



**AUSTIN MUSIC REALTY**

STANBERRY & ASSOCIATES REALTORS®

## Recommended Lenders

### Denise Hosek

Highlands Mortgage  
Cell: 512.577.5665  
Office: 512.900.2715

### Margaret Pryor

Premier Residential Mortgage of TX  
Office: 512.288.2997  
Cell: 512.917.3314

### Kelly Ollendorff

Ameripro Funding  
Cell: 512.825.5698  
Office: 512.583.1014  
Toll Free: 866.414.3863 x814

### Mark Hanley

CMG Financial  
Loan officer  
Cell: 512.913.8658  
Fax: 512.853.2709  
mhanley@cmgfi.com

## Recommended Insurance Agents

### Greg Hart

Farmers Insurance  
Office: 512.797.5996

### Steve Vinklarek

State Farm Insurance  
Office: 512.452.0214

## Recommended Inspectors

### Stephen Kearly

BPG Inspections  
512.633.2612  
skearley@bpgwi.com  
Schedule online:  
<https://ezo.bpgwi.com>

### Cullen Fleetwood

Austin Property Inspections  
936.433.7223  
cullen@austinpropertyinspections.com  
Schedule online:  
<http://www.austinpropertyinspections.com>

### Jen Winkler

Second Look Home Inspections  
512.587.7331  
jen@secondlookinspections.com  
Schedule online:  
<http://www.secondlookinspections.com/schedule/>

## Pool Inspectors

### Tri-County Pool

512.990.8899

### Pool Leak Detectives

Brent Bailey  
512.431.6268

## Well Inspectors

### Bee Cave Drilling

Mac, 512.894.4221

## Septic Inspectors

### Necessary Inc.

Janet Dunkleberg, 512.445.2250

Stanberry & Associates highly encourages the use of a home warranty service agreement. We believe that it benefits all parties to a transaction, and decreases liability for all concerned. We encourage you to utilize a home warranty product due to the beneficial nature of the warranty to all parties involved.

## Recommended Home Warranty Companies

### ★ Old Republic

[www.orhp.com](http://www.orhp.com)  
1.800.445.6999

### 2-10

[www.2-10.com](http://www.2-10.com)  
1.800.775.4736

### AHS – American Home Shield

[www.ahswarranty.com](http://www.ahswarranty.com)  
1.800.776.4663

### Best Home Warranty Company

[www.bhwc.com](http://www.bhwc.com)  
1.800.521.2492

### Everything Residential

[www.everythingresidential.com](http://www.everythingresidential.com)  
1.800.592.9702

### Fidelity National Home Warranty

[www.homewarranty.com](http://www.homewarranty.com)  
1.800.608.6045

### First American Home Warranty

[www.firstam.com](http://www.firstam.com)  
1.800.444.9030

### Home Warranty of America

[www.hwahomewarranty.com](http://www.hwahomewarranty.com)  
1.888.492.7359

### LandAmerica Home Warranty

[www.landamwarranty.com](http://www.landamwarranty.com)  
1.800.285.3001

### Nations Home Warranty

[www.home-warranty.com](http://www.home-warranty.com)  
1.888.737.7070

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**WE ARE ONE OF THE LARGEST LOCAL  
INDEPENDENT BROKERAGE FIRMS IN  
THE AUSTIN AREA.**

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**WE ARE RESPECTED PLAYERS IN  
OUR INDUSTRY.**

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**WE ARE MEMBERS OF:**



- National Association of Realtors
- Texas Association of Realtors
- Austin Board of Realtors
- Certified Commercial Investment Member (CCIM) Institute
- Williamson & Bastrop County Boards of Realtors
- Austin Central Texas Real Estate Information Service
- Residential Sales Council
- Women's Council of Realtors
- Greater Austin Chamber of Commerce
- Bastrop, Smithville, Cedar Park, Dripping Springs, Leander, and Elgin Chambers of Commerce
- Texas Capital Area Builders Association
- Central Texas Commercial Association of Realtors

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**AMONG OUR ASSOCIATES WE HAVE:**

