



MONTANA BUYER'S ACKNOWLEDGMENT STATEMENT

VERY IMPORTANT DOCUMENT - PLEASE READ CAREFULLY

The purpose of this statement is to help you, the Buyers, understand some of the frequently used terms/concepts in the purchase of residential real estate.

By your initials, you represent that the licensee (Buyer's Agent) for Kelly Right (Broker) has explained each of the items below to you.

- _____ 1. **HOME WARRANTY** Buyers acknowledge that the Buyer's Agent **recommends** 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. The Buyer's agent can aid the Buyers in attempting to require the Seller to provide a home warranty. Buyers acknowledge that Kelly Right Real Estate may receive a limited payment in the sale of some home warranty programs.

- _____ 2. **HOME INSPECTION** With regard to the purchase of homes, Buyers acknowledge that Alabama is a "**caveat emptor**" ("Buyer Beware") state, which means that the burden is on the Buyers to discover and determine any and all conditions of the property. The Sellers and/or the Seller's Agent must disclose only those conditions which constitute a health or safety threat (or latent defects) and are known to the Sellers and/or the Seller's Agent. Therefore, it is **very strongly recommended** that the Buyers 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. HVAC, Roofing, Septic Tank, etc. It is recommended that a specialist perform any field-specific inspection desired. Buyers are 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 the Buyers to inspect the property and determine the overall integrity of the property. You must be aware that contracts often impose time deadlines on these inspections. Should you miss these dead lines, you may be required to purchase the property "as is," which means accepting the property with its present defects and deficiencies with no obligation on the Sellers' part to correct these problems.

- _____ 4. **MINOR IMPERFECTIONS** Some imperfections in the home may not clearly meet the definitions of "major defect" or "hazardous condition" as stated in the home inspection addendum (e.g. cracked or fogged windows, exterior wood rot, raised shingles, stuck windows, etc.). It is the Buyer's responsibility to discover defects in the home. It is recommended that the Buyer address any such imperfections in the initial offer to purchase, rather than waiting to address them at the home inspection.

- _____ 5. **IN WORKING ORDER** In purchase contracts, the words "in working order" or "normal operating condition" with regard to the heating, cooling, plumbing, electrical systems and any built-in appliances, do not obligate the Seller to repair or replace these components, but only that these items function as intended. The Seller may not be obligated to repair or 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 being "in working order" or "in normal operating condition."

- _____ 6. **FINAL WALK-THROUGH** You will be allowed and are strongly encouraged to 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. After closing, all conditions, with the exception of written mutual agreements, are the responsibility of the Buyers.

- _____ 7. **PROFESSIONAL VENDORS** One of the many services provided by your Agent includes giving the names of certain vendors often employed to make your home purchase a success. 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 you by your Agent. In no way is the Agent or Kelly Right Real Estate recommending, guaranteeing, or warranting their work; we are simply providing a service that you may desire and are acknowledging that we have had acceptable service from these vendors in past transactions. Buyers acknowledge that the Agent and Kelly Right Real Estate are not responsible or liable for any errors or omissions of any of these vendors or for any conditions of the property that may or may not be detected by inspections performed by these vendors, including home inspectors and contractors.
- _____ 8. **MOLD** Although mold has been present in our environment forever, recent studies have indicated that certain types of mold may be a health hazard to certain individuals. Potentially, when three elements – oxygen, water, and certain building materials – come together, mold can be produced. Buyers understand that the presence of mold and its impact upon the habitability of the property is your responsibility and that you will not rely on the Agent for advice related to mold/mildew/fungus.
- _____ 9. **RADON** Radon is a colorless, odorless and tasteless radioactive gas that occurs naturally in most 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 it can increase the risk of lung cancer, especially at elevated levels. <http://www.aces.edu/crd/radon/basic-info.html> is a link to radon information. Buyers may elect to have radon testing as part of the home inspection process. This can be discussed with the Agent. Buyers acknowledge that they have been given radon information.
- _____ 10. **MEGAN'S LAW** Even though homeowners in neighborhoods may be informed of the presence of registered sex offenders who move into their neighborhoods, the Seller and Seller's Agent have no obligation to you, the Buyers, to inform you of the presence of a sex offender. If this information is important in your decision to purchase the property, then the burden to check with the proper law enforcement authorities to determine the presence of a registered sex offender falls on you, the Buyers. One web resource to search for registered sex offenders is www.dps.state.al.us.
- _____ 11. **EIFS** EIFS, which is an abbreviation for Exterior Insulation Finishing System, has become an increasing problem in home construction. Synthetic stucco (EIFS), when improperly installed, can cause major structural problems. If a property has EIFS, you, the Buyers, should absolutely have it inspected by a licensed EIFS inspector as part of the inspection contingency of the purchase agreement for the property.
- _____ 12. **TERMITE INSPECTION** Buyers acknowledge that the Alabama Wood Infestation Report, provided by an authorized 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." Buyers are encouraged to obtain a "termite bond/contract" if one is not transferred with the property.
- _____ 13. **SURVEY** Buyers 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 or the Seller's Agent, or the Buyer's Agent. It is recommended that you 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. This may be at the Buyer's expense.

