



NOTICE TO PROSPECTIVE REAL ESTATE BUYERS

A) 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. Buyer may work with the broker American Real Estate or with one of the broker's agents ("Broker/Agent"). Both a buyer and seller will be provided a form titled "Information About Brokerage Services" (TAR 2501 or TREC IABS1-0) which defines agency relationships. An agent may help a seller market the property or help a buyer locate a property. An agent is obligated to *negotiate* the transaction and may assist a seller or buyer 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 inspection and therefore do not make any representation, warranties, or guaranties about a property's condition. Agents are not attorneys. Parties are encouraged to seek the assistance of an attorney to help in understanding any of the legal consequences and provisions of the contract or transaction.

B) Fair Housing. Broker/Agent is required to make properties available without regard to race, color, religion, national origin, marital status, sex, disability, familial status or ancestry.

C) Qualifying. Broker/Agent recommends that the buyer meet with a lender as soon as possible to be pre-qualified and determine the type of financing that is most appropriate for the buyer's purchase.

D) Representations. The Multiple Listing Service (MLS) is a database and cooperative tool between brokers. Agents who use the MLS must comply with the MLS's rules. The listing agent is 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 (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 county appraisal districts, appraisers, and/or builders. The buyer is advised to verify the information contained in any MLS printouts or other marketing materials, particularly if that information is used to establish the value the buyer is placing on the property. No local Board of Realtor and their MLS systems, nor the Broker/Agent, can verify the accuracy of all information. Human error and/or omissions could occur when compiling the extensive information utilized in marketing a property. In addition, square footage from any county appraisal district generally is used for the purpose of tax valuation and should be verified because it is not always accurate. If the buyer is basing an offer on square footage, measurements, and/or boundaries of a particular property from any source, the buyer is advised to have the property professionally measured to verify such measurements. Taxes quoted or listed in MLS or marketing materials should also be checked to confirm current amounts.

E) Annexation. If a property is outside the limits of a municipality, the buyer should be aware that the property may later be annexed by a nearby municipality. The buyer may find information on the boundaries of nearby municipalities by contacting the municipalities directly.

F) 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.

G) Survey, Title Policy/Commitment. A survey may identify the location of boundaries, major improvements, fence lines, drives, encroachments, easements, and other items on the property. Broker/Agent advises buyers to obtain a current survey prepared by a licensed surveyor that is acceptable to the buyer, title company, and lender early enough in the transaction to help the buyer identify any encroachments, encumbrances to title, or restrictions. The buyer's contract typically contains a provision under which the buyer may obtain or be provided with a survey and the right to object to encumbrances and other potential issues disclosed in the survey. The buyer should obtain a title insurance policy. Upon receipt of a title commitment, the buyer is advised to carefully review the title commitment and/or consult with an attorney or title company if the buyer has any concerns or questions. Broker/Agent is not qualified to interpret title commitments and/or surveys and therefore does not provide any advice related to such documents and cannot be responsible for the information contained therein. Determining who owns the mineral interests under a property (for example, rights to oil and gas interests) requires an expert to review the chain of title to the property. Often mineral interests may have been severed from the property and could be owned by persons other than the seller. Contract forms commonly used in Texas may 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 interests. The Texas Association of REALTORS® publishes a form titled "Information About Mineral Clauses in Contract Forms" (TAR 2509) which discusses this issue in more detail. Any buyer or seller concerned about whether minerals convey with a property should consult an attorney.

H) Prior Representation. Broker/Agent may have previously represented a party in a transaction regarding a property that Broker/Agent will show the buyer (a "Prior Representation"). Broker/Agent does not maintain a perpetual database of its Prior Representations. Broker/Agent periodically destroys its files which may contain information on Prior Representations, as well as closed, expired or terminated contracts, previous offers, listings, Seller's Disclosure Notices and/or inspection or engineering reports or other transaction information that may have involved the property. By the Buyer's signature below, the Buyer releases and agrees to hold Broker/Agent harmless from any obligation, express or implied, to determine the existence of a Prior Representation or to disclose any information to the Buyer or any other party that Broker/Agent may have obtained regarding a particular property as a result of a Prior Representation.

