

ADVISORY TO BUYERS AND SELLERS



1 **PROPERTY ADDRESS:** _____

2 **BUYER NAME(S):** _____

3 **SELLER NAME(S):** _____

4 The real estate licensees involved in the current or prospective real estate transaction for the property listed above are not
5 attorneys, home inspectors, structural or environmental engineers, or authorities in any area beyond the scope of their real estate
6 license. This *Advisory* serves as both a **disclaimer notice** and as a **specific warning** to both Buyers and Sellers that when making
7 decisions about any of the following or similar matters, the parties should **not** rely on any statement, comment, estimate, or
8 opinion expressed by the real estate licensees. This partial list provides examples of actions, circumstances, and items of concern
9 which are **not** the responsibility of the real estate licensees. Real estate licensees are engaged in bringing together buyers and
10 sellers in real estate transactions, and **expressly deny any expertise** with respect to advice or informed opinions on any matters
11 beyond the scope of their real estate license, including the items enumerated below. It is **strongly recommended** that Buyers and
12 Sellers include appropriate contingency or other clauses in all *Purchase and Sale Agreement* offers with respect to these or any
13 other items of concern, and that all such contingencies should include enough time to get a professional evaluation of these items.

14 (a) **STRUCTURAL AND OVERALL CONDITION OF THE PROPERTY.** It is strongly recommended that you use the
15 services of professional home inspectors, structural engineers, contractors, and other qualified specialists to evaluate the
16 structural and overall condition of the property and its systems and components including, but not limited to, electrical,
17 plumbing, water heating, roofing, air conditioning, heating, septic systems, wells, pools, appliances, etc. These
18 professionals should also be utilized: to evaluate any damage from fire, wind, or hail; to advise you as to the condition,
19 safety, and remaining useful life of any systems or components; to evaluate any water infiltration or moisture issues; to
20 discover any hazardous property conditions; and to estimate any repair costs. Buyers should also conduct a final
21 inspection, with inspectors, before closing. **NOTE:** Appraisals are different from home inspections. An appraisal is
22 done to determine market value, not to evaluate the condition of the property. *Appraisals, Seller's property*
23 *condition disclosures, and Home Protection plans are not substitutes for a professional home inspection.*

24 **For your protection, get a home inspection by a qualified home inspector licensed in Tennessee.**

25 (b) **WOOD DESTROYING INSECTS, PESTS AND INFESTATIONS.** It is strongly recommended that you use the
26 services of a licensed professional pest control company to determine the presence of wood destroying insects (termites,
27 carpenter ants, etc.) or other pests or infestations, and to examine the property for any potential damage from such.

28 (c) **ENVIRONMENTAL HAZARDS.** Environmental hazards such as, but not limited to, mold, asbestos, radon gas, drinking
29 water contaminants, lead-based paint, hazardous wastes, land-fills, by-products of methamphetamine production, high-
30 voltage electricity, noise levels, etc., require advanced techniques by environmental specialists to evaluate, remediate and
31 repair. The EPA and the Surgeon General have recommended that all houses should be tested for radon. It is strongly
32 recommended that you secure the services of knowledgeable professionals and inspectors in all areas of environmental concern.

33 (d) **REQUIRED SELLER DISCLOSURES.** Unless exempt, Sellers must provide either a residential property disclosure
34 statement (disclosing known material defects) or a disclaimer statement (selling "as is") before entering into a sales contract.
35 Buyers should be especially diligent if purchasing a property without a full property condition disclosure from the Sellers.
36 Sellers are also required to disclose in writing the presence of any exterior injection well, and the results of any percolation or
37 soil absorption rate test. Sellers of residential new construction must disclose any impact fees or adequate facilities taxes paid.

38 (e) **SQUARE FOOTAGE.** There are many ways of measuring square footage. Information is sometimes gathered from tax or
39 real estate records on the property. Square footage provided by builders, real estate licensees or tax records is only an
40 **estimate** with which to make comparisons, but **it is not guaranteed.** It is advised that you have a licensed appraiser
41 determine actual square footage.

42 (f) **CURRENT VALUE, INVESTMENT POTENTIAL, OR RESALE VALUE OF THE PROPERTY.** A true estimate
43 of value can only be obtained through the services of a licensed appraiser. No one, not even a professional appraiser, can
44 know the future value of a property. Unexpected and unforeseeable things happen. **NOTE:** A real estate licensee's
45 Comparative Market Analysis (CMA), or Broker's Price Opinion (BPO), etc., while sometimes used to set an asking price,
46 is **not** an appraisal. It is advised that you have a licensed appraiser determine an estimate of value.

47 (g) **BOUNDARY LINES, EASEMENTS, ENCROACHMENTS, AND ACREAGE.** It is strongly advised that you secure
48 the services of a licensed surveyor for a full-stake boundary survey with all boundary lines, easements, encroachments,
49 flood zones, total acreage, etc., clearly identified. It is also advised that you **not** rely on mortgage loan inspection surveys,
50 previous surveys, plat data, or Multiple Listing Service (MLS) data for this information, even if acceptable to your lender.

51 (h) **COVENANTS, CONDITIONS, RESTRICTIONS, ZONING, CODES, AND RELATED ISSUES.** It is strongly
52 recommended that you thoroughly investigate all covenants, conditions, restrictions (CCR's), zoning, codes, limitations,
53 home owner association by-laws, special assessments, city ordinances, governmental repair requirements and related issues
54 affecting the property. Buyers must comply with all such conditions. These matters need to be verified by the appropriate
55 sources in writing. If your projected use requires a zoning or other change, it is advised that you either wait until the change
56 is **in effect** before committing to a property, or provide for this contingency in your *Purchase and Sale Agreement*.

57 (i) **UTILITY CONNECTIONS, SEPTIC SYSTEM CAPABILITY, AND RELATED SERVICES.** The availability,
58 adequacy, connection and condition of waste disposal (sewer, septic system, etc.), water supply, electric, gas, cable,
59 internet, telephone, or other utilities and related services to the property need to be verified by the appropriate sources in
60 writing. Governmental or lender regulations may require connection to public sewer and a public water source if available.
61 It is advised that you have a professional check access and connection to public sewer and a public water source, and the
62 condition of any septic system(s) and well(s). To confirm that any septic systems are properly permitted for the actual
63 number of bedrooms, it is recommended that Sellers and Buyers request a copy of the subsurface sewage disposal system
64 permit from the appropriate governmental permitting authority. If such permit has not or cannot be located, you should
65 seek professional advice regarding this matter. For unimproved land, septic system capability can only be determined by
66 using the services of a professional soil scientist and verifying with the appropriate governmental authorities that a septic
67 system of the desired type and cost can be permitted and installed to accommodate the size home that you wish to build.

68 (j) **FLOODING, DRAINAGE, FLOOD INSURANCE, AND RELATED ITEMS.** It is recommended that you have a civil
69 or geotechnical engineer, or other independent expert determine the risks of flooding, drainage or run-off problems,
70 erosion, land shifting, unstable colluvial soil, sinkholes and land-fills. The risk of flooding may increase and drainage or
71 storm run-off pathways may change. Be sure to consult with the proper governmental authorities, elevation surveyors, and
72 flood insurance professionals regarding flood and elevation certificates, flood zones, and flood insurance requirements,
73 recommendations and costs.

74 (k) **SCHOOL DISTRICTS AND OTHER SCHOOL INFORMATION.** It is advised that you independently confirm
75 public school zoning with the appropriate school authorities, as school districts are subject to change. Other school
76 information (rankings, curriculums, student-teacher ratios, etc.) should be confirmed by appropriate sources in writing.

77 (l) **INFORMATION ABOUT CRIMES OR SEX OFFENDERS.** You should consult with local, state, and federal law
78 enforcement agencies for information or statistics regarding criminal activity at or near the property, or for the location of
79 sex offenders in a given area.

80 (m) **LEGAL AND TAX ADVICE.** You should seek the advice of an attorney and a certified tax specialist on any legal or tax
81 questions regarding any offers, contracts, issues relating to the title or ownership of the property, or any other matters of
82 concern, including those itemized in this *Advisory*. You should obtain a title insurance policy and have it and the title
83 reviewed by an attorney. Real estate licensees are **not** legal or tax experts, and therefore cannot advise you in these areas.

84 (n) **WARRANTIES & HOME PROTECTION PLANS.** Buyers and Sellers are advised to research any existing warranties
85 or service contracts which may be transferable, and also to investigate the advantages of any optional Home Protection
86 Plans which may provide limited protective coverage before and/or after the sale. All such available plans have purchase
87 costs, deductibles, service call fees, options, limitations and exclusions that you will need to consider.

88 (o) **RECOMMENDED INSPECTORS, SERVICE PROVIDERS, OR VENDORS.** The furnishing of any inspector,
89 service provider or vendor names by the real estate licensees is done only as a convenience and a courtesy, and does not in any
90 way constitute any warranty, representation, or endorsement. Buyers and Sellers have the option to select any inspectors, service
91 providers or vendors of the Buyer's or Seller's choice. You are advised to contact several sources and independently
92 investigate the competency and references of any inspector, contractor, or other professional expert, service provider or
93 vendor, and to determine compliance with any licensing, registration, insurance and bonding requirements in your area.

94 **The Buyers and Sellers acknowledge that they have not relied upon the advice, casual comments, or verbal representations**
95 **of any real estate licensee relative to any of the matters itemized above, or similar matters. The Buyers and Sellers**
96 **understand that it has been strongly recommended that they secure the services of appropriately credentialed experts and**
97 **professionals of the Buyer's or Seller's choice for advice and counsel about these and similar concerns.**

98 X _____ X _____
Buyer Signature Date & Time Buyer Signature Date & Time

99 X _____ X _____
Seller Signature Date & Time Seller Signature Date & Time