



"Service With a Smile"

BUYER DUE DILIGENCE & POLICY STATEMENT

***** NOTICE FROM COMPANY *****

Buyer is advised that Dorothy Jensen Realty, Inc., and its agents (collectively, the "Company") are trained in the marketing and sale of real estate. Neither the Company nor its agents are trained or licensed to provide Buyer with professional advice regarding the physical condition of any property or regarding legal or tax matters. The Company and its agents strongly recommend that, in connection with any offer to acquire any property, Buyer retain the professional services of legal and/or tax advisors, property inspectors, surveyors, and other professionals to satisfy Buyer as to any and all aspects of the physical and legal condition of the property. BUYER IS ADVISED NOT TO RELY ON THE COMPANY, OR ON ANY AGENTS OF THE COMPANY, FOR A DETERMINATION REGARDING THE PHYSICAL OR LEGAL CONDITION OF A PROPERTY.

As a Buyer, it is important to be aware of the role *Dorothy Jensen Realty, Inc., and its agents, is and what we can and cannot do for you, and what you should do for yourself.* You should understand that, as **REALTORS®**, we can work for the Buyer, for the Seller and for both the Buyer and Seller as a Dual Agent with each party's consent. Commissions can be paid by the Seller or the Buyer or both. We will help to negotiate a real estate purchase and sale for all parties, either on an individual basis or as a Dual Agent for both Buyer and Seller with the consent of all such parties.

WE CAN HELP YOU IN THESE WAYS:

- A. Show you all properties listed with this office and other cooperating offices, that are usually listed on Multiple Listing Services, which conform to your requirements so that you will develop an understanding of property values and have the widest possible choice of properties from which to choose.
- B. Disclose to you all reasonably available facts and conditions known to us of any property you may consider purchasing, and promptly submit all your offers to the Seller or cooperating office and all counter offers to you from the Seller.
- C. Assist you with gathering needed information, help you arrange inspections, and suggest multiple mortgage brokers and/or direct lenders, various engineering and inspection firms, attorneys, etc., who have been used successfully by past clients. However, we do not warrant or guarantee the work of these vendors, we are not affiliated with any such vendors and you are not obligated to hire them. You are always free to choose any person or company you wish to use for any needed services.
- D. Advise you concerning your offer and acceptance procedures as well as market conditions and the homes available in the various areas in which you may be interested. The Company and its agents are not qualified to advise you on legal, zoning, engineering, structural, physical and other matters such as those referred to below, but we will inform you if we learn of any such issues that materially affect you or any property in which you are interested. The law requires us to disclose property defects and hazards known to us, and we will do so, to the extent reasonably available to us or as may be legally required to be disclosed. However, it is important to note that you will be ultimately responsible to conduct your own due diligence on any property in which you are interested.

Moreover, as **REALTORS®**, we adhere to standards of honesty, integrity, competency and fairness under the **REALTOR® Code of Ethics**.

The following is a general listing of issues that the Buyer should consider in evaluating any property. This is not intended to be a comprehensive list of all issues that may be relevant in a Buyer's evaluation of a specific property. This list is, however, intended to direct the Buyer's attention to a number of issues that are commonly considered important in the evaluation of any property. The following pages explain each item in more detail.

_____	Building Code/Zoning Compliance	_____	Rental of Property
_____	Hazardous Waste and Toxic Substances	_____	Radon Gas
_____	Surveying and Staking	_____	Home Warranty Plan
_____	Flood Zone and Flood Insurance	_____	Homeowners Insurance
_____	Title Issues/Homeowner's Association	_____	Physical Condition
_____	Square Footage and Acreage	_____	Utility Services
_____	Water	_____	Geologic Conditions
_____	Mold and Mold Related Issues	_____	Housing Compliance
_____	Property Taxes	_____	Energy Efficiency
_____	Income Tax/Legal Consequences	_____	Comparable Properties
_____	Lead-Based Paint	_____	Asbestos
_____	Septic System	_____	Oil Tank Issues and Related Matters

BUILDING CODE/ZONING COMPLIANCE: Buyer is advised to consult with legal, architectural and engineering professionals, as well as local zoning officials and other governmental officials, to assure that Buyer's intended use of a property (including, but not limited to, rental and business uses, construction of new improvements and/or the remodeling of existing improvements) will comply with federal, state and local zoning and legal requirements, including, but not limited to, any recorded restrictive covenants, easements, restrictions and other conditions. Buyer should seek the advice of legal and other professionals to determine whether a Certificate of Occupancy (and Certificates of Occupancy) has (have) been issued for a property, and any improvements, and if such Certificate or Certificates of Occupancy are available for inspection at the municipality's offices. It is also recommended that the Buyer make inquiry at the local building department to determine if building permits and final inspections were obtained for any remodeling or renovation work at a property, as applicable. Buyer acknowledges that the Company should not be relied upon for any determination as to any past, present, or future building code or zoning restrictions or violations, or as to the suitability of a property for Buyer's intended use.

RENTAL OF PROPERTY: If Buyer intends to use a property as a rental property, Buyer is advised to consult with local zoning officials and legal professionals and review with them the legal requirements and restrictions that may exist with regard to renting a property to a tenant. Buyer is also advised to consult with local governmental authorities and legal professionals to determine whether any license or other legal approval is required in order to use a property as a rental property. Buyer acknowledges that the Company should not be relied upon for any determination as to whether rental of a property is a legal or permitted use and neither the Company nor its agents make any representation or warranty with respect to same.

HAZARDOUS WASTE AND TOXIC SUBSTANCES: Buyer is advised to consult with appropriate engineering and inspection professionals regarding the possible existence of hazardous wastes and toxic substances on a property, including, but not limited to, asbestos, radon gas, lead and lead-based paint, and contamination of a property from the use, storing or manufacturing of any illegal and/or toxic substances, or fuel oil and petroleum products. Buyer should be aware that there exist federal, state and local laws that impose strict liability on property owners for hazardous waste management and cleanup of hazardous substances, including fuel oil contamination. Buyer is advised of Buyer's obligation to make appropriate inquiries ("due diligence") into past uses of a property to ascertain the possible existence of hazardous wastes or toxic substances and to engage licensed and legal professionals in connection with same. Buyer acknowledges that the Company should not be relied upon for any determination as to the existence of any hazardous wastes or toxic substances.

RADON GAS: The EPA and the Surgeon General have linked exposure to elevated radon levels to an increased risk of developing lung cancer. Buyer is advised to consult with appropriate professionals to determine if elevated levels of radon gas exist in a property. Buyer should request that a radon inspection be conducted by his/her inspection company. Buyer should be aware that in the event the level of radon gas in the home exceeds four picocuries per liter (4pcc/lit) that this is above the legal limit and must be remedied as radon is carcinogenic.

SURVEYING AND STAKING: Buyer is advised that without an accurate survey of a property, Buyer cannot be certain (i) as to the boundaries of a property, (ii) that any improvements on a property are not encroaching upon adjoining parcels of property, or (iii) that improvements located on adjoining parcels of property do not encroach onto a property. It is common that walls and fences do not correspond with the legal boundary lines of a property. Buyer acknowledges that the Company does **not** make any representation or warranty relating to the boundaries of a property or to any encroachments that affect the property and shall **not** rely on any representations made by the Company or its agents.

HOME WARRANTY PLANS: Buyer acknowledges that Buyer has been advised by the Company of the availability of Home Warranty Plans which provide limited warranties for certain home appliances and components of a property after Closing. Buyer acknowledges that neither the Company nor its agents make any representation with regard to such warranties or the availability of same. It is recommended that Buyer should personally research the availability of any such warranty or warranty program offer by a private company.

FLOOD ZONE AND FLOOD INSURANCE: If a property is located in a “Flood Zone” as set forth on the H.U.D. “Special Flood Zone Area” map, the mortgage lender may require that buyer obtain and pay for flood insurance on a property and its improvements. Flood insurance may be very expensive to obtain and a Buyer should determine whether the property is in a flood zone before entering into a formal contract of sale. It is recommended that the Buyer discuss this with his or her attorney and/or lender before signing any contract of sale for a specific property.

HOMEOWNERS INSURANCE: Buyer is advised that certain properties, due to location, condition, and/or claims history, may be uninsurable, or may only be insurable at an increased cost. Buyer is also advised that Buyer’s credit, insurance claims history, and other issues (such as specific kinds of pets), may be factors in determining the availability and cost of homeowner’s insurance. Buyer is advised to consult directly with insurance companies of Buyer’s choice regarding the availability and costs of homeowner’s insurance for a property. It is recommended that the Buyer discuss this with a licensed insurance agent before signing any contract of sale for a specific property.

TITLE ISSUES/HOMEOWNER’S ASSOCIATION: Buyer is advised that title insurance companies offer a variety of title insurance policies that provide different levels of coverage. Buyer is advised to carefully review with legal counsel and with the title insurer: (a) the available title insurance coverage; (b) the contents of any Commitment for Title Insurance on a property; and (c) the contents of all documents affecting a property that are a matter of public record, including, but not limited to, any restrictive covenants. If a property is part of a Condominium, Cooperative Corporation or other Homeowners Association (collectively, the “HOA”), Buyer is advised to consult directly with the HOA regarding all HOA matters that may affect the property, including, but not limited to, existing and proposed budgets, financial statements, present and proposed assessments, dues, fees, reserve accounts, rules, and meeting minutes.

PHYSICAL CONDITION: Buyer is advised to consult with appropriate licensed and reputable inspection and engineering professionals regarding all physical aspects of a property, including, but not limited to: built-in appliances; plumbing fixtures, lines, fittings and systems; heating, air conditioning systems and components; electrical wiring, systems, appliances and components; foundation; roof; structure; exterior surfaces (including stucco), exterior features and equipment; pool/spa systems and components; any diseased trees or other landscaping; and moisture seepage and damage from roof, foundation or windows. Buyer is advised not to rely on the seller, the Company, or any agents of the Company for a determination regarding the physical condition of a property. New York is a “Buyer Beware” state and the burden is on the Buyer to complete any and all inspections on the property. Any inspections not conducted by the Buyer before signing a contract of sale will be deemed a waiver of the Buyer’s right to do so. The Buyer should discuss these issues with his or her legal counsel.

SQUARE FOOTAGE/ACREAGE: Buyer is advised to verify the square footage or acreage through independent sources such as engaging a licensed surveyor, contractor or other professional. The Buyer should be aware that tax maps, deed descriptions and other public records relating to the property available from a town, county, village or other governmental agency may differ. Buyer should not rely on any data provided by the Company or any agent of the Company, or that is contained in any Data Sheet from any Multiple Listing Service or other similar source. Buyer acknowledges that Buyer will not rely on any such information provided by the Company or any of its agents and Buyer must investigate same personally or discuss same with his or her attorney. The Company makes no warranty or representation with regard to the acreage or other physical aspects of the property. In the event the Company provides any numerical statements regarding these items, such statements are approximations only. Buyer is advised not to rely on any information provided by a seller, the Company, or any agents of the Company for a determination regarding the square footage or acreage of a property.

UTILITY SERVICES: Buyer is advised to consult with appropriate professionals regarding the location of utility service lines and the availability and cost of all utility services for a property including, but not limited to, sewer, natural gas, electricity, telephone, internet, satellite and cable TV. Buyer is advised that a property may not be connected to public water and/or public sewer and that the property may be serviced by a septic tank system. Further, there may be applicable fees that may exist in order to tie into public sewer services. Septic tanks may need to be pumped and leaching fields may need to be inspected. These inspections should be done prior to signing the contract of sale. Buyer should also be aware that Buyer has the legal right to request from a seller copies of utility bills relating to the property, however, if Buyer does not make a specific request, a Seller is not required to affirmatively provide any such information.

WATER: Buyer is advised to consult with the water service provider and other appropriate professionals regarding the source, quality, and availability of water for a property; regarding all applicable fees and costs (including, without limitation, connection fees, stand-by fees and service fees), use and regulatory restrictions, and ownership of water rights and water system. Depending upon the location of a property, the water service provider, and/or climate conditions, water service to a property may be interrupted. If the property is serviced by a private well, it is highly recommended that the well and well system be inspected by a licensed and reputable well/water system inspection company before you enter into contract. Buyer is further advised that, depending upon the location of a property, state and local laws may impose specific requirements regarding the source, the capacity and the quality of water that will service new plat or building permit applications. Such water-related laws may directly impact Buyer's ability to develop a property and/or obtain a building permit for any improvements to a property. Buyer is advised to consult directly with applicable state and local authorities, and with legal counsel, regarding the content and potential effect of such water-related laws. In addition, depending on where the property is located, there are local laws (e.g., Westchester County's Well Testing Law - Chapter 707 of the Laws of Westchester County) which require the seller to test the water quality and provide those results to a buyer. You should consult with your attorney regarding the requirements and existence of any such laws.

GEOLOGIC CONDITIONS: Buyer is advised to consult with appropriate professionals regarding possible geologic conditions at or near a property. Such geologic conditions may include, but are not limited to, soil and terrain stability, the existence of wetlands and reservoirs, drainage problems, and any building and/or zoning requirements relating to such geologic conditions.

MOLD: Buyer is advised to consult with appropriate professionals to determine the possible existence of mold in a property. Water leaks and water damage to a property may result in mold that may have adverse health effects. Additional information regarding mold is available through the EPA at www.epa.gov. Article 32 of the New York State Labor Law also contains important information regarding mold and the work to be performed to rid a property of mold ([See http://labor.ny.gov/workerprotection/safetyhealth/mold/frequently-asked-questions-licenses.shtm](http://labor.ny.gov/workerprotection/safetyhealth/mold/frequently-asked-questions-licenses.shtm)).

HOUSING COMPLIANCE: Buyer is advised to personally research and/or consult with appropriate professionals regarding neighborhood or property conditions including, but not limited to: schools; proximity and adequacy of law enforcement; proximity to commercial, industrial, or agricultural activities; crime statistics; fire protection; other governmental services; existing and proposed transportation; construction and development; noise or odor from any source; and other nuisances, hazards, or circumstances. All properties will be shown without regard to race, color, religion, sex, national origin, disability, familial status, source of income, age, marital status, sexual orientation, military status, domestic abuse victim, gender identity and any other requirements of federal, state and/or county specific Fair Housing laws. It should be noted that each city, town or county may have its own specific list of protected classes.

PROPERTY TAXES: Buyer is advised to verify taxes directly with the County and/or Town Tax Assessor’s office. The taxes paid by a Seller may contain exemptions that are not available to the Buyer, or that the Buyer must apply for after purchasing the home. If Buyer has any questions regarding any property tax requirements, Buyer is advised to consult directly with the County and/or Town Assessor’s Office.

INCOME TAX/LEGAL CONSEQUENCES: Buyