GENERAL INFORMATION AND NOTICE TO BUYERS AND SELLERS

Be an informed buyer or seller.
The following information may assist you during the buying or selling process.

ANNEXATION. If a property currently lies outside the limits of a municipality, be aware that the property may later be annexed by a nearby municipality. Information on boundaries of nearby municipalities may be found by contacting the municipalities directly.

APPRaisal. An appraisal is a valuation of the property. An appraiser renders an estimate of value as of a certain date under assumptions and conditions stated in the appraisal report. Typically, a buyer’s lender requires an appraisal to verify that the loan is secured by property that is worth a certain amount. An appraisal is not the same as an inspection.

BROKERS. A real estate broker represents a party (buyer or seller) in a real estate transaction or may act as an intermediary between the parties. Consumers may work with the broker or with one of the broker’s agents. The broker will provide “Information About Brokerage Services” (TAR 2501) which defines agency relationships. An agent may help you locate, buy, or sell a property and is obligated to negotiate the transaction. The agent may assist you in gathering information and may coordinate many details in the transaction. Brokers and agents are not inspectors. They do not possess the expertise to conduct inspections and therefore do not make any representations, warranties, or guarantees about a property’s condition. Agents are not attorneys. It is important to seek the assistance of an attorney to help you understand any of the legal consequences and provisions of your contract or transaction.

ENVIRONMENTAL CONCERNS.

General. Problematic environmental conditions may exist on a subject property. Environmental hazards include, but are not limited to, the presence of asbestos, lead-based paint, mold, pesticides, radon gas, toxic waste, underground storage tanks, urea formaldehyde insulation, and other pollutants. Additionally, wetlands or endangered species on the property may restrict the use of the property.

Environmental Inspections. If environmental hazards, wetlands, or endangered species could be present on a subject property, a qualified expert should be hired to inspect the property for such conditions. A promulgated addendum that addresses such matters, “Environmental Assessment, Threatened or Endangered Species, and Wetlands Addendum (TAR1917),” may be included in the contract.

Lead-Based Paint. If a structure was built before 1978, federal law requires that buyers be provided with: (1) the pamphlet titled “Protect Your Family from Lead in Your Home” (TAR 2511); (2) the records and reports the seller has concerning lead-based paint or hazards; and (3) an opportunity to have the property inspected for lead-based paint or hazards.

Lead Emissions. A potentially hazardous environmental matter concerning lead emissions exists in some areas surrounding the former Exide Technology plant near Frisco. An environmental assessment by a professional and the link (http://www.ci.frisco.tx.us/communication/Pages/ExideTechnologiesPetition.aspx) will provide more information.

Mold. It is not uncommon to find mold spores in a structure. However, when large numbers of mold spores are detected, concerns increase about possible ill effects of mold. The Department of Insurance publishes a document, “Protect Your Home from Mold” (TAR 2507), which discusses mold in more detail.

Noise. A subject property may be surrounded by land used for a variety of purposes. Some of the uses cause noise (for example, airports, railways, restaurants, bars, schools, arenas and construction). Always visit a subject property at various times and days to investigate noise and traffic levels.

Oak Wilt and Diseased Trees. Trees, plants, and shrubs may be affected by various diseases. Caused by a fungus that attacks certain oak trees, oak wilt is one of the most destructive tree diseases in Texas. For specific information on particular trees, plantings, and conditions, have trees and other plants inspected by a professional.

Buyers’ or Sellers’ initials: ____________________________, ____________________________
GENERAL INFORMATION AND NOTICE TO A BUYER AND SELLER

EXPANSIVE SOILS. Soil conditions vary greatly throughout Texas. Many soils will move; some more than others. This movement can affect the foundation of homes and buildings and may cause cracks to appear in walls or other parts of the building. Additionally, if a structure is newly constructed, the concrete curing process may also cause the foundation of the building to move. Finally, seasonal changes in the moisture in the soil may also cause foundations to move. Check with an inspector and other experts on preventive methods that can be implemented to minimize the risk of such movement.

FLOOD HAZARD AREAS AND FLOOD INSURANCE. Many properties lie in flood hazard areas. Lenders who make loans on properties located in special flood hazard areas typically require the owner to maintain flood insurance. The Texas Association of REALTORS® publishes “Information about Special Flood Hazard Areas” (TAR1414) which discusses flood hazard areas in more detail. The purchase of flood insurance is encouraged regardless of whether the property is designated to be in a high, moderate, or low risk flood area.

HISTORIC OR CONSERVATION DISTRICTS. Local governments may create historic or conservation districts for the preservation of certain architectural appeal. Properties located in historic or conservation districts may have restrictions on use and architecture. A property owner may or may not be aware if a subject property is located in such a district. For a definitive answer concerning a property’s status with regard to these districts, contact the local government.

