

GENERAL INFORMATION FOR PURCHASERS

VERY IMPORTANT DOCUMENT - PLEASE READ CAREFULLY

The purpose of this statement is to help Purchasers understand some of the frequently used terms/concepts in the purchase of residential real estate. By their signatures Purchasers represent that the licensee (Agent) for the broker (Agency) has informed them of the items below and given them the opportunity to ask questions regarding these items.

1. HOME WARRANTY. Purchasers acknowledge that the licensee recommends that the purchaser consider the purchase of a Home Warranty from a qualified home warranty provider, of which there are several. A typical home warranty has certain limitations, exclusions, and provides coverage for a limited period of time. Purchasers acknowledge that the Agency may receive a servicing fee in the sale of some home warranty programs.

2. HOME INSPECTION. With regard to the purchase of resale homes, Purchasers acknowledge that Alabama is a "caveat emptor" ("Buyer Beware") state, which means that the burden is on the Purchasers to discover and determine any and all conditions of the property. Therefore, it is recommended that the Purchasers have the property inspected by a qualified home inspector(s). Buyer understands that the typical "home inspector" performs a "general" inspection and is not representing himself as a specialist in any given area, e.g. structural, HVAC, Roofing, Septic Tank, etc. It is recommended that a specialist perform any field-specific inspection desired. Purchasers are strongly advised not to rely on any verbal or printed description of the property regarding its condition.

3. PROPERTY INSPECTION DEADLINES. Most real estate sales contracts contain provisions that may allow Purchasers to inspect the property and determine the overall integrity of the property. Purchasers must be aware that contracts often impose time deadlines on these inspections. Should Purchasers miss these deadlines, Purchasers may be required to purchase the property "as is", which means accepting the property with its present defects and deficiencies.

4. MINOR IMPERFECTIONS. Some imperfections in the property may not clearly meet the definitions of "major defect" or "hazardous condition" as stated in the home inspection addendum. It is the Buyer's responsibility to discover defects & cosmetic imperfections in the property. It is recommended that the Buyer address any such imperfections in the initial offer to purchase.

5. NORMAL OPERATING CONDITION. In purchase contracts of resale homes, the words "normal operating condition" with regard to the heating, cooling, plumbing, electrical systems and any built-in appliances, do not obligate the Seller to replace these components. The Seller may not be obligated to replace these items unless agreeing to do so in the sales contract. Be aware that these components are "used" and not "new"; and may function less efficiently than when "new", yet still be "in normal operating condition."

6. FINAL WALK-THROUGH. Purchasers should perform a "final walk-through" of the property. This usually takes place just prior to closing or the day before closing. The two-fold purpose of this inspection is to determine that the property is in the same condition as at the time of the sales contract, excluding normal wear and tear, and that all repairs and corrections to the property to be performed by the Seller, if any, are completed. The "final walk-through" is not another inspection allowing the opportunity to address new or different conditions of the property.

7. PROFESSIONAL VENDORS. As a service to the Buyer, names of several vendors such as mortgage lenders, hazard insurance providers, home inspectors, termite companies, surveyors, appraisers, closing attorneys, home repair contractors, etc. may be given to Purchasers by the licensee. In no way is the licensee or Agency recommending, guaranteeing, or warranting their work; but is simply providing a service that Purchasers may desire and are acknowledging that our clients have had acceptable service from these vendors in past transactions. Purchasers acknowledge that the licensee and Agency are not responsible or liable for any errors or omissions of any of these vendors or for any conditions of the property.

8. MOLD/FUNGUS/MILDEW. Purchasers understand the presence of mold/fungus/mildew and its impact upon the habitability of the property is Purchasers responsibility. You may learn more at www.epa.gov

9. RADON. Radon is a colorless, odorless and tasteless radioactive gas that occurs naturally in rocks and soil. It is produced by the breakdown of uranium in soil, rock and water. Radon is harmlessly dispersed in outdoor air, but when trapped in buildings can increase the risk of lung cancer, especially at elevated levels. More information about Radon may be found at www.epa.gov. Purchasers may elect to have radon testing as part of the home inspection process. If Purchasers elect to have Radon testing performed, this should be addressed in the initial offer to purchase. Purchasers acknowledge that they have been given radon information.

10. CRIME & SEX OFFENDERS. If information about crime rate or the presence of registered sex offenders is important in the Purchasers decision to purchase a property, it is the Purchasers responsibility to check with the proper law enforcement authorities prior to making the initial offer to purchase. A web resource to search for registered sex offenders is <http://dps.alabama.gov/Community/>.

11. EIFS. EIFS, which is an abbreviation for Exterior Insulation Finishing System, can be problematic when improperly installed. If the subject property has EIFS, the Purchasers should have the property inspected by a licensed EIFS inspector as part of the inspection contingency of the purchase agreement for the property.