I) Sex Offenders. Neither a seller nor a seller's agent of a residential property has a duty to disclose any information about registered sex offenders. The Texas Department of Public Safety maintains a database that consumers may search, at no cost, to determine if registered sex offenders are located in certain zip code areas. To search the database, visit www.txdps.state.tx.us. For information concerning past criminal activity in certain areas or neighborhoods, contact the local police department.

J) Seller's Disclosure Notice. The Seller's Disclosure Notice is completed by the seller and signed and dated as shown on the notice. A buyer is advised to conduct an independent investigation of the matters set forth in or absent from

the Seller's Disclosure Notice. Broker/Agent has no duty or obligation to investigate and/or ensure that a seller has completely and/or accurately filled out the Seller's Disclosure Notice. If changes occur to the property after the date of the Seller's Disclosure Notice, it is the obligation of the Seller to update the notice. Broker/Agent has relied on the Seller's Disclosure Notice as true and correct. Broker/Agent has no duty to investigate or inspect a property for defects, including but not limited to inquiring of neighbors about history or conditions that may adversely affect the property. A buyer is advised to request of seller any and all reports which may affect the property.

K) Property Inspection/Repairs. A buyer is advised to have a qualified inspector inspect the property to protect the buyer's interests. The buyer should accompany the inspectors during any inspections and ask the inspectors any questions the buyer may have relating to the inspection on the condition of the subject property. Broker/Agent do not possess any special skills, knowledge or expertise concerning inspection or repairs. Broker/Agent make no representation, warranty, covenant, or guarantee regarding any condition or matter regarding or affecting the property. At a buyer's request, Broker/Agent will provide a buyer with a list of inspectors and/or repairmen that it maintains strictly as a matter of convenience for its buyers. Broker/Agent provides this list merely as a starting point for a buyer's use in finding an inspector and/or repairmen that a buyer, in buyer's sole judgment, may select to make any inspection or repair. Broker/Agent make no representation, warranty, or covenant as to the reports, recommendations, capability, background, or reputation of any inspector or repairman. Please note that many property inspection organizations have their own standards on certain features of the property that the property inspector looks at to determine the integrity of the essential internal and external structural components. Property inspectors are not structural engineers but may help identify visual defects in these areas requiring immediate repairs. A buyer and the seller should resolve, in writing, any obligation, and any timing of the obligation, to complete repairs a buyer may request before the option period expires. Property inspectors may not be environmental specialists, but they may help identify many safety hazards or dangerous conditions. Other items may or may not be included in a standard property inspection. Some of these may be septic systems, roofs, drainage problems, wood decks, patios, or other exterior structures. A buyer is advised to verify which, if any, of these items are not included in the property inspection and have any items of concern inspected by a qualified licensed professional. Some items which may affect the property but are normally not included in an inspection are termites and wood destroying insects, geological or land subsidence surveys, and environmental or pollution inspections, all of which should be completed separately for a buyer's own protection. Broker/Agent recommends that a buyer obtain a general property inspection as well as surveys and inspections in specialized areas beyond the scope of the general property inspection. Broker/Agent has no duty to recommend that a buyer conduct any particular type of inspection. A buyer, in buyer's sole discretion, will determine whether to inspect the property.

Broker/Agent's expertise is in marketing, showing, and selling properties. Broker/Agent does not possess, and therefore does not offer, any expertise in the areas of construction, building materials, foundations, roofs, exterior finish systems, drainage, heating, air conditioning, plumbing, electrical, property appliances, or any other components that are part of or related to a structure or equipment of any property. Broker/Agent is neither engineering nor an environmental expert. Broker/Agent makes no representation, warranty, covenant, or guarantee regarding any condition or any other matter regarding any property. Broker/Agent do not possess and therefore offers no expertise on any condition that may affect a property, including, but not limited to, noise, lead-based paint, toxic waste, asbestos, radon, mold, termites or wood

destroying insects, other insects (mosquitoes, fire ants, bees, scorpions, moths, etc.), endangered species, oak decline, oak wilt, flood plains, run-off/flowing water onto, through, and/or under the property, wetlands, wildlife, and other creatures or any other matter which could adversely affect a property. A buyer is advised to retain inspectors to conduct inspections for these and any other concerns or conditions that affect a buyer's decision to purchase any property. **IF A BUYER DOES NOT EXERCISE BUYER'S RIGHT TO HAVE INSPECTORS FULLY INSPECT THE PROPERTY, BUYER MAY BE TAKING CERTAIN RISKS, SUCH AS THE RISK THAT BUYER WILL NOT IDENTIFY A CONDITION THAT MIGHT OTHERWISE AFFECT OR IMPACT A BUYER'S DECISION TO BUY THE PROPERTY.**

