruption—into a single policy.

Home-Based Business Insurance

If you run a business out of your home, you may consider getting a home-based insurance policy to cover your business equipment, like furniture and technology that your company relies on for operations. This kind of insurance can be especially helpful if your clients visit your home, as some of these policies include general liability insurance, which provides protection if a client sues you.

Some business owners may benefit from simply adding a business property home insurance endorsement to their existing homeowners' insurance policy. This can be a good option if you're the sole employee of your company and you rarely (if ever) have clients or customers on site

Business Auto Insurance

If you or your employees use company vehicles, you'll need a business auto insurance policy to cover unexpected costs that your business is responsible for, such as vehicle repairs or third-party medical expenses after an accident. A strong business auto policy should include property damage and liability insurance, but you may want to consider additional coverage depending on the vehicle type and how often your company uses it.



Other Types of Insurance for Your Business

Umbrella Policy

Umbrella insurance policies add a crucial layer of liability protection beyond typical homeowners, auto, or watercraft policies, safeguarding individuals at risk of lawsuits from the financial burden of extensive liability. These policies are vital for anyone who may face claims exceeding their coverage limits due to accidents that result in property damage or personal injuries. In addition, umbrella policies cover claims such as libel, slander, vandalism, and invasion of privacy, providing comprehensive protection.

Key Person Policy

Key person insurance is a life insurance policy that a company purchases on the life of an owner, a top executive, or another individual considered critical to the business. The company is the beneficiary of the policy and pays the premiums. Key person insurance is a life insurance policy a company buys on the life of a top executive or another critical individual who dies.

Cyber Policy

Cyber insurance, also known as cyber liability insurance, helps protect businesses from computer, network or technology-related risks, including:

- Network interruptions
- Data breaches
- Lawsuits
- Malware and ransomware cyberattacks
- Extortion and phishing attacks
- To protect your business from the devastating financial consequences of a cyber event, many business owners add cyber insurance coverage to their policy.

Business Crime Policy

Crime insurance is a type of business insurance that protects organizations from financial losses caused by criminal acts like theft, fraud, forgery, embezzlement, or robbery committed by employees or third parties. It acts as a financial safety net when internal or external crimes affect company assets like money, securities, or property.