**EMAIL** [info@stanberry.com](mailto:info@stanberry.com)

**WEBSITES** [www.stanberry.com](http://www.stanberry.com)  
[www.stanberrycommercial.com](http://www.stanberrycommercial.com)  
[www.stanberryfarmandranch.com](http://www.stanberryfarmandranch.com)  
[www.greenrealestateresource.com](http://www.greenrealestateresource.com)

**WESTLAKE** Office: (512) 327-9310  
Fax: (512) 327-3644  
1101 S. Capital of TX Highway, Suite F-100  
Austin, TX 78746

**NORTH** Office: (512) 258-9310  
Fax: (512) 258-9312  
930 South Bell Blvd. #206  
Cedar Park, TX 78613

**BASTROP** Office: (512) 303-5065  
Fax: (512) 581-9985  
111 North Hasler Boulevard, Suite 101  
Bastrop, TX 78602

**DRIPPING  
SPRINGS** Office: (512) 894-3488  
Fax: (512) 894-3468  
400 Highway 290 West, Building B, Suite 101  
Dripping Springs, TX 78620

- 13 Brokers
- 15 EcoBrokers
- 8 NAR Green Designations
- 13 Certified Residential Specialists (CRS)
- 13 Graduates Realtor Institute (GRI)
- 9 Accredited Buyer Representatives (ABR)
- 3 Certified Commercial Investment Members (CCIM)
- 2 Leadership Training Graduates (LTG)
- 1 Certified Default Resolution Specialist (CDRS)
- 2 Senior Real Estate Specialists
- Certified Negotiation Expert (CNE)
- ePro

*We bring you the highest density of top professionals available locally.  
Last year we closed over \$227,000,000 in residential sales volume.*

**We think we bring a great deal to the table.**

# WHY YOU SHOULDN'T TRUST ONLINE REAL ESTATE PRICE ESTIMATES

It's fun to enter an address on a website and instantly receive an estimate of what that property is worth. But the data that powers many of those automated valuation models is inaccurate and unreliable.

Who says? The websites themselves. Look below to see how popular sites that offer online price estimates describe limitations with their own data.

## **zillow.com**

"The Zestimate is not an appraisal and you won't be able to use it in place of an appraisal, though you can certainly share it with real estate professionals. It is a computer-generated estimate of the worth of a house today, given the available data. Zillow does not offer the Zestimate as the basis of any specific real-estate-related financial transaction. Our data sources may be incomplete or incorrect; also, we have not physically inspected a specific home. Remember, the Zestimate is a starting point and does not consider all the market intricacies that can determine the actual price a house will sell for."

["Is a Zestimate an appraisal?" at zillow.com/zestimate](http://zillow.com/zestimate)

## **trulia.com**

"If you're looking for a precise value for your home, or if you're thinking of selling your home, we recommend you talk to a real estate professional. After all, our algorithms are smart, but we can't know everything about your home's features and location. Connect with real estate experts in your area."

[trulia.com/trulia\\_estimates](http://trulia.com/trulia_estimates)

## **homes.com**

"We're not suggesting that you use our home value estimate in lieu of an appraisal from a trained professional when selling, purchasing, or refinancing, but it's the perfect source when you just need a reasonable estimate and you don't want to wait."

[homes.com/home-prices](http://homes.com/home-prices)

## **chase.com**

"The data and valuations are provided as is without warranty or guarantee of any kind, either express or implied, including without limitation, any warranties of merchantability of fitness for a particular purpose. The existence of the subject property and the accuracy of the valuations are estimated based on available data and do not constitute an appraisal of the subject property and should not be relied upon in lieu of underwriting or an appraisal."

