

Note: This notice should be given to a prospective purchaser prior to execution of a binding contract of sale and purchase, should be executed by the seller and purchaser and should be attached as a separate portion of a purchase contract. Please see Note below.

Notice to a Purchaser of Real Property in a Water District

NOTICE FOR DISTRICTS THAT ARE NOT LOCATED IN WHOLE OR IN PART WITHIN THE CORPORATE BOUNDARIES OF A MUNICIPALITY OR THE EXTRATERRITORIAL JURISDICTION OF ONE OR MORE HOME-RULE MUNICIPALITIES

The real property, described below, that you are about to purchase is located in the Treasure Island MUD District. The district has taxing authority separate from any other taxing authority and may, subject to voter approval, issue an unlimited amount of bonds and levy an unlimited rate of tax in payment of such bonds. As of this date, the rate of taxes levied by the district on real property located in the district is \$0.53 on each \$100 of assessed valuation. If the district has not yet levied taxes, the most recent projected rate of tax, as of this date, is \$0.00 on each \$100 of assessed valuation. The total amount of bonds, excluding refunding bonds and any bonds or any portion of bonds issued that are payable solely from revenues received or expected to be received under a contract with a governmental entity, approved by the voters and which have been or may, at this date, be issued in \$ _____, and the aggregate initial principal amounts of all bonds issued for one or more of the specified facilities of the district and payable in whole or in part from property taxes is \$ _____.

The district has the authority to adopt and impose a standby fee on property in the district that has water, sanitary sewer, or drainage facilities and services available but not connected and which does not have a house, building, or other improvement located thereon and does not substantially utilize the utility capacity available to the property. The district may exercise the authority without holding an election on the matter. As of this date, the most recent amount of the standby fee is \$none. An unpaid standby fee is a personal obligation of the person that owned the property at the time of imposition and is secured by a lien on the property. Any person may request a certificate from the district stating the amount, if any, of unpaid standby fees on a tract of property in the district.

The purpose of this district is to provide water, sewer, drainage, or flood control facilities and services within the district through the issuance of bonds payable in whole or in part from property taxes. The cost of these utility facilities is not included in the purchase price of your property, and these utility facilities are owned or to be owned by the district. The legal description of the property you are acquiring is as follows:

Treasure Island lot 49 Schooner

Marion Keyworth

Signature of Seller
Marion Atwell Keyworth

Date

Sherry Lynn Keyworth

Signature of Seller
Sherry Lynn Keyworth

12/4/19
Date

PURCHASER IS ADVISED THAT THE INFORMATION SHOWN ON THIS FORM IS SUBJECT TO CHANGE BY THE DISTRICT AT ANY TIME. THE DISTRICT ROUTINELY ESTABLISHES TAX RATES DURING THE MONTHS OF SEPTEMBER THROUGH DECEMBER OF EACH YEAR, EFFECTIVE FOR THE YEAR IN WHICH THE TAX RATES ARE APPROVED BY THE DISTRICT. PURCHASER IS ADVISED TO CONTACT THE DISTRICT TO DETERMINE THE STATUS OF ANY CURRENT OR PROPOSED CHANGES TO THE INFORMATION SHOWN ON THIS FORM.

The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or prior to execution of a binding contract for the purchase of the real property described in such notice or at closing of purchase of the real property.

Signature of Purchaser

Date

Signature of Purchaser

Date

NOTE: Correct district name, tax rate, bond amounts, and legal description are to be placed in the appropriate space. Except for notices included as an addendum or paragraph of a purchase contract, the notice shall be executed by the seller and purchaser, as indicated. If the district does not propose to provide on or more of the specified facilities and services, the appropriate purpose may be eliminated. If the district has not yet levied taxes, a statement of the district's most recent projected rate of tax is to be placed in the appropriate space. If the district does not have approval from the commission to adopt and impose a standby fee, the second paragraph of the notice may be deleted. For the purposes of the notice form required to be given to the prospective purchaser prior to execution of a binding contract of sale and purchase, a seller and any agent, representative, or person acting on the seller's behalf may modify the notice by substitution of the words "January 1, 2019" for the words "this date" and place the correct calendar year in the appropriate space.