YES NO (circle one) Buyer wishes to have a survey on this property.

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

- _____ 15. **SEWER/SEPTIC SYSTEM** Almost all waste disposal systems in the county are either sewer or septic tanks. It is the responsibility of the buyer to determine that the septic tank is operational. Buyers acknowledge that septic tanks require periodic cleaning, and home warranties often do not cover septic tanks without certification within 30 days of coverage.

- _____ 16. **STIGMATIZED PROPERTY** Buyers 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 your decision to purchase, then the burden of discovery falls upon you, the Buyer, not your Buyer's Agent. Alabama Law does not require the Sellers or the Seller's Agent to disclose such stigmas.

- _____ 17. **PROXIMITY TO ANNOYANCE** The property's proximity to busy roads, high voltage power lines, railroads, flight paths, or other noise and light sources is important to some Buyers. If this is important to the Buyers, it is recommended that the Buyers research/visit the neighborhood to determine suitability. The Agent makes no assertions regarding these elements.

- _____ 18. **TAXES** The irregularities of tax reporting may concern some Buyers. Even though the tax collector (tax amount collected last year) and the tax assessor (tax amount due next year) can provide amounts at a point in time, those numbers may change up until the end of the tax year (September 30); a new tax year begins on October 1 of each year. Homestead exemption (or lack of) is determined on October 1st

- _____ 19. **OTHER OFFERS** Buyers acknowledge that the Sellers may receive and consider offers other than your offer during the time that you or the Seller are considering an offer or counter-offer. Buyers understand that those offers may be generated by your own Agent and/or other Agents of Kelly Right Real Estate or any other real estate agency. Buyers also acknowledge that the Sellers may withdraw any counter-offer at any time prior to delivery of your written acceptance.

- _____ 20. **EARNEST MONEY** Buyers 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, checks will not be held and must not be post-dated.

- _____ 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 for any property of interest before writing an offer to purchase. Should the purchaser wish to visit schools, it is recommended that an appointment be scheduled through the schools' offices.

- _____ 22. **HOMEOWNER'S INSURANCE** When talking with homeowner's insurance providers, you may want to inquire about perils not covered by the basic policy; i.e., **Sinkhole, Earthquake, etc.** These usually do not add much additional cost to the policy and are typically not required by the lenders but may give peace of mind for the owners. These perils can be devastating to the uninsured, should any of these perils occur. **Renter's Insurance** is suggested if staying in temporary housing. It is recommended that all options be discussed with your selected insurance provider.

- _____ 23. **OTHER CONCERNS**

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

Your signatures below indicate that you have read and understand the above points and any questions you have had have been discussed with you by the Agent and you are satisfied with the discussions and explanations provided.

Buyer _____ Date _____

Buyer _____ Date _____

Buyer _____ Date _____