

**DETAILED INSTRUCTOR OUTLINE**  
**PRESCRIBED CURRICULUM SALESPERSON'S LICENSE**  
**(Minimum 90 Hours)**

**ARIZONA DEPARTMENT OF REAL ESTATE**

100 North 15th Ave., Ste 201, Phoenix, AZ 85007

[www.azre.gov](http://www.azre.gov)

This is a detailed instructor outline of the prescribed curriculum for the Arizona Real Estate Salesperson's Pre-licensure course. The course comprises a minimum of **90** hours of classroom instruction and is one prerequisite to filing an application for Real Estate Salesperson's License.

Student attendance at all sessions of the Pre-license Course is required. Attendance includes that the student pays attention to the instructor, participate in class discussions and activities, and complete all assigned exercises and homework.

A student must attend the entire course and successfully pass the school's final examination on the curriculum before the school can certify the student's completion.

Consult the **Candidate Information Bulletin** for detailed information on examination procedures, applicable forms, and registering for the examination.

## 1. Real Estate Statutes

### 1.1. Sources of Real Estate Law

#### 1.1.1. State Constitution

##### 1.1.1.1. **Article XXVI – Right of Licensed Real Estate Brokers and Salespersons to prepare instruments incident to property transactions**

###### 1.1.1.1.1. Purpose

#### 1.1.2. Statutes – Federal

#### 1.1.3. Statutes – State

#### 1.1.4. Commissioners Rules (**Arizona Administrative Code A.C.C. Title 4, Chapter 28**)

#### 1.1.5. Substantive Policy Statements (**SPS**)

#### 1.1.6. Case Law

### 1.2. Arizona Real Estate Statutes – **Title 32, Chapter 20**

#### 1.2.1. Real Estate Department – **Article 1**

##### 1.2.1.1. Definitions **A.R.S. 32-2101**

###### 1.2.1.1.1. Real Estate Broker **A.R.S. 32-2101.48**

###### 1.2.1.1.2. Real Estate Salesperson **A.R.S. 32-2101.50**

##### 1.2.1.2. Advisory Board **A.R.S. 32-2104**

##### 1.2.1.3. Commissioner **A.R.S. 32-2106**

###### 1.2.1.3.1. Powers and Duties of Commissioner **A.R.S. 32-2107; 2108**

#### 1.2.2. Licensing – **ARTICLE 2**

##### 1.2.2.1. License exemptions **A.R.S. 32-2121**

##### 1.2.2.2. Parties required to be licensed **A.R.S. 32-2122**

##### 1.2.2.3. Broker and Salesperson requirements **A.R.S. 32-2122**

###### 1.2.2.3.1. Place of business required **A.R.S. 32-2126**

###### 1.2.2.3.2. Branch office requirements **A.R.S. 32-2127**

###### 1.2.2.3.3. Broker's temporary absence **A.R.S. 32-2127(D)**

###### 1.2.2.3.4. Active v. inactive status **A.R.S. 32-2101.27**

###### 1.2.2.3.5. Display of license **A.R.S. 32-2128**

###### 1.2.2.3.6. Licensing as Professional Limited Liability Company (PLLC) **A.R.S. 32-2125(B)**

###### 1.2.2.3.7. Multiple licenses **A.R.S. 32-2125.01**

###### 1.2.2.3.8. Renewal of License **A.R.S. 32-2130**

###### 1.2.2.3.9. Temporary Broker's license **A.R.S. 32-2133**

### 1.2.3. Regulation **Article 3**

- 1.2.3.1. Disposition of funds **A.R.S. 32-2151(A)**
  - 1.2.3.1.1. Trust Accounts **A.R.S. 32-2151(B)**
- 1.2.3.2. Broker requirements – record keeping **A.R.S. 32-2151.01**
- 1.2.3.3. Action to collect compensation **A.R.S. 32-2152**
- 1.2.3.4. Grounds for denial, suspension or revocation of licenses **A.R.S. 32-2153**
- 1.2.3.5. Consent Orders, Cease & Desist Orders **A.R.S. 32-2153.01 and A.R.S. 32-2154**
- 1.2.3.6. Restriction on employment or compensation **A.R.S. 32-2155**
  - 1.2.3.6.1. Broker to employ and pay only active licensees **A.R.S. 32-2155(A)**
  - 1.2.3.6.2. Unlawful to pay unlicensed person **A.R.S. 32-2155(B)**
  - 1.2.3.6.3. No compensation for negotiating loans **A.R.S. 32-2155(C)**
- 1.2.3.7. Real Estate sales and lease disclosure law (Stigmatized property) **A.R.S 32-2156**
- 1.2.3.8. Out-of-state broker, cooperation agreement **A.R.S. 32-2163**
- 1.2.3.9. Unlicensed activities **A.R.S. 32-2165**
- 1.2.3.10. Real Estate Teams/Groups
  - 1.2.3.10.1. Employee(s) of Broker or Salesperson **A.R.S. 32-2121(A)9**
  - 1.2.3.10.2. Licensed v Unlicensed activities **A.R.S. 32-2165; SPS No 2017.01**

### 1.2.4. Sale of Subdivided Lands – **Article 4**

- 1.2.4.1. Definition **A.R.S. 32-2101.56**
- 1.2.4.2. Procedures **A.R.S. 32-2181(A). 1-25**
- 1.2.4.3. Issuance of Public Report **A.R.S. 32-2183**
  - 1.2.4.3.1. Amended Public Report **A.R.S. 32-2184**
- 1.2.4.4. Exemptions **A.R.S. 32-2181.01 and 02**
- 1.2.4.5. Subsequent owner exemption **A.R.S. 32-2181(B)**
- 1.2.4.6. Commercial/Industrial **A.R.S. 32-2181.02(B)1**
- 1.2.4.7. Bulk Sales **A.R.S. 32-2181.02(A)1**
- 1.2.4.8. Rescindable Sales **A.R.S. 32-2183.01(I)**
  - 1.2.4.8.1. Public Report Receipt from buyer **R4-28-805**
  - 1.2.4.8.2. Unimproved parcels **A.R.S. 32-2185.01(D)**
- 1.2.4.9. Lot Reservations **A.R.S. 320-2181.03**
- 1.2.4.10. Illegal Subdivisions **A.R.S. 32-2181(D)**
- 1.2.4.11. Affidavit of Disclosure **A.R.S. 32-422**

- 1.2.5. Real Estate Recovery Fund - **Article 5**
  - 1.2.5.1. Definition **A.R.S. 32-2186(A)**
  - 1.2.5.2. Process and procedures **A.R.S. 32-2186**
  - 1.2.5.3. Fund liability **A.R.S. 32-2186(B) thru (G)**
  - 1.2.5.4. Eligible parties **A.R.S. 32-2186(E) and (F)**
  - 1.2.5.5. Funding **A.R.S. 32-2187**
- 1.2.6. Sale of Unsubdivided Land – **Article 7**
  - 1.2.6.1. Definition **A.R.S. 32-2101.60**
- 1.2.7. Real Estate Timeshares – **Article 9**
  - 1.2.7.1. Definition **A.R.S. 32-2101.57**
  - 1.2.7.2. Public report requirements **A.R.S. 32-2197.02**
    - 1.2.7.2.1. Rescission of contract or agreement **A.R.S. 32-2197.03**
    - 1.2.7.2.2. Advertising and promotional requirements **A.R.S. 32-2197.17 (J)**

## **2. Commissioner’s Rules – Arizona Administrative Code Title 4, Chapter 28**

- 2.1. General license requirements **R4-28-301**
  - 2.1.1. Department notification **R4-28-301(F)**
  - 2.1.2. Employing Broker, Sole proprietors, Corporations, Limited Liability Companies **R4-28-302**
  - 2.1.3. Renewal, reinstatement, changes **R4-28-303**
  - 2.1.4. Professional Corporations, Professional Limited Liability Companies **R4-28-303**
  - 2.1.5. Branch offices, managers **R4-28-304**
  - 2.1.6. Unlawful license activity **R4-28-306**
- 2.2. Education –**R4-28-402(A) 1-5**
  - 2.2.1. Continuing Education Requirements **R4-28-402**
- 2.3. Advertising – **Article 5**
  - 2.3.1. By licensee **R4-28-502**
    - 2.3.1.1. No blind ads **R4-28-502(A)**
    - 2.3.1.2. “Owner Agent” requirement **R4-28-502(B)**
    - 2.3.1.3. Accurate Claims **R4-28-502(C)**
    - 2.3.1.4. Broker’s name in clear and prominent manner **R4-28-502(E)**
    - 2.3.1.5. Advertising another broker’s listing **R4-28-502(F)**
    - 2.3.1.6. Designated Broker supervises advertising **R4-28-502(G)**
    - 2.3.1.7. Advertising an Acre = 43,560 sq. ft. **R4-28-502(H)**
    - 2.3.1.8. Written consent to place sign **R4-28-502(I)**

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2.3.2.1. Premiums to clients not “award” or “prize” **R4-28-503(A)**

2.3.2.2. Disclosure of terms for premiums **R4-28-503(B)**

2.3.2.3. Lotteries, drawings or games of chance prohibited **R4-28-503(C)**

2.3.2.4. Exception for subdividers and timeshare developers **R4-28-503(D)**

2.4. Compensation – **Article 7**

2.5. Documents – **Article 8**

2.5.1. Conveyance Documents **R4-28-802**

2.5.1.1. Copies to signers as soon as practical **R4-28-802(A)**

2.5.1.2. Submission of offers **R4-28-802(B)**

2.5.1.3. Broker to retain copies of escrow closing statements **R4-28-802(C)**

2.6. Professional Conduct – **Article 11**

2.6.1. Duties to Client **R4-28-1101 (entire rule)**

2.6.2. Property negotiations through exclusive agent **R4-28-1102**

2.6.3. Broker supervision **R4-28-1103**

**3. Agency Relationships and Managerial Duties**

3.1. Law of Agency

3.1.1. Types of agents

3.1.1.1. Special

3.1.1.2. General

3.1.1.3. Power of Attorney and Attorney in Fact

3.2. Agency Relationships

3.2.1. Dual Agency

3.2.1.1. Disclosure & Consent to Limited Representation

3.2.2. Single Agency

3.2.3. Agency principles

3.2.3.1. Vicarious liability (Respondeat Superior)

3.2.3.2. Imputed notice

3.3. Fiduciary Duties

3.3.1. Definitions

3.3.2. Obligations

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3.3.4. Breach of Fiduciary Duty Examples

- 3.4. Due Diligence
- 3.5. Misrepresentation and Fraud
  - 3.5.1. Definitions
  - 3.5.2. Duty to disclose
  - 3.5.3. Puffing
- 3.6. Creating an Agency Relationship
  - 3.6.1. Expressed
    - 3.6.1.1. Written
    - 3.6.1.2. Oral
  - 3.6.2. Implied
- 3.7. Terminating an Agency Relationship
- 3.8. Real Estate Employment Agreements
  - 3.8.1. Statutory Definition **A.R.S. 32-2151.02(E)**
  - 3.8.2. Statutory Requirements **A.R.S. 32-2151.02(A)**
  - 3.8.3. Listings
    - 3.8.3.1. Open Listing
    - 3.8.3.2. Exclusive Agency Listing
    - 3.8.3.3. Exclusive Right to Sell Listing
    - 3.8.3.4. Multiple Listing Services
      - 3.8.3.4.1. Full Service
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    - 3.8.3.5. Net listings
    - 3.8.3.6. Pocket Listings
    - 3.8.3.7. “Coming Soon” Listing
      - 3.8.3.7.1. Duties of Seller’s Agent
      - 3.8.3.7.2. Buyer’s offer on a Coming Soon Listing
    - 3.8.3.8. “Exclusive” Listing
      - 3.8.3.8.1. No Broker Cooperation
      - 3.8.3.8.2. Duties of Seller’s Agent
      - 3.8.3.8.3. Compensation to Buyer’s Agent
    - 3.8.3.9. Working with For Sale by Owner
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  - 3.8.4. Buyer Broker Agreements

- 3.8.5. Compensation and Co-brokerage
- 3.8.6. Prohibition against assignment **A.R.S. 32-2151.029(B)**
- 3.8.7. Prohibition against Procuring Additional Agreements without Consent **A.R.S. 32-2151.02(C)**
- 3.9. Brokerage Business
  - 3.9.1. Cyber Crime
    - 3.9.1.1. Wire Fraud
    - 3.9.1.2. Identity Theft

## **4. Contracts and Contract Law**

- 4.1. Contract Essentials and Terminology
  - 4.1.1. Expressed contracts versus implied contracts
  - 4.1.2. Unilateral contracts versus bilateral contracts
  - 4.1.3. Executory contracts versus executed contracts
  - 4.1.4. Valid, void, and voidable contracts
  - 4.1.5. Enforceable contracts versus unenforceable contracts
  - 4.1.6. Elements of a valid contract
    - 4.1.6.1. Competent parties
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      - 4.1.6.1.3. Not of sound mind
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    - 4.1.6.3. Lawful purpose
    - 4.1.6.4. Consideration
    - 4.1.6.5. Adequate description of the property/legal description
  - 4.1.7. Statue of Frauds **A.R.S. 44-101**
  - 4.1.8. Signed by all appropriate parties
    - 4.1.8.1. Electronic Transactions **Title 44 Chapter 26 (A.R.S. 44-7007)**
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    - 4.1.10.1. Impacts on contracts/transactions and foreclosure
- 4.2. Purchase Contract concerns
  - 4.2.1. Offer, acceptance and communication
    - 4.2.1.1. Letter of Intent

- 4.2.2. Earnest money
  - 4.2.3. Close of escrow – actual occurrence
  - 4.2.4. Risk of loss before C.O.E.
  - 4.2.5. Marketable title
  - 4.2.6. “Time is of the Essence”
  - 4.2.7. Contingencies
  - 4.2.8. Contract termination
  - 4.2.9. Presenting offers
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  - 4.2.11. Counter offers
  - 4.2.12. Multiple counter offers
  - 4.2.13. Multiple offers on one property
  - 4.2.14. Multiple offers on different properties
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- 4.3.1. Equitable interest
  - 4.3.2. Nominee
  - 4.3.3. Assignability
    - 4.3.3.1. Restrictions
    - 4.3.3.2. Liability
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  - 4.3.5. Right First of Refusal
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  - 4.3.7. Dispute Resolution
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    - 5.1.1.1. Physical Characteristics
    - 5.1.1.2. Economic Characteristics
  - 5.1.2. Surface rights
  - 5.1.3. Subsurface rights
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- 5.1.5. Tenements/Appurtenances
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    - 5.1.5.2.2. Legal Tests
    - 5.1.5.2.3. Owned v. Leased
- 5.1.6. Rights and relationships – Bundle of rights
  - 5.1.6.1. Easements
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  - 5.2.2. Trade fixtures
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- 5.3. Affidavit of Affixture **ARS 42-15203**
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- 5.4. Real Estate Interests and Ownership
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  - 5.4.6.1. Authorized Signatories
- 5.4.7. Types of common ownership
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- 6.4.4.2. Vacant Land (Class 2)
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- 6.4.6. Appealing FCV
- 6.4.7. Property tax lien date and priority
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  - 9.1.1. Environmental Protection Agency (EPA)
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- 9.2. Environmental Laws and Regulations
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  - 10.1.3. Directions
- 10.2. Rectangular Survey aka Government Survey aka Public Land Survey System (PLSS)
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  - 10.2.5. Correction Lines
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10.4. Article X-Arizona Constitution: State Trust Land

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11.2. Land Planning Terminology

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11.2.2. Master Planned Community

11.2.2.1. Master Deed

11.2.3. Setbacks

11.2.4. Buffer Zones

11.2.5. Zoning/Changes

11.2.6. Non-Conforming Use (grandfathered rights)

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**NOTE: THIS LIST IS NOT ALL INCLUSIVE. OTHER DISCLOSURES APPEAR IN OTHER SECTIONS OF TH CURRICULUM.**

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