12. TERMITE INSPECTION. Purchasers acknowledge that the Alabama Wood Infestation & Termite Report, provided by a licensed pest company, is usually a visual inspection of accessible areas only and usually does not guarantee that inaccessible areas are free from active termites or damage caused by active or previous termites or other wood destroying organisms. The termite inspection IS NOT a "termite bond/contract".

→ Purchasers' initials: _____

13. SURVEY. Purchasers acknowledge that any representations, either verbal or written, concerning lot size, location of property lines, encroachments or easements, are not warranted to be accurate by the Sellers, the Seller's Licensee, or the Licensee. It is recommended that Purchasers acquire a current survey from a registered Alabama land surveyor, regardless of whether or not a survey is required by the lender or Closing Attorney.

14. SQUARE FOOTAGE. Purchasers acknowledge that any representations, either verbal or written, concerning the square footage & measurements of the property are estimates only and may have been taken from unreliable sources. The Purchasers are responsible for determining square footage & measurements, should that be important in their purchase decision.

15. SEWER/SEPTIC SYSTEM. Almost all waste disposal systems are either sewer or septic tanks. It is the responsibility of the buyer to determine that the septic tank is operational. Purchasers acknowledge that septic tanks required periodic cleaning.

16. STIGMATIZED PROPERTY. Purchasers acknowledge that certain properties may be "stigmatized," meaning impacted by certain events which occurred on the property yet had no effect on the actual construction materials of the home, but may have some psychological impact relative to the property. Some examples are murder, suicide, and ghosts. If these issues are important to the Purchasers decision to purchase, then the Buyer is advised to investigate further.

17. PROXIMITY TO ANNOYANCE. The property's proximity to busy roads, future development of nearby property, high voltage power lines, railroads, flight paths, or other noise & light sources is important to some Purchasers. The Purchasers are encouraged to familiarize themselves with the neighborhood & its surrounds prior to entering into a contract to purchase.

18. PROPERTY TAXES. The tax year begins on October 1 each year. Taxes are assessed and paid in arrears. Property taxes *could more than double* depending upon the tax classification and homestead exemption status for the tax year.

19. OTHER OFFERS. Purchasers acknowledge that the Sellers may receive and consider offers other than your offer during the time you and the Sellers are negotiating. Purchasers understand that those offers may be generated by your licensee and/or other licensees of this Agency or any other Real Estate Agency. Purchasers acknowledge that the Sellers may withdraw any offer at any time, prior to the Sellers receipt of your written acceptance. Purchasers should be aware that Sellers may disclose the terms of your offer to competing Purchasers.

20. EARNEST MONEY. Purchasers acknowledge that the Earnest Money will be deposited by the Real Estate Agency holding Earnest Money immediately when an offer becomes a completed contract, unless there is a clause in the contract that states otherwise.

21. SCHOOLS. With the tremendous growth in the area, some areas have been re-zoned by their respective School Systems; i.e., County or City. It is the Buyer's responsibility to verify the school's zones & bus service for any property of interest before writing an offer to purchase.

22. HOMEOWNER/HAZARD INSURANCE. When talking with homeowner's insurance providers, Purchasers may want to inquire about hazards not covered by the basic policy; e.g., Sinkhole, Earthquake, soil movement, etc. It is recommended that all options be discussed with Purchasers selected insurance provider. Purchasers should determine which insurance provider will be used at the time of contract to prevent delays in closing.

23. FLOOD ZONES. Purchasers should be aware that the Federal Emergency Management Agency (FEMA) has established a flood zone classification system. Flood zones that require extra insurance coverage may mean additional cost to the buyer. For more information, Purchasers may go to www.msc.FEMA.gov

24. APPLIANCES. It is normal for built-in appliances to transfer with the property. Appliances such as the refrigerator, washer, dryer, free standing stoves, & counter-top microwave typically do not transfer with the property.

25. HOMEOWNERS/CONDOMINIUM ASSOCIATIONS. Purchasers acknowledge purchase of property may be in a community governed by a Homeowner's or Condominium Association which would include membership in said Association obligating Purchasers to comply with its Covenants, Bylaws, rules and regulations. Purchasers are advised to investigate further any obligations they may have resulting from Buyer's ownership of such property, including financial obligations such as periodic dues or assessments arising from membership in the Association.

26. ADDITIONAL RESOURCE INFORMATION FOR PURCHASERS.
For additional information please visit the [Consumer Information Link](#) on ValleyMLS.com.

PURCHASERS ACKNOWLEDGE THAT NEITHER THE REAL ESTATE LICENSEE/BROKER HAS GIVEN ANY LEGAL ADVICE OR MAKES ANY REPRESENTATIONS OR WARRANTIES REGARDING THE CONDITION OR FEATURES OF THE PROPERTY.

Purchasers' signatures below indicate that the above points have been discussed with Purchasers by the licensee.

Purchaser _____ Date _____

Purchaser _____ Date _____