INSPECTION, REPAIRS, & WALK-THROUGH.

Inspections. Licensed inspectors of the consumer’s choice should perform inspections of the subject property and its structures. All inspections should be completed during any option period. The client should accompany the inspectors during inspections and ask questions during the inspection. Brokers and agents do not possess any special skills, knowledge, or expertise concerning inspections or repairs. If consumers request the names of inspectors or repair professionals from an agent, they should note that the agent is not making any representation or warranty as to the ability or workmanship of the inspectors or repair professionals.

Repairs. Any obligation of the seller to complete repairs requested by the buyer should be resolved in writing before any option period expires.

Walk-Through. Before closing the sale, buyers should walk through the property and verify that any repairs are complete. Buyers should notify their agent before closing if the condition of the property does not satisfy contractual provisions.

MANDATORY OWNERS’ ASSOCIATIONS. Membership in one or more owners’ associations may be required of owners of certain properties. Copies of any deed restrictions and owners’ association rules may be obtained from the county clerk, the title company employed in the transaction, or the owners’ association. If membership in an owners’ association is required, owners may be obligated to pay periodic dues or assessments. Failure to pay such dues could result in a lien on and foreclosure of the property.

MINERAL INTERESTS. Determining the ownership of mineral interests under a property (for example, rights to oil and gas interests) normally requires an expert to review the chain of title to the property. Many times the mineral interests may have been severed from the property and may be owned by persons other than the seller. Contract forms commonly used in Texas provide that the seller’s interest, if any, in the mineral interests convey to the buyer as part of the property. However, a seller may wish to retain all or part of the mineral interest. The Texas Association of REALTORS® publishes “Information About Mineral Clauses in Contract Forms” (TAR No.2509) which discusses this issue in more detail.

Buyers’ or Sellers’ initials: ___________________, ___________________
GENERAL INFORMATION AND NOTICE TO A BUYER AND SELLER

MULTIPLE LISTING SERVICE. The Multiple Listing Service (MLS) is a database and cooperative tool between brokers. Agents who use the MLS must comply with MLS rules. Listing agents are required to timely report the current status of a listing, including when the property is sold or leased or is no longer available, as well as the sales price. Subscribers such as other brokers, agents, appraisers, other real estate professionals, and appraisal districts have access to the information for market evaluation purposes. Much of the information in the MLS, such as square footage, assessed value, taxes, school boundaries, and year built is obtained from different sources such as the county appraisal district, an appraiser, or builder. The broker or agent who provides you with information from the MLS does not verify the accuracy of the information. Information from the MLS should be independently verified by the consumer and should not be relied upon.

POSSESSION. Most contracts provide that the seller will deliver possession of the property to the buyer at the time the sale closes and funds. Sometimes there is a short delay between closing and actual funding; especially if the buyer is obtaining funds from a lender. Buyers should ask the lender if the loan will fund on the day of closing. Buyers should also take this potential delay into account when planning a move into the property. Any possession by buyers before the sale closes and funds--or by the seller after the sale closes and funds--must be authorized by a written lease.

PROPERTY INSURANCE. Promptly after entering into a contract to buy a property and before any option period expires, buyers should contact an insurance agent to determine the availability and affordability of insurance for the property. There are numerous variables that an insurance company will evaluate when offering insurance at certain levels and at certain prices. Most lenders require that the property be insured in an amount not less than the loan amount. The failure to obtain property insurance before closing may delay the transaction or cause it to end. The Texas Association of REALTORS® publishes “Information About Property Insurance for the Buyer or Seller” (TAR 2508) which discusses property insurance in more detail.

RESIDENTIAL SERVICE CONTRACTS. A residential service contact is a product under which a residential service company, for an annual fee, agrees to repair or replace certain equipment or items in a property (for example, covered appliances, air conditioning and heating systems, and plumbing systems). Co-payments typically apply to most service calls. If consumers request names of residential service companies from an agent, they should note that the agent is not making any representation or warranty about the service company.

SCHOOL BOUNDARIES. School boundaries may change and are, at times, difficult to determine. The school boundaries that an agent may provide or that may be provided through a Multiple Listing Service are only mapped estimates from other sources. Consumers are encouraged to verify with the school district which schools residents in the property will attend.

SEPTIC TANKS AND ON-SITE SEWER FACILITIES. Many properties have septic tanks or other on-site sewer facilities. There are several types of such systems, and special maintenance requirements may apply to certain systems. Please refer to “Information About On-Site Sewer Facility” (TAR 1407) for more information. Consumers should also determine if the county requires any registration or other action before using the septic system or on-site facility.

SEX OFFENDERS AND CRIMINAL ACTIVITY. Consumers who are concerned about sex offenders possibly residing in a particular area may access www.btdps.state.tx.us. Contact the local police department to obtain information about any criminal activity in the area.

SQUARE FOOTAGE. If buyers base a purchase price on the size of the property’s building and structures, any information received about the square footage should be independently verified. Square footage information comes from sources such as appraisal districts, appraisers, and builders. Such information is only an estimate. The actual square footage may vary.

Buyers’ or Sellers’ initials: ______________________, ______________________
GENERAL INFORMATION AND NOTICE TO A BUYER AND SELLER

STATUTORY TAX DISTRICTS. A subject property may be located in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services. Municipal Utility Districts, Water Improvement Districts, and Public Improvement Districts are examples of such districts. Buyers are likely to receive a prescribed notice when buying property in such a district.

SURVEY. A survey identifies the location of boundaries, major improvements, fence lines, drives, encroachments, easements, and other items on the property. A survey should be obtained early enough in the transaction to help disclose any encroachments, encumbrances to title, or restrictions. The contract will typically contain a provision under which parties to the contract may obtain or be provided with a survey. The contract will also outline the time period during which buyers may object to encumbrances to title disclosed in the survey.

SYNTHETIC STUCCO. Synthetic stucco (sometimes known as EIFS) is an exterior siding product that was installed on some properties in the recent past. If improperly installed, synthetic stucco has been known to cause damage to the structure such as wood rot and trapped moisture. If a subject property has synthetic stucco, buyers should require that an inspector carefully evaluate the siding and ask any questions they may have during the inspection.

TAX PRORATIONS. Property taxes are due and payable at the end of each calendar year. Typically, a buyer and seller agree to prorate a property’s taxes through the closing date. The escrow agent will estimate, at closing, the taxes for the current year. If the current owner is qualified for tax exemptions (for example, homestead, agricultural, or over-65 exemption), such exemptions may or may not apply after closing. If exemptions no longer apply, taxes may increase. When buying new construction, taxes at closing may be prorated based only on the value of the vacant land and will later increase when the appraisal district includes the value of the new improvement. The actual taxes due at the end of the first and subsequent years may be different from the estimates used at closing.

TERMINATION OPTION. Most contract forms contain an option clause which provides the buyer with an unrestricted right to terminate the contract. Most buyers choose to buy the termination option and are required to pay for the termination option in advance. The option fee is negotiable. Most buyers will conduct many of their reviews, inspections, and other due diligence during the option period. All parties must strictly comply with the time period under the option. The option period is not suspended or extended if the buyer and the seller negotiate repairs or an amendment to the contract. Extensions of the option period must be negotiated separately, executed in writing, and purchased with an additional fee for the extension. Do not rely on any oral extensions.

TIDE WATERS. If a subject property adjoins any of the state’s tidal waters, buyers will be given a prescribed notice, “Addendum for Coastal Area Notice” (TAR 1915), upon execution of the contract. Boundaries of properties along such waters may change and building restrictions will apply. If a property is located seaward of the Gulf Intracoastal Canal, the buyer will receive a separate notice, “Addendum for Property Located Seaward of the Gulf Intracoastal Waterway” (TAR 1916).

TITLE INSURANCE OR ABSTRACT OF TITLE. Buyers should have an abstract of title covering the subject property examined by an attorney or obtain a title insurance policy. If buyers obtain a title insurance policy, a commitment of title should be reviewed by an attorney in the period of time required under the contract.

UTILITIES. Buyers should verify that required utilities are available to the subject property. Some structures may or may not have utilities and electrical facilities to support many modern appliances or equipment.

WATER WELLS. If a water well is present on a subject property, the buyer should have, and the lender may require the equipment inspected and water tested. Buyers should also determine if the county requires any registration or other action before the buyer begins to use the water well.
WIRE FRAUD. Please be advised that there are scams which involve companies capturing information from sources unknown, which could send an email that appears to either be from your real estate agent, the title company or the lender requesting that you wire/transfer funds to an account. **DO NOT COMPLY WITH EMAIL INSTRUCTIONS TO WIRE FUNDS!** During your representation by Keller Williams Realty, you will **NEVER** be asked, via email, to wire or send funds to ANYONE, not even a title company. If you receive an email request to wire funds from anyone regarding a real estate transaction, please contact your agent or your title company or your lender immediately via telephone using a number you have given previously. **NEVER LOGIN TO AN UNKNOWN WEBSITE.**

This form was provided by:  

**KELLER WILLIAMS REALTY - DALLAS PR**

Broker's Printed Name

By:  

Broker's Associate's Signature

Date

By signing below I acknowledge that I received, read, and understand this information and notice.

Buyer or Seller

Date

Buyer or Seller

Date