[chase.com/mortgage/mortgage-resources/home-value-estimator](http://chase.com/mortgage/mortgage-resources/home-value-estimator)

## **housevalues.com**

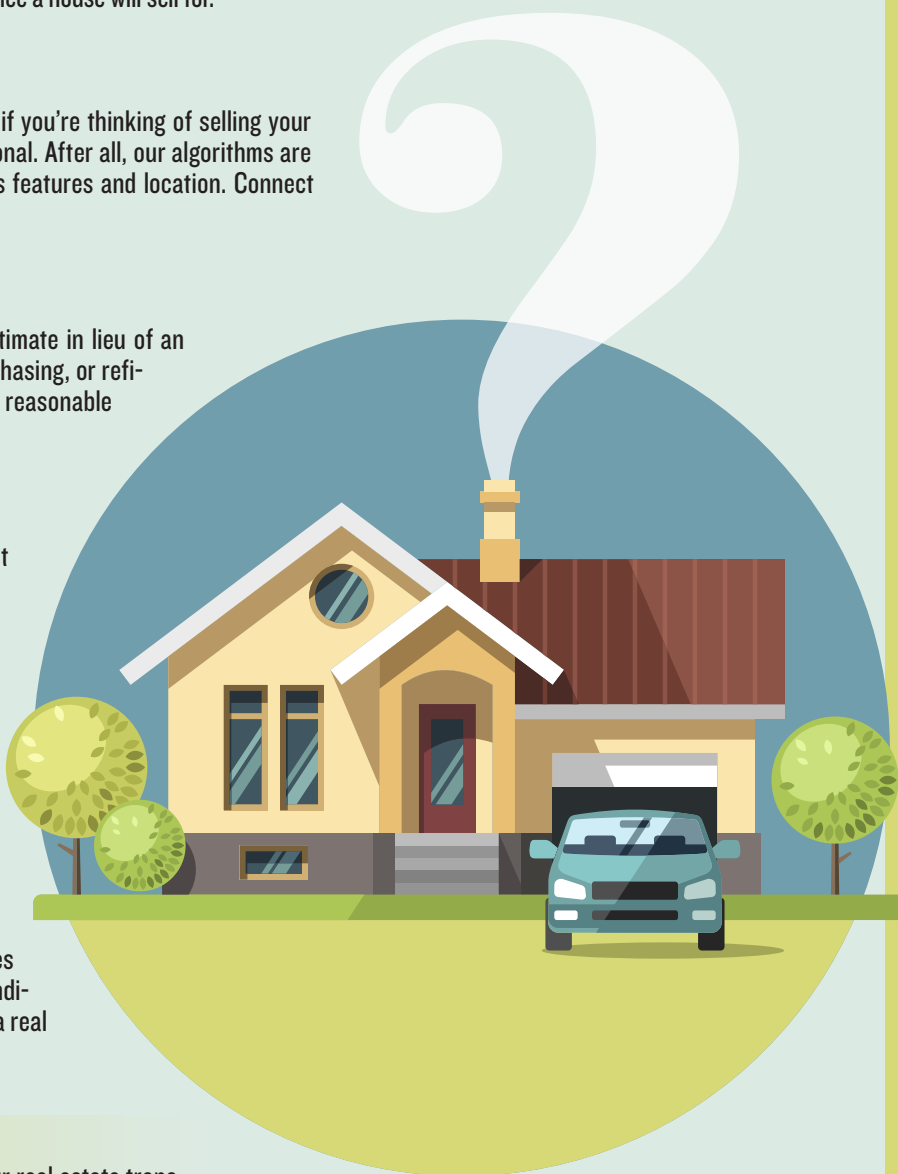
"For a professional valuation of your home that includes all the information about your property (plus overall condition, style of house, and other features) please contact a real estate expert."

[housevalues.com/report](http://housevalues.com/report)

## **Use a REALTOR®**

For help with price, negotiations, and other parts of your real estate transaction, a Texas REALTOR® is your best resource. Now that's a smart move.

*Disclaimers accurate as of June 20, 2016*



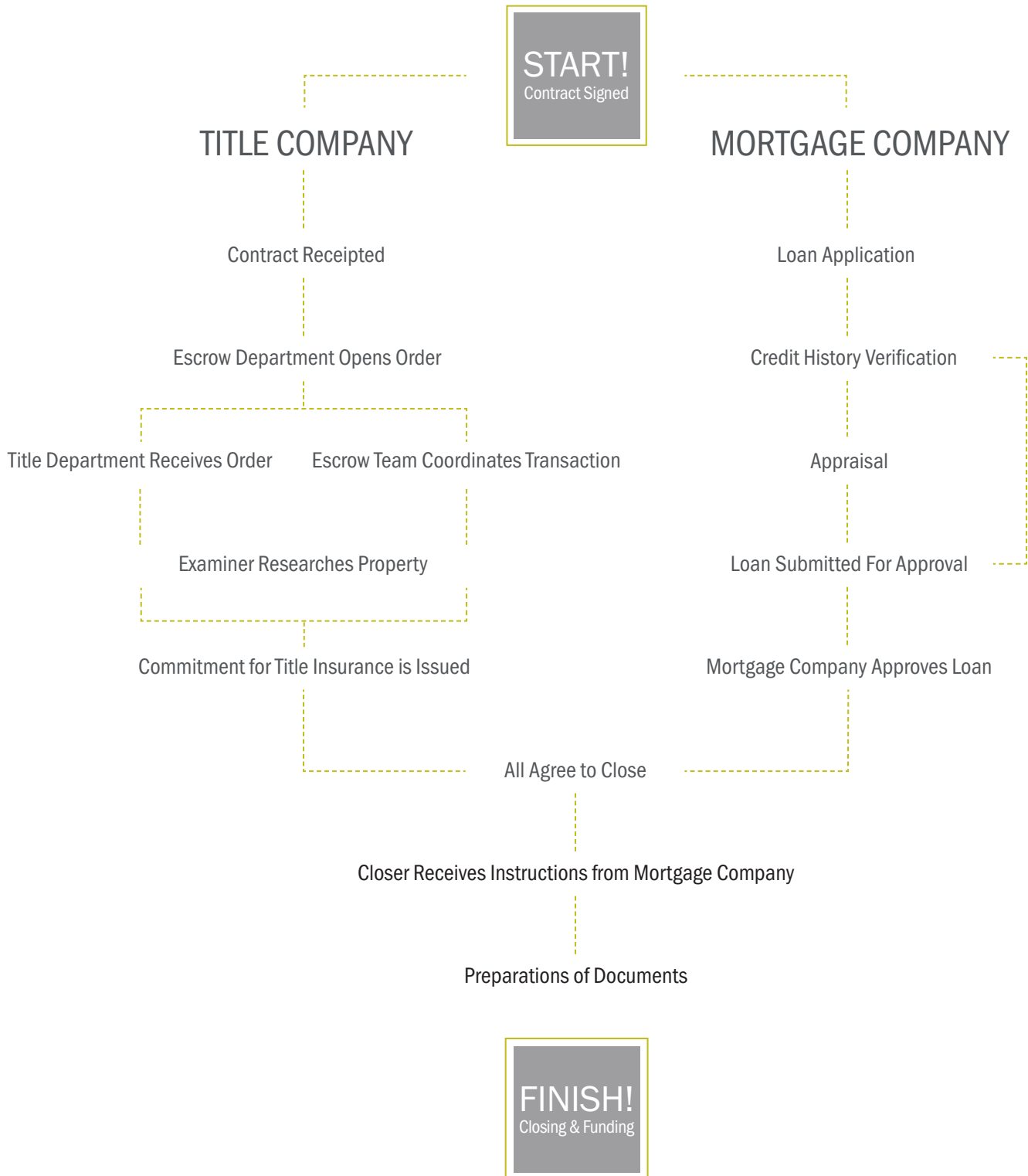
## THE MORTGAGE LOAN PROCESS



1. **Pre-approval** – It is critical for buyers to get pre-approved for a mortgage so they'll know in advance how much house they can afford.
1. **Loan Search** – Although buyers often use a lender recommended by their Real Estate agent, some prefer to do their own comparisons.
2. **Loan Application** – It's important to supply the lender with as much information as possible, as accurately as possible. All outstanding debts as well as assets and income should be included.
3. **Documentation** – Paperwork supporting the application must also be submitted. Information commonly sought includes pay stubs, two years' tax returns, and account statements verifying the source of the down payment, funds to close and reserves.
4. **The Hunt** – The buyer begins shopping for a house. When the right one is found, the terms of the sale are negotiated, including the sales price and often the type and conditions of the loan being sought.
5. **Appraisal** – Lenders require an appraisal on all home sales. This step could jeopardize a deal if a big discrepancy were to exist between the home's sales price and appraised value.
6. **Title Search** – This is the time when any liens against the property are discovered. A lien may have been placed on a property to ensure payment of outstanding debts by the owner. All liens must be cleared before a transaction can be completed.
7. **Termite Inspection** – Most purchase loans require an inspection for termite and water damage. Some problems may need to be repaired before finalizing the sale.
8. **Processor's Review** – The lender's loan processor packages all pertinent information to be sent to the lending underwriter, including any explanations that may be needed, such as reasons for derogatory credit.
9. **Underwriter's Review** – Based on the information put together by both the loan executive and the processor, the underwriter makes the final decision on whether a loan is approved.
10. **Mortgage Insurance** – Many lenders require private mortgage insurance when borrowers put down less than 20 percent on a loan. Even if a loan meets the standards of a lender, a mortgage insurance company could choose to deny coverage.
11. **Approval, denial or counter offer** – In order to approve a loan, the lender may ask the borrowers to put more money down to improve the debt-to-income ratio. The borrower may also need a bigger down payment if the property appraises for less than the purchase price.
12. **Insurance** – Lenders require fire and hazard insurance on the replacement value of the structure. Flood insurance will also be required if the property is located in a flood zone. In California, some lenders require earthquake insurance on condominiums.
13. **Signing** – Final loan and escrow documents are signed.
14. **Funding** – The lender sends a wire or check for the amount of the loan to the title company.
15. **Close of Escrow** – Documents transferring title are recorded with the County Recorder.
16. **Confirmation of Recording** – The title company then authorizes the escrow company to draft a check to the seller.
17. **Buyer Begins Making Mortgage Payments**



# CONTRACT *to* CLOSING





**AUSTIN MUSIC REALTY**

STANBERRY & ASSOCIATES REALTORS®

## A HOME INSPECTION IS WELL WORTH THE COST



### When buying a home, how do you know what you're getting?

Most people probably only think of one or two questions to ask a home inspector: "How much is your fee?" and "When can you be there?" But these only scratch the surface.

### Here's a list of suggested questions you might ask:

- What types of licenses do you hold?
- What kind of training do you have?
- Do you belong to a professional inspectors' association?
- How long have you been licensed in Texas?
- Are you a full-time home inspector?
- How much do you charge?
- Do you also perform repairs? (If the answer is yes, that may indicate a conflict of interest.)
- What will the inspection include? (Get specifics. It should include the electrical, heating, and central air-conditioning systems; interior plumbing; visible insulation; roof; walls; ceilings; floors; windows; doors; foundation; basement; and the visible structure of the house.)
- Do you inspect gas lines, swimming pools, spas, septic systems, and wells? (You can identify other atypical systems or items.) Do you charge extra for these?
- Do you charge extra based on the size of the home? Multiple AC units? Other items?
- How much would you charge if I ask for a reinspection after repairs are completed?
- Will you supply a written report? (The inspector should.)
- Can I attend the inspection? (The home inspection is an opportunity for you to learn about your new home and ask questions. If the inspector says no, find another inspector.)
- Do you go up on the roof to inspect it?
- How long will the inspection typically take? (Anything less than two hours is not long enough for a thorough inspection.)
- Can I call you with questions that come up later?
- Can you give me names and phone numbers of three people for whom you've inspected homes recently?

The inspector may not inspect swimming pools, wells, septic tanks, and other systems and items, and many inspectors will not conduct environmental tests or wood-destroying insect inspections. You will likely need to arrange for these inspections separately.

You can find a blank copy of the standard inspector report form at [www.trec.state.tx.us](http://www.trec.state.tx.us) to give you an idea of what may or may not be covered in the inspection.



*This information is brought to you by a proud member of the Texas Association of REALTORS®.*

*Whenever you buy, sell or lease real estate, make sure your agent is a REALTOR®.*

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## INFORMATION ABOUT MULTIPLE OFFERS FOR BUYERS

In some situations, sellers will have several competing purchase offers to consider. Sellers have several ways to deal with multiple offers. Sellers can accept the “best” offer; they can inform all potential purchasers that other offers are “on the table”; they can “counter” one offer and reject the others.

While the listing broker can offer suggestions and advice, decisions about how offers will be presented—and dealt with—are made by the seller—not by the listing broker.

There are advantages and disadvantages to the various negotiating strategies you can employ in multiple offer negotiations. A low initial offer may result in another buyer’s higher offer being accepted. On the other hand, a full price offer may result in paying more than the seller might have required. In some cases, there can be several full price offers competing for the seller’s attention and acceptance.

Purchase offers generally aren’t confidential. In some cases sellers may make other buyers aware that your offer is in hand, or even disclose details about your offer to another buyer in hope of convincing that buyer to make a “better” offer. In some cases sellers will instruct their listing broker to disclose an offer to other buyers on their behalf.

You may want to discuss with your buyer–representative the possibility of making your offer confidential or establishing a confidentiality agreement between yourself and the seller prior to commencing negotiating.

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## IMPORTANT NOTICE TO BUYERS



There are certain things that you need to know about buying your new home. In Texas, properties are usually sold in their “as is” condition. This means that you will purchase your home in its present physical condition, including any defects, even those that you cannot see.

You will receive a “Seller’s Disclosure Notice” from the Seller listing the property’s condition. While Sellers (not Realtors®) are required by law to complete the form honestly and as comprehensively as possible, there may be problems of which the Seller is not aware.

You as a Buyer are obligated to make a thorough and careful inspection of the property before purchasing it. As well, we encourage you to retain a licensed home inspection to help you examine the property and evaluate its condition on your behalf.



We will be happy to provide you with a list of independent licensed professional home inspectors that we have compiled. In our experience, the persons or entities listed are reputable. However, we do not endorse the use of any single inspector or company; this is solely your choice. We will help you with making an inspection date and time.

We will review the inspection report together and address any concerning problems.

**Again, it is critical that you satisfy yourself completely as to the condition of the property before purchasing it because you will be buying it “as is.”**



**Stanberry & Associates feels so strongly about the importance of a property condition inspection that we will ask you to sign a waiver of liability in lieu of the inspection should you choose not to get one.**

We welcome the opportunity to assist you with the purchase of your home.



## RECOMMENDED SERVICE PEOPLE

### AIR CONDITIONING & HEATING

Brian Weiss, Mr. Cool 512-445-0412  
Stans 512-929-9393  
John Eschberger, 4 Seasons Heat & Cool 512-577-8411

### ARBORIST

Don Gardner 512-263-2586

### ARCHITECTS

Winn Wittman 512-796-5205  
Robert Steinbomer 512-479-0022  
Barnaby Evans 512-924-4524

### CABLE TV

Simply Better TV, Colin Tepfer 512-887-4557 (cut the cable)  
Time Warner 512-485-5555  
Uverse 844-535-6390  
Grande 855-286-6666  
Google Fiber 866-777-7550

### DRAINAGE/RETAINING WALLS/FRENCH DRAINS

Amad Ramirez (drainage/french drains) 512-796-0423  
Andy's Sprinkler & Drainage 512-836-5100

### ELECTRICIANS:

Klock Electric 512-837-4704  
Dondlinger 512-349-9473  
Clay Gourley 512-517-1746

### FENCING

Milton, Western Fence 512-453-6662  
Barrier Fence, Mark Williams 512-709-8467  
PC Fence, Patrick Chavarin 512-740-2289 or 512-789-2513  
Patriot Fence Co 512-699-2825  
ABC Fencing 512-837-1955

### FLOORING

Robert Peoples, People's Signature Flooring 512-345-4545  
David Pratt, America's Carpet Outlet 512-451-4202  
Darrell Black (hardwood flooring, refinishing) 512-444-7938

### FOUNDATION REPAIR / ENGINEER

Level Best Foundation Repair, Kenny Waller 512-777-8800  
Douglas Foundation Repair 512-291-0709  
Centex, 512-444-5438

### GARAGE DOOR REPAIR & INSTALL

AMS Garage Door Service 866-560-2206

### GENERAL CONTRACTORS

The Muskin Company 512-371-0037  
Paul Leifeste, Community Contracting  
(custom restoration) 512-554-4614  
Sam McBride 512-845-4455  
Brent Helton, Helton Remodeling Services 713-480-5128