L) School Boundaries. School boundaries are subject to change and may affect attendance area and/or the value of the property. Due to increasing growth of the area surrounding the property, the affected school district may move the attendance boundaries of any of their schools. The school information provided to the buyer by Broker/Agent or by the Multiple Listing Service (MLS) may have been furnished by third parties and/or could be inaccurate as a result of human error or the constantly changing boundaries. In no way does the information provided the buyer predict or guarantee future attendance boundaries for any school.

Broker/Agent cannot warrant or guarantee school boundaries because the school boards of each district are constantly monitoring the population and growth rates of their schools and making changes when necessary. If the buyer has concerns about the boundaries of a particular school district, the buyer is advised to contact the appropriate school districts to learn of any boundary issues prior to or during the Option/Inspection period.

M) Residential Service Contracts. A residential service contract 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 buyer requests names of residential service companies from an agent, the buyer should note that the agent is not making any representation or warranty about the service company. Some sellers offer a residential service contract program. If the seller does not include a residential service contract covering the buyer, the buyer may purchase a contract on the buyer's behalf.

N) Walk Through. Buyer is advised to conduct a walk-through inspection of the property prior to closing. If buyer has any concerns, buyer is advised to have the property re-inspected to buyer's satisfaction prior to closing. Buyer is advised to have the property re-keyed on date of possession and inspect/install smoke and/or fire alarms.

O) Environmental and Other Matters. Over the years the market has identified environmental conditions that buyers should know may exist. Environmental hazards include, but are not limited to, conditions such as asbestos, lead-based paint, mold, pesticides, radon gas, toxic waste, underground storage tanks, urea-formaldehyde insulation, and other pollutants. Wetlands or endangered species on the property may restrict the use of the property. If the buyer is concerned that environmental hazards, wetlands, or endangered species may be present on the property the buyer wishes to buy, the buyer should hire a qualified expert to inspect the property for such items. The buyer may include a promulgated addendum (e.g., TREC 28-2) in the buyer's contract that may address such matters.

Lead-Based Paint. If a property was built before 1978, federal law requires that the seller provide the buyer with: (1) a pamphlet titled "Protect Your Family

from Lead in Your Home" (e.g., 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.

Mold and other contaminants. Every property contains products that have water, powders, solids, and industrial chemicals which are used in constructing the property. The water, powders, solids, and industrial chemicals will and do contain mold, mildew, fungus, spores, and chemicals which may cause allergic or other bodily reactions in certain individuals. Buyer should consult a physician to determine the molds, mildews, fungus, spores and/or chemicals that may adversely affect buyer or members of buyer's family. The construction products used in building a house may contain, among others, some of the following chemicals in measurable amounts:

- Water (contains or allows growth of molds, mildew, and fungus)
- Formaldehyde (e.g., in carpeting and pressed wood products)
- Fiberglass (e.g., in insulation products)
- Petroleum and Petroleum Products (e.g., in vinyl and plastic products)
- Methylene Chloride (e.g., in paint thinners)

Leaks, wet flooring, water penetration, and moisture will contribute to the growth of molds, mildew, fungus, or spores. **BROKER/AGENT IS NOT RESPONSIBLE AND BUYER HEREBY RELEASES BROKER/AGENT FROM ANY RESPONSIBILITY OR LIABILITY FOR ANY MOLD REMOVAL AND/OR REMEDIATION, OR FOR ANY ILLNESS OR ALLERGIC REACTIONS THAT BUYER OR ANY GUEST OR INHABITANT MAY EXPERIENCE AS A RESULT OF MOLD, MILDEW, FUNGUS OR SPORES.** Buyer is advised to keep the house clean, dry, well ventilated and free of contamination. After closing, buyer is advised to investigate methods to protect the property from molds, fungus, mildew and other environmental conditions. **IF BUYER IS NOT COMFORTABLE WITH THE FACT THAT MOLDS OR CHEMICALS EXIST IN SOME AMOUNT IN THE PROPERTY THAT BUYER IS PURCHASING, THEN BUYER SHOULD NOT PURCHASE THAT PROPERTY. BUYER IS ADVISED TO RETAIN INSPECTORS TO CONDUCT INSPECTIONS FOR THESE AND ANY OTHER CONCERNS OR CONDITIONS THAT AFFECT BUYER'S DECISION TO PURCHASE ANY PROPERTY. BROKER/AGENT HAS NO EXPERTISE IN ENVIRONMENTAL ISSUES.**

Oak Wilt and Diseased Trees. There are diseases such as oak wilt and other conditions that may affect trees and other plants. Oak wilt is a fungus that affects certain oak trees. If the buyer is concerned about such matters, the buyer may have the trees and other plants inspected by a professional of buyer's choice.

P) Foundations. Foundations may fail for numerous reasons, and many areas of Texas contain highly expansive clays and other soil conditions that are subject to shifting and movement under or adjacent to foundations, particularly when moisture content varies as a result of weather conditions. **BROKER/AGENT IS NOT AN ENGINEERING AND/OR FOUNDATION EXPERT, AND DOES NOT AND CANNOT WARRANT THE PAST, PRESENT AND/OR FUTURE CONDITION OF THE FOUNDATION AND/OR THE SOIL CONDITIONS AFFECTING THE PROPERTY. BROKER/AGENT DOES NOT MAKE ANY REPRESENTATION OR WARRANTY CONCERNING THE FOUNDATION. BUYER REPRESENTS AND WARRANTS THAT BUYER WILL NOT LATER CLAIM TO HAVE RELIED UPON ANY PAST OR FUTURE ALLEGED EXPERTISE, REPRESENTATION, OR WARRANTY FROM BROKER/AGENT CONCERNING THE FOUNDATION AND/OR THE SOIL CONDITIONS AFFECTING THE PROPERTY UNLESS SUCH ALLEGED EXPERTISE, REPRESENTATION, OR WARRANTY IS CONTAINED IN A WRITING WET-**

SIGNED (SIGNED IN INK) BY BROKER/AGENT. BUYER HEREBY RELEASES BROKER/AGENT FROM ANY RESPONSIBILITY OR LIABILITY FOR ANY PROBLEMS OR ISSUES ASSOCIATED IN ANY WAY WITH THE PROPERTY'S FOUNDATION AND/OR THE SOIL CONDITIONS AFFECTING THE PROPERTY. The buyer is advised by Broker/Agent to consult with a qualified licensed engineer during the Option/Inspection Period to determine the integrity of the structure/foundation and the soil conditions which exist at the property.

Q) Termites and Other Wood Destroying Insects. The buyer is advised that termites are very prevalent in Texas and is, therefore, advised to have a thorough inspection of the property prior to or during the Option/Inspection Period by a licensed, professional pest control company or entomologist. If the Seller's Disclosure Notice for the property indicates prior infestation, treatment, previous damage, water penetration, conducive conditions, etc., the buyer is advised to bring this information to the attention of buyer's inspector. Broker/Agent makes no representation, warranty, or covenant as to the capability, background or reputation of any inspector, the accuracy of any findings, or the extent of previous damage, if any.

R) Mortgage and Insurance. The buyer is advised to submit written mortgage and insurance applications and secure written commitments for the property prior to or during the Option/Inspection Period with terms and conditions acceptable to the buyer. Broker/Agent is not licensed to give such advice. There are numerous variables that an insurance company will evaluate when offering insurance at certain coverage 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 a document titled "Information About Property Insurance for a Buyer or Seller" (TAR 2508) which discusses property insurance in more detail.

S) Area Noise and Development. If noise (including but not limited to aircraft, trains, automobiles, barking dogs, etc.) is a concern to the buyer, the buyer is advised to investigate conditions that affect the property prior to or during the Option/Inspection Period. In addition, Broker/Agent is not required to investigate what types of developments (or re-developments) that may occur in the vicinity of the property. Broker/Agent advises the buyer to determine, in the buyer's sole opinion, if noise or prospective area developments would adversely affect the buyer's decision to purchase the property. Broker/Agent does not guarantee the suitability of the property to the buyer's expectations, requirements, and/or intended use.

T) Flood Hazard, Floodways, Flood Insurance, and Water Penetration. Many properties are in flood hazard areas. Lenders who make loans on properties located in special flood hazard areas typically require the owner to maintain flood insurance. Additionally, some properties may lie in a floodway. The Texas Association of REALTORS® publishes a form titled "Information About Special Flood Hazard Areas" (TAR 1414) which discusses flood hazard areas and floodways in more detail. Buyer is encouraged to buy flood insurance regardless of whether the property is in a high, moderate, or low risk flood area.

A property that does not lie in a floodway is still subject to potential flooding and may experience a variety of different water penetration issues associated with, among other things, plumbing issues, rain, improper drainage, foundation issues, wall failures (e.g., stucco cracks and failing exterior walls), roof leaks, etc. A seller may represent that a property has/has not suffered from past or current flooding onto the property or into the structures. A seller may also represent that a property has/has not suffered from past or current water

penetration issues. BROKER/AGENT IS NOT AN EXPERT IN FLOODING AND/OR WATER PENETRATION RELATED MATTERS, AND DOES NOT AND CANNOT WARRANT THE EXTENT OF ANY PAST, PRESENT, AND/OR FUTURE FLOODING ONTO THE PROPERTY OR INTO THE STRUCTURES AND/OR WATER PENETRATION ON THE PROPERTY. BROKER/AGENT DOES NOT MAKE ANY REPRESENTATION OR WARRANTY CONCERNING FLOODING ONTO THE PROPERTY OR INTO THE STRUCTURES AND/OR WATER PENETRATION ON THE PROPERTY. BUYER REPRESENTS AND WARRANTS THAT BUYER WILL NOT LATER CLAIM TO HAVE RELIED UPON ANY PAST OR FUTURE ALLEGED EXPERTISE, REPRESENTATION, OR WARRANTY FROM BROKER/AGENT CONCERNING FLOODING ONTO THE PROPERTY OR INTO THE STRUCTURES AND/OR WATER PENETRATION ON THE PROPERTY UNLESS SUCH ALLEGED EXPERTISE, REPRESENTATION, OR WARRANTY IS CONTAINED IN A WRITING WET-SIGNED (SIGNED IN INK) BY BROKER/AGENT. BUYER HEREBY RELEASES BROKER/AGENT FROM ANY RESPONSIBILITY OR LIABILITY FOR ANY PROBLEMS OR ISSUES ASSOCIATED IN ANY WAY WITH FLOODING ONTO THE PROPERTY OR INTO THE STRUCTURES AND/OR WATER PENETRATION ON THE PROPERTY.

U) Historic or Conservation Districts. Properties located in historic or conservation districts may have restrictions on use and architecture of the properties. Local governments may create historic or conservation districts for the preservation of certain architectural appeal. A property owner may or may not be aware if the property is located in such a district. If the buyer is concerned whether the property is located in such a district, contact the local government for specific information.

V) Mandatory Owner's Associations. An owner's association may require a property owner to be a member. The buyer may obtain subdivision information (the restrictions applying to the subdivision, the bylaws and rules of the owners' association, and a resale certificate). The buyer may be required to pay for the subdivision information unless the buyer negotiates otherwise in the contract. If membership in an owner's association is required, the buyer will probably be obligated to pay periodic dues or assessments. Failure to pay such dues could result in a lien on and foreclosure of the subject property purchased by the buyer.

W) Possession. Most contracts provide that the seller will deliver possession of the property to the buyer at the time the sale closes and funds or according to a temporary residential lease or other written lease required by the parties. There may be a short delay between closing and actual funding; especially if a buyer is obtaining funds from a lender. The buyer may need to verify with its lender if the loan will fund on the day of closing. The buyer should also take this potential delay into account when planning its move into the property. Any possession by the buyer before the sale closes and funds (or by the seller after the sale closes and funds) should be authorized by a written lease signed by buyer and seller.

X) 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. Special maintenance requirements may apply to certain systems. Please refer to a document titled "Information About On-Site Sewer Facility" (TAR 1407) for more information. The buyer should also determine if the county requires any registration or other action to begin using the septic system or on-site sewer facility.

Y) Statutory Tax Districts. The property may be located in a utility or other statutorily created district providing water, sewer, drainage, or flood control

facilities and services (for example, a Municipal Utility District, Water Improvement District, or a Public Improvement District). While the buyer is likely to receive a prescribed notice when buying property in such a district, the buyer should make their own inquiry into existence and impact of any such statutory tax districts.

Z) Synthetic Stucco. Synthetic stucco (sometimes known as EIFS) is an exterior siding product that was placed on some properties in the recent past. If the product was not properly installed, it has been known to cause damage to the structure (such as wood rot and moisture). If the property has synthetic stucco, the buyer should ask its inspector to carefully inspect the siding and ask any questions it may have.

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

BB) Termination Option. Many contract forms contain an option clause which provides the buyer with an unrestricted right to terminate the contract. Most buyers choose to purchase the termination option. The buyer will be 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. The buyer 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. If the buyer wants to extend the option period, the buyer must negotiate an extension separately, obtain the extension in writing, and pay an additional fee for the extension. The buyer should not rely on any oral extensions.

CC) Tide Waters. If the property the buyer adjoins any of the state's tidal waters, the seller should provide the buyer with a notice titled "Addendum for Coastal Area Notice" (TAR 1915) at the time buyer signs a contract. Boundaries of properties along such waters may change, and building restrictions will apply. If the property is located seaward of the Gulf Intracoastal Waterway, the seller should provide the buyer with a prescribed notice titled "Addendum for Property Located Seaward of the Gulf Intercostal Waterway" (TAR 1916).

DD) Utilities. The buyer should evaluate what utilities the buyer will require and check to be sure that the utilities available in the area suit the buyer's needs. Some structures may or may not have utilities and electrical facilities to support many modern appliances or equipment.

EE) Water Level Fluctuations. State law requires to the seller to notify a buyer of a property adjoining a lake, reservoir, or other impoundment of water with a storage capacity of at least 5,000 acre-feet at its normal operating level that the water level may fluctuate. The buyer and seller can find a list of lakes and reservoirs with at least 5,000 acre-feet storage capacity by accessing <http://texasalmanac.com/topics/environment/lakes-and-reservoirs>.

FF) Water Wells. If the property has a water well, the buyer should have, and its lender may require, the equipment inspected and water tested. The buyer

should also determine if the county requires any registration or other action to begin using the water well.

GG) Due Diligence. The buyer is advised that Broker/Agent's responsibilities covered by this Agreement do not include the responsibilities associated with due diligence obligations of the buyer pursuant to a prospective purchase. Broker/Agent has neither the experience nor expertise to research issues and/or advise/consult with the buyer relative to matters affecting the buyer's decision to purchase the property. It is the buyer's sole responsibility to conduct due diligence. **SHOULD THE BUYER REQUEST ADVICE OR OPINIONS FROM BROKER/AGENT CONCERNING ANY MATTER IMPACTING THE PROPERTY, BROKER/AGENT'S RESPONSES AND/OR OPINIONS SHALL BE DEEMED TO BE CHARACTERIZED AS OPINIONS ONLY AND ARE NOT TO BE RELIED UPON BY THE BUYER IN BUYER'S DETERMINATION TO PURCHASE A PROPERTY.**

HH) Notice of Possible Invasive Species. Broker/Agent hereby gives the buyer notice of possible invasive species that could harm the economic, ecological and/or human health relating to the property that the buyer purchases. "Invasive Species" are defined as a species that are non-native (or alien) to the ecosystem under consideration and whose introduction causes or is likely to cause economic or environmental harm or harm to human health (Executive Order 13112). Broker/Agent advises the buyer to further research and satisfy itself as to the potential harm caused by said invasive species, including, but not limited to, those found at <http://www.texasinvasives.org/>.

II) FIRPTA. The Foreign Investment in Real Property Tax Act of 1980 (FIRPTA) may require buyers in certain transactions involving a seller who qualifies as a "foreign person" to withhold up to 15% of the amount realized by the seller (usually the sales price) for federal taxes. For informational purposes only, a "foreign person" is generally defined as a: (1) nonresident alien individual; (2) foreign corporation that has not made an election under section 897(i) of the Internal Revenue Code to be treated as a domestic corporation; or (3) foreign partnership, trust, or estate. The definition generally does not include a resident alien individual. While the seller should inform the buyer whether it is a "foreign person," the buyer should independently confirm, through consultation with a tax professional or an attorney, the current definition of "foreign person" under applicable law and whether the seller meets the current definition.

JJ) Permits. Permits may be required to construct, alter, repair, or improve the property. The buyer is encouraged to contact the local government to verify that all required permits have been obtained because it may impact the buyer's future plans for the property.

KK) Restrictions on Property Near An International Border. Be aware that in certain counties located near an international border, Texas law may prohibit the sale of property lacking required water and sewer services. Even if a sale of such property is permitted, a buyer may face additional costs or restrictions under Texas law due to a lack of basic infrastructure (water, sewer, roads, and drainage). The Texas Association of REALTORS® publishes a form titled "Information Regarding Property Near an International Border" (TAR 2519), which provides more information. Broker/Agent cannot guarantee that a sale of the property is permitted under Texas law or otherwise give legal advice.

LL) Property Insurance. Promptly after entering into a contract to buy a property and before any option period expires, the buyer 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 coverage levels and at certain rates. Most lenders require property to be insured in an amount not less than the loan amount. The failure to timely obtain property insurance may delay or prevent the closing of the transaction. The Texas Association of REALTORS® publishes a document titled "Information About Property Insurance for a Buyer or Seller" (TAR 2508) which discusses property insurance in more detail.

MM) Surveillance. Be aware that when viewing a property, a seller may record or otherwise electronically monitor a buyer without the buyer's knowledge or consent, and a buyer may photograph or otherwise record the property without the seller's knowledge or consent. The parties should consult an attorney before recording or photographing another person or property.

NN) Wire Fraud. Real estate transactions are vulnerable to cybercrime, like wire fraud, in which criminals obtain access to email accounts and transmit false wiring instructions for the purpose of diverting funds to another bank account. Refrain from transmitting personal information, like bank account numbers or other financial information, via email or other unsecured electronic communication. If the buyer receives any electronic communication regarding wiring instructions, even if the communication appears to come from a legitimate source, the buyer should verify its authenticity prior to the transfer of funds in person or via phone call using a recognized phone number that is not found in the communication.

THE UNDERSIGNED BUYER HEREBY ACKNOWLEDGES RECEIPT OF THE FOREGOING NOTICE TO PROSPECTIVE REAL ESTATE BUYERS.

Signature of Buyer Date

Signature of Buyer Date

NOTICE PURSUANT TO 22 TEX. ADMIN. CODE § 537.11

This Notice to Prospective Real Estate Buyers was prepared by attorney John G. George, Jr. (TBN: 24051944) for sole use by American Real Estate. This form is approved for use in single family residential real estate, farm and ranch, unimproved property, and condominium transactions.

THIS FORM IS NOT A MANDATORY TREC FORM AND TREC RULES PROHIBIT REAL ESTATE LICENSE HOLDERS FROM PRACTICING LAW AND DIRECTLY OR INDIRECTLY OFFERING, GIVING, OR ATTEMPTING TO GIVE LEGAL ADVICE.

IT IS STRONGLY RECOMMENDED FOR YOU TO SEEK LEGAL COUNSEL CONCERNING THE INTERPRETATION AND USE OF THIS FORM, INCLUDING ADVICE ABOUT HOW THIS FORM IMPACTS YOUR LEGAL RIGHTS. THE ATTORNEY WHO DRAFTED THIS FORM IS NOT YOUR ATTORNEY AND IS NOT PROVIDING YOU ANY LEGAL ADVICE.