**ADDENDUM FOR
COASTAL AREA PROPERTY**
(SECTION 33.135, TEXAS NATURAL RESOURCES CODE)
TO CONTRACT CONCERNING THE PROPERTY AT

Lot 49 Schooner, Freeport, Tx 77541
(Address of Property)

NOTICE REGARDING COASTAL AREA PROPERTY

1. The real property described in and subject to this contract adjoins and shares a common boundary with the tidally influenced submerged lands of the state. The boundary is subject to change and can be determined accurately only by a survey on the ground made by a licensed state land surveyor in accordance with the original grant from the sovereign. The owner of the property described in this contract may gain or lose portions of the tract because of changes in the boundary.
2. The seller, transferor, or grantor has no knowledge of any prior fill as it relates to the property described in and subject to this contract except: _____
3. State law prohibits the use, encumbrance, construction, or placing of any structure in, on, or over state-owned submerged lands below the applicable tide line, without proper permission.
4. The purchaser or grantee is hereby advised to seek the advice of an attorney or other qualified person as to the legal nature and effect of the facts set forth in this notice on the property described in and subject to this contract. Information regarding the location of the applicable tide line as to the property described in and subject to this contract may be obtained from the surveying division of the General Land Office in Austin.

Buyer _____

Marion Atwell Keyworth

Seller

Marion Atwell Keyworth

Buyer _____

Sherry Lynn Keyworth

Seller

Sherry Lynn Keyworth

This form has been approved by the Texas Real Estate Commission for use with similarly approved or promulgated contract forms. Such approval relates to this form only. TREC forms are intended for use only by trained real estate licensees. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not suitable for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, 512-936-3000 (<http://www.trec.texas.gov>) TREC No. 33-2 This form replaces TREC No. 33-1.

TREC No. 33-2



ENVIRONMENTAL ASSESSMENT, THREATENED OR ENDANGERED SPECIES, AND WETLANDS ADDENDUM

TO CONTRACT CONCERNING THE PROPERTY AT

Lot 49 Schooner, Freeport, Tx 77541

(Address of Property)

- A. ENVIRONMENTAL ASSESSMENT: Buyer, at Buyer's expense, may obtain an environmental assessment report prepared by an environmental specialist.
- B. THREATENED OR ENDANGERED SPECIES: Buyer, at Buyer's expense, may obtain a report from a natural resources professional to determine if there are any threatened or endangered species or their habitats as defined by the Texas Parks and Wildlife Department or the U.S. Fish and Wildlife Service.
- C. WETLANDS: Buyer, at Buyer's expense, may obtain a report from an environmental specialist to determine if there are wetlands, as defined by federal or state law or regulation.

Within 10 days after the effective date of the contract, Buyer may terminate the contract by furnishing Seller a copy of any report noted above that adversely affects the use of the Property and a notice of termination of the contract. Upon termination, the earnest money will be refunded to Buyer.

Buyer _____

Marion Atwell Keyworth

Seller

Marion Atwell Keyworth

Buyer _____

Sherry Lynn Keyworth

Seller

Sherry Lynn Keyworth

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TREC No. 28-2



ADDENDUM FOR
PROPERTY LOCATED SEAWARD OF THE
GULF INTRACOASTAL WATERWAY
(SECTION 61.025, TEXAS NATURAL RESOURCES CODE)
TO CONTRACT CONCERNING THE PROPERTY AT

Lot 49 Schooner, Freeport, Tx 77541
(Address of Property)

DISCLOSURE NOTICE CONCERNING LEGAL AND ECONOMIC RISKS OF PURCHASING
COASTAL REAL PROPERTY NEAR A BEACH

WARNING: THE FOLLOWING NOTICE OF POTENTIAL RISKS OF ECONOMIC LOSS TO YOU AS THE
PURCHASER OF COASTAL REAL PROPERTY IS REQUIRED BY STATE LAW.

- READ THIS NOTICE CAREFULLY. DO NOT SIGN THIS CONTRACT UNTIL YOU FULLY UNDERSTAND
THE RISKS YOU ARE ASSUMING.
• BY PURCHASING THIS PROPERTY, YOU MAY BE ASSUMING ECONOMIC RISKS OVER AND ABOVE THE
RISKS INVOLVED IN PURCHASING INLAND REAL PROPERTY.
• IF YOU OWN A STRUCTURE LOCATED ON COASTAL REAL PROPERTY NEAR A GULF COAST BEACH, IT
MAY COME TO BE LOCATED ON THE PUBLIC BEACH BECAUSE OF COASTAL EROSION AND STORM
EVENTS.
• AS THE OWNER OF A STRUCTURE LOCATED ON THE PUBLIC BEACH, YOU COULD BE SUED BY THE
STATE OF TEXAS AND ORDERED TO REMOVE THE STRUCTURE.
• THE COSTS OF REMOVING A STRUCTURE FROM THE PUBLIC BEACH AND ANY OTHER ECONOMIC
LOSS INCURRED BECAUSE OF A REMOVAL ORDER WOULD BE SOLELY YOUR RESPONSIBILITY.

The real property described in this contract is located seaward of the Gulf Intracoastal Waterway to its
southernmost point and then seaward of the longitudinal line also known as 97 degrees, 12', 19" which
runs southerly to the international boundary from the intersection of the centerline of the Gulf
Intracoastal Waterway and the Brownsville Ship Channel. If the property is in close proximity to a beach
fronting the Gulf of Mexico, the purchaser is hereby advised that the public has acquired a right of
use or easement to or over the area of any public beach by prescription, dedication, or presumption, or
has retained a right by virtue of continuous right in the public since time immemorial, as recognized in
law and custom.

The extreme seaward boundary of natural vegetation that spreads continuously inland customarily
marks the landward boundary of the public easement. If there is no clearly marked natural vegetation
line, the landward boundary of the easement is as provided by Sections 61.016 and 61.017, Natural
Resources Code.

Much of the Gulf of Mexico coastline is eroding at rates of more than five feet per year. Erosion rates for
all Texas Gulf property subject to the open beaches act are available from the Texas General Land
Office.

State law prohibits any obstruction, barrier, restraint, or interference with the use of the public
easement, including the placement of structures seaward of the landward boundary of the easement.
OWNERS OF STRUCTURES ERECTED SEAWARD OF THE VEGETATION LINE (OR OTHER APPLICABLE
EASEMENT BOUNDARY) OR THAT BECOME SEAWARD OF THE VEGETATION LINE AS A RESULT OF
PROCESSES SUCH AS SHORELINE EROSION ARE SUBJECT TO A LAWSUIT BY THE STATE OF TEXAS TO
REMOVE THE STRUCTURES.

The purchaser is hereby notified that the purchaser should: (1) determine the rate of shoreline erosion
in the vicinity of the real property; and (2) seek the advice of an attorney or other qualified person
before executing this contract or instrument of conveyance as to the relevance of these statutes
and facts to the value of the property the purchaser is hereby purchasing or contracting to purchase.

Buyer

Marion Atwell Keyworth
Seller Marion Atwell Keyworth

Buyer

Sherry Lynn Keyworth
Seller Sherry Lynn Keyworth

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transactions. It is not suitable for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, 512-936-3000 (http://www.trec.texas.gov) TREC No.
34-4. This form replaces TREC No. 34-3.



INFORMATION ABOUT SPECIAL FLOOD HAZARD AREAS

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CONCERNING THE PROPERTY AT Lot 49 Schooner
Freeport, Tx 77541

A. FLOOD AREAS:

- (1) The Federal Emergency Management Agency (FEMA) designates areas that have a high risk of flooding as special flood hazard areas.
- (2) A property that is in a special flood hazard area lies in a "V-Zone" or "A-Zone" as noted on flood insurance rate maps. Both V-Zone and A-Zone areas are areas with high risk of flooding.
- (3) Some properties may also lie in the "floodway" which is the channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge a flood under FEMA rules. Communities must regulate development in these floodways.

B. AVAILABILITY OF FLOOD INSURANCE:

- (1) Generally, flood insurance is available regardless of whether the property is located in or out of a special flood hazard area. Contact your insurance agent to determine if any limitations or restrictions apply to the property in which you are interested.
- (2) FEMA encourages every property owner to purchase flood insurance regardless of whether the property is in a high, moderate, or low risk flood area.
- (3) A homeowner may obtain flood insurance coverage (up to certain limits) through the National Flood Insurance Program. Supplemental coverage is available through private insurance carriers.
- (4) A mortgage lender making a federally related mortgage will require the borrower to maintain flood insurance if the property is in a special flood hazard area.

C. GROUND FLOOR REQUIREMENTS:

- (1) Many homes in special flood hazard areas are built-up or are elevated. In elevated homes the ground floor typically lies below the base flood elevation and the first floor is elevated on piers, columns, posts, or piles. The base flood elevation is the highest level at which a flood is likely to occur as shown on flood insurance rate maps.
- (2) Federal, state, county, and city regulations:
 - (a) restrict the use and construction of any ground floor enclosures in elevated homes that are in special flood hazard areas.
 - (b) may prohibit or restrict the remodeling, rebuilding, and redevelopment of property and improvements in the floodway.
- (3) The first floor of all homes must now be built above the base flood elevation.
 - (a) Older homes may have been built in compliance with applicable regulations at the time of construction and may have first floors that lie below the base flood elevation, but flood insurance rates for such homes may be significant.

- (b) It is possible that modifications were made to a ground floor enclosure after a home was first built. The modifications may or may not comply with applicable regulations and may or may not affect flood insurance rates.
- (c) It is important for a buyer to determine if the first floor of a home is elevated at or above the base flood elevation. It is also important for a buyer to determine if the property lies in a floodway.
- (4) Ground floor enclosures that lie below the base flood elevation may be used only for: (i) parking; (ii) storage; and (iii) building access. Plumbing, mechanical, or electrical items in ground floor enclosures that lie below the base flood elevation may be prohibited or restricted and may not be eligible for flood insurance coverage. Additionally:
 - (a) in A-Zones, the ground floor enclosures below the base flood elevation must have flow-through vents or openings that permit the automatic entry and exit of floodwaters;
 - (b) in V-Zones, the ground floor enclosures must have break-away walls, screening, or lattice walls; and
 - (c) in floodways, the remodeling or reconstruction of any improvements may be prohibited or otherwise restricted.

D. COMPLIANCE:

- (1) The above-referenced property may or may not comply with regulations affecting ground floor enclosures below the base flood elevation.
- (2) A property owner's eligibility to purchase or maintain flood insurance, as well as the cost of the flood insurance, is dependent on whether the property complies with the regulations affecting ground floor enclosures.
- (3) A purchaser or property owner may be required to remove or modify a ground floor enclosure that is not in compliance with city or county building requirements or is not entitled to an exemption from such requirements.
- (4) A flood insurance policy maintained by the current property owner does not mean that the property is in compliance with the regulations affecting ground floor enclosures or that the buyer will be able to continue to maintain flood insurance at the same rate.
- (5) Insurance carriers calculate the cost of flood insurance using a rate that is based on the elevation of the lowest floor.
 - (a) If the ground floor lies below the base flood elevation and does not meet federal, state, county, and city requirements, the ground floor will be the lowest floor for the purpose of computing the rate.
 - (b) If the property is in compliance, the first elevated floor will be the lowest floor and the insurance rate will be significantly less than the rate for a property that is not in compliance.
 - (c) If the property lies in a V-Zone the flood insurance rate will be impacted if a ground floor enclosure below the base flood elevation exceeds 299 square feet (even if constructed with break-away walls).

E. ELEVATION CERTIFICATE:

The elevation certificate is an important tool in determining flood insurance rates. It is used to provide elevation information that is necessary to ensure compliance with floodplain management laws. To determine the proper insurance premium rate, insurers rely on an elevation certificate to certify building elevations at an acceptable level above flood map levels. If available in your area, it is recommended that you obtain an elevation certificate for the property as soon as possible to accurately determine future flood insurance rates.

You are encouraged to: (1) inspect the property for all purposes, including compliance with any ground floor enclosure requirement; (2) review the flood insurance policy (costs and coverage) with your insurance agent; and (3) contact the building permitting authority if you have any questions about building requirements or compliance issues.

Receipt acknowledged by:

Sherry Lynn Reynolds
Signature _____ Date

Marc Reynolds 12/4/19
Signature _____ Date



WIRE FRAUD WARNING

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Buyers and Sellers Beware: Criminals are targeting real estate transactions. Don't be a victim of wire fraud.

What is wire fraud and how does it occur? Criminals are targeting real estate transactions by gaining access to electronic communications or sending emails that appear to be from a real estate agent, a title company, a lender, or another trusted source. These fraudulent emails seem legitimate and direct you to wire funds to a fraudulent account. Once you wire funds to the fraudulent account, your money is gone.

How can you protect yourself from wire fraud? You should not send personal information, such as bank account numbers or other financial information, via email or other unsecured electronic communication.

If you receive any electronic communication regarding wiring instructions, even if the communication appears to come from a legitimate source, you should verify the communication's 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.

Notice: This brokerage will never use any electronic communications, such as email, text messages, or social media messages, to ask you to wire funds or provide personal information.

If you think you are being targeted in a wire fraud scam, immediately notify law enforcement, your lender, the title company, and your agent.

This form was provided by:

Bluewater Realty
Broker's Printed Name

By: _____
Broker's Associate's Signature
Sherrie Bass Date

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

Marion Atwell Keyworth 12/14/19
 Seller Buyer Date
Marion Atwell Keyworth

Sherry Lynn Keyworth 12/16/19
 Seller Buyer Date
Sherry Lynn Keyworth



INFORMATION REGARDING WINDSTORM AND HAIL INSURANCE FOR CERTAIN PROPERTIES

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A. GENERAL NOTICE:

- (1) In some areas of the state, windstorm and hail insurance is not reasonably available to a substantial number of the owners of insurable property located in that area because of unusually frequent and severe damage resulting from windstorms and hailstorms.
- (2) **A property located in such an area may be subject to additional requirements to obtain or continue windstorm and hail insurance coverage.**
- (3) Coastal counties in which this could occur include: Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Refugio, San Patricio, and Willacy; and second tier coastal counties: Bee, Brooks, Fort Bend, Goliad, Hardin, Harris, Hidalgo, Jackson, Jim Wells, Liberty, Live Oak, Orange, Victoria, and Wharton.

B. LENDER REQUIREMENTS: Lenders who make loans on properties located in such an area typically require the owner to maintain windstorm and hail insurance. A buyer should contact their lender regarding specific insurance requirements for a property. The failure to obtain required insurance at or before closing may delay the transaction or result in termination of the contract, either of which can impose both inconvenience and cost to the buyer and seller.

C. TEXAS WINDSTORM INSURANCE ASSOCIATION: If a buyer is unable to obtain windstorm and hail insurance through the private insurance market, the property may qualify for insurance coverage through the Texas Windstorm Insurance Association. A certificate of compliance issued by the Texas Department of Insurance or the Texas Windstorm Insurance Association may be required for buildings constructed, altered, remodeled, enlarged, repaired, or added to on or after January 1, 1988.

D. RESOURCES: For more information, contact the Texas Department of Insurance or the Texas Windstorm Insurance Association. A map of current areas, designated by the Texas Department of Insurance, is available on their website: <http://www.tdi.texas.gov/wind/maps/index.html>.

The undersigned acknowledge receipt of this notice.

Sherry Lynn Keyworth
Signature

Date

Marian Keyworth
Signature

12/4/19
Date



GENERAL INFORMATION AND NOTICE TO BUYERS AND SELLERS

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Be an informed seller or buyer. The following information may assist you during your real estate transaction.

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.

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. A party may work with the broker or with one of the broker's agents. Both a buyer and seller will be provided a form titled "Information About Brokerage Services" (TXR 2501) which defines agency relationships. An agent may help a seller market the property or help a buyer locate a property. The agent is obligated to *negotiate* the transaction and may assist 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. 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.

ENVIRONMENTAL CONCERNS.

General. 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.

Environmental Inspections. If the buyer is concerned that environmental hazards, wetlands, or endangered species may be present on the property, the buyer should hire a qualified expert to inspect the property for such items. The parties may include a promulgated addendum (TXR 1917) in the 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) the pamphlet titled "Protect Your Family from Lead in Your Home" (TXR 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. It is not uncommon to find mold spores in a property. The concern about mold increases when there are large amounts of mold found in a property. The Texas Department of Insurance publishes a document titled "Protect Your Home from Mold" (TXR 2507) which discusses mold in more detail.

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.

Noise. Surrounding properties are used for a variety of purposes. Some of the uses cause noise (for example, airports, railways, highways, restaurants, bars, schools, arenas and construction). The buyer is encouraged to drive to review the area around the property at various times and days.

EXPANSIVE SOILS. Soil conditions vary greatly throughout Texas. Many soils will move; some more than others. This movement will, many times, affect the foundation of homes and buildings and may cause cracks to appear in walls or other parts of the building. Additionally, if a property is newly constructed, the concrete curing process may also cause the foundation of the building to move. Seasonal changes in the moisture in the soil may also cause foundations to move. The buyer should check with an inspector and other experts on preventive methods to minimize the risk of such movement.

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. A "foreign person" is 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 does not include a resident alien individual. A seller should notify the buyer whether the seller is a "foreign person" as defined by federal law. If the seller is unsure whether he or she qualifies as a "foreign person", the seller should consult a tax professional or an attorney.

FLOOD HAZARD, FLOODWAYS, AND FLOOD INSURANCE. 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 the floodway. The Texas Association of REALTORS® publishes a form titled, "Information about Special Flood Hazard Areas" (TXR 1414), which discusses flood hazard areas and floodways in more detail. The buyer is encouraged to buy flood insurance regardless of whether the property is in a high, moderate, or low risk flood area.

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.

INSPECTION, REPAIRS, & WALK-THROUGH.

Inspections. The buyer is encouraged to have the property inspected by licensed inspectors. The buyer should have the inspections completed during any option period. The buyer should accompany the inspectors during the inspections and ask the inspectors any questions. Brokers and agents do not possess any special skills, knowledge or expertise concerning inspections or repairs. If the buyer requests names of inspectors or repair professionals from an agent, the buyer should note that the agent is not making any representation or warranty as to the ability or workmanship of the inspector or repair professionals.

Repairs. The buyer and the seller should resolve, in writing, any obligation and any timing of the obligation to complete repairs the buyer may request before the option period expires.

Walk-Through. Before the close of the sale, the buyer should walk through the property and verify that any repairs are complete. If the condition of the property does not satisfy the contractual provisions, the buyer should notify the buyer's agent before closing.

MANDATORY OWNERS' ASSOCIATIONS. An owners' 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 otherwise negotiated in the contract. If membership in an owners' 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 property.

MINERAL INTERESTS. Determining who owns the 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 a part of the mineral interests. Texas REALTORS® publishes a form titled "Information about Mineral Clauses in Contract Forms" (TXR 2509) which discusses this issue in more detail.

MULTIPLE LISTING SERVICE. 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 (other brokers, agents, appraisers, and 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 information from the MLS does not verify the accuracy of the information. The buyer should independently verify the information in the MLS and not rely on the information.

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, as this may impact future plans for the property.

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 the buyer is obtaining funds from a lender. The buyer may need to verify with the lender if the loan will fund on the day of closing. The buyer should also take this potential delay into account when planning the 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) 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, 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 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. Texas REALTORS® publishes a document titled, "Information about Property Insurance for a Buyer or Seller" (TXR 2508), which discusses property insurance in more detail.

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 the 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.

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). Texas REALTORS® publishes a form titled, "Information Regarding Property Near an International Border" (TXR 2519), which provides more information. Brokers and agents cannot guarantee that a sale of the property is permitted under Texas law or otherwise give legal advice. Consult an attorney.

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. The buyer is 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. Special maintenance requirements may apply to certain systems. Please refer to a document titled, "Information about On-Site Sewer Facility" (TXR 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.

SEX OFFENDERS AND CRIMINAL ACTIVITY. Neither a seller nor a seller's agent of a residential property has a duty to disclose any information about registered sex offenders. If the buyer is concerned about sex offenders who may reside in the area, access www.txdps.state.tx.us. Contact the local police department to obtain information about any criminal activity in the area.

SQUARE FOOTAGE. If the purchase price is based on the size of the property's building and structures, the buyer should have any information the buyer receives about the square footage independently verified. Square footage information comes from other sources such as appraisal districts, appraisers, and builders. Such information is only an estimate. The actual square footage may vary.

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). The buyer is likely to receive a prescribed notice when buying property in such a district.

SURVEILLANCE. Be aware that when viewing a property, a seller might record or otherwise electronically monitor a buyer without the buyer's knowledge or consent, and a buyer might 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.

SURVEY. A survey identifies the location of boundaries, major improvements, fence lines, drives, encroachments, easements, and other items on the property. The buyer should obtain a survey early enough in the transaction to help the buyer identify any encroachments, encumbrances to title, or restrictions. The contract will typically contain a provision which identifies who is responsible for providing a survey and the right to object to encumbrances to title disclosed in the survey.

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 an inspector to carefully inspect the siding and answer any questions.

TAX PRORATIONS. Typically, a buyer and seller agree to prorate a property's taxes through the closing date. Property taxes are 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.

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. 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.

TIDE WATERS. If the property adjoins any of the state's tidal waters, the seller will provide the buyer with a prescribed notice titled, "Addendum for Coastal Area Notice" (TXR 1915). 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 will provide the buyer with a prescribed notice titled, "Addendum for Property Located Seaward of the Gulf Intracoastal Waterway" (TXR 1916).

TITLE INSURANCE OR ABSTRACT OF TITLE. The buyer should obtain a title insurance policy or have an abstract of title covering the property examined by an attorney. If the buyer obtains a title insurance policy, the buyer should have the commitment of title insurance reviewed by an attorney not later than the time required under the contract.

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.

WATER LEVEL FLUCTUATIONS. State law requires the seller to notify a buyer of a property that adjoins 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>.

WATER WELLS. If the property has a water well, the buyer should have, and the 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.

WIRE FRAUD. Criminals are targeting real estate transactions by gaining access to electronic communications or sending emails that appear to be from a real estate agent, a title company, lender, or another trusted source. Refrain from transmitting personal information, such as bank account numbers or other financial information, via unsecured email or other 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.

OTHER.

This form was provided by:

Broker's Printed Name

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

Sherry Lynn Negwood _____ 12/4/19
Buyer/Seller Date

By: _____
Broker's Associate's Signature

Date

[Signature] _____
Buyer/Seller Date