### GLASS / WINDOW REPAIR & REPLACEMENT

Glass Guru of Austin, Michael Kugler 512-828-6770

### "HANDYMAN"

Steve Hendrix 512-705-8132  
Sam McBride 512-845-4455  
Brent Helton, Helton Remodeling Services 713-480-5128  
Handyman Plus 512-257-7771  
Robert Fox 512-378-3908

### HOME STAGER

Amy George, Impact Interiors 512-585-8480

### HOUSE CLEANERS

More Hands Maid Service 512-479-7978  
Boardwalk 512-258-4798

### HOUSE PAINTERS

David Rocha 512-576-2642  
Beaver Nelson 512-965-3701

### LAWN CARE

Federico Jose 512-717-2285  
R&R Quality Lawn Care 512-940-7211

### LOCKSMITH

Chastity Lock & Key, Billy-Steve 512-797-9124

### MOVERS

ABC Longhorn Moving, Mary Kopp 512-251-7735  
Westlake Moving Co.(Austin & surrounding) 512-328-3880  
Aloha Moving (local) 512-892-4000

### MOLD INSPECTOR

Dan Yates, TX Mold Consultants 512-563-2253

### PEST CONTROL

Chem Free Organic Pest & Lawn 512-837-9681  
Mosquito Authority (no Zika!) 512-673-0136  
Absolute Pest Management 512-634-8206  
Critter Ridder (vermin control) 512-263-1578

### PLUMBERS

Lanier Plumbers 512-450-1673  
Gary Lott, The Plummer 512-453-7586

### POOL SERVICE

G & S 512-326-4695  
Tri County Pools 512-990-8899

### RAIN GUTTERS & DRAINAGE

Pat Scott, Hill Country Seamless Gutters 512-736-7087

### ROOFING

Patrick Moran, Acura Roofing 512-280-6875  
Wilson Roofing 512-263-3157  
Don Carrington 512-633-5554  
J-Conn Roofing & Repair 512-479-0510  
Ed Hayes (metal roof repairs) 512-698-1156

### SEPTIC SYSTEMS

Derrick Lormand (system design) 512-844-0030  
Vince Sullivan, All American (installation) 512-848-6867  
Janet Dunkleberg, Necessary Inc.(inspection) 512-413-9534

### SPRINKLER SYSTEM REPAIR & INSTALLATION

John, Accent Sprinklers 512-836-6539  
Phoenix Irrigation 512-280-9572  
Andy's Sprinkler & Drainage 512-836-5100

### WINDOW CLEANING

See Through 512-870-7500  
Texas Window Cleaning 512-331-2100  
Window Gang 512-259-7979  
Sun 512-444-5505



## Information About Brokerage Services

*Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.*

### TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

### A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

### A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

**AS AGENT FOR OWNER (SELLER/LANDLORD):** The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

**AS AGENT FOR BUYER/TENANT:** The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

**AS AGENT FOR BOTH - INTERMEDIARY:** To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
  - that the owner will accept a price less than the written asking price;
  - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

**AS SUBAGENT:** A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

### TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

**LICENSE HOLDER CONTACT INFORMATION:** This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

Stanberry & Associates Inc.	405642	info@stanberry.com	(512)327-9310
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Bill Stanberry	286554	bill@stanberry.com	(512)327-9310
Designated Broker of Firm	License No.	Email	Phone
Sharon Rosshirt	353305	sharon@stanberry.com	(512)327-9310
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
_____	_____	_____	_____
Sales Agent/Associate's Name	License No.	Email	Phone

\_\_\_\_\_  
Buyer/Tenant/Seller/Landlord Initials

\_\_\_\_\_  
Date



TEXAS ASSOCIATION OF REALTORS®

## GENERAL INFORMATION AND NOTICE TO A BUYER

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS® IS NOT AUTHORIZED.  
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**Be an informed buyer. Make sure that the property you want to purchase meets your needs. The following information may assist you during your purchase.**

**ANNEXATION.** If the property you buy is outside the limits of a municipality, you should be aware that the property may later be annexed by a nearby municipality. You 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. You may work with the broker or with one of the broker's agents. You will be provided a form titled "Information About Brokerage Services" (TAR 2501) which defines agency relationships. The agent may help you locate 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. You are encouraged 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.* 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 you are concerned that environmental hazards, wetlands, or endangered species may be present on the property you wish to buy, you should hire a qualified expert to inspect the property for such items. You may include a promulgated addendum (TAR 1917) in your contract that may address such matters.

*Lead-Based Paint.* If you buy a property that was built before 1978, federal law requires that you 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.

*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" (TAR 2507) which discusses mold in more detail.

*Noise.* Properties around the property you may buy are used for a variety of purposes. Some of the uses cause noise (for example, airports, railways, highways, restaurants, bars, schools, arenas and construction). You are encouraged to drive and review the area around any property in which you are interested at various times and days.

*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 you are concerned about such matters, have the trees and other plants inspected by a professional of your choice.

**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 you buy a property that 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. Check with your inspector and other experts on preventive methods that you can follow to minimize the risk of such movement.

**FLOOD HAZARD AREAS, 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" (TAR 1414), which discusses flood hazard areas and floodways in more detail. You are 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 you are concerned whether the property you wish to buy is located in such a district, contact the local government for specific information.

**INSPECTION, REPAIRS, & WALK-THROUGH.**

*Inspections.* You are encouraged to have the property you want to buy inspected by licensed inspectors of your choice. You should have the inspections completed during any option period. You 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 you request names of inspectors or repair professionals from your agent, you 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.* You and the seller should resolve, in writing, any obligation to complete repairs you may request before the option period expires.

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

**MANDATORY OWNERS' ASSOCIATIONS.** The property you buy may require you to be a member in one or more owners' associations. You may obtain copies of any deed restrictions and owners' association rules from the county clerk, the title company you use in the transaction, or the owners' association. If membership in an owners' association is required, you 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. The Texas Association of REALTORS® publishes a form titled "Information about Mineral Clauses in Contract Forms" (TAR No. 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, other real estate professionals, and the 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. You should independently verify the information in the MLS and not rely on the information.

**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. You may need to verify with the lender if the loan will fund on the day of closing. You should also take this potential delay into account when planning your 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, contact your 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. 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.

**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 you request names of residential service companies from your agent, you 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 your agent may provide to you or that may be provided through a Multiple Listing Service are only mapped estimates from other sources. You 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. 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. You should also determine if the county requires any registration or other action in order for you to begin using the septic system or on-site sewer facility.

**SEX OFFENDERS AND CRIMINAL ACTIVITY.** If you are concerned about sex offenders who may reside in the area in which you are buying, access [www.txdps.state.tx.us](http://www.txdps.state.tx.us). Contact the local police department to obtain information about any criminal activity in the area.

**SQUARE FOOTAGE.** If you base your purchase price on the size of the property's building and structures, you should have any information you receive 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 you buy 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). You 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. You should obtain a survey early enough in the transaction to help you identify any encroachments, encumbrances to title, or restrictions. Your contract will typically contain a provision under which you may obtain or be provided with 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 you wish to buy has synthetic stucco, ask your inspector to carefully inspect the siding and ask your inspector any questions you may have.

**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. You 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. You must strictly comply with the time period under the option. The option period is not suspended or extended if you and the seller negotiate repairs or an amendment. If you want to extend the option period you must negotiate an extension separately, obtain the extension in writing, and pay an additional fee for the extension. Do not rely on any oral extensions.

**TIDE WATERS.** If the property you buy adjoins any of the state's tidal waters, you will be given a prescribed notice titled, "Addendum for Coastal Area Notice" (TAR 1915) at the time you sign 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 Canal, you will receive a separate notice (TAR 1916).

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

**UTILITIES.** You should evaluate what utilities you will require and check to be sure that the utilities available in the area suit your needs. Some structures may or may not have utilities and electrical facilities to support many modern appliances or equipment.

**WATER WELLS.** If the property you buy has a water well, you should have, and the lender may require, the equipment inspected and water tested. You should also determine if the county requires any registration or other action in order for you to begin using the water well.

**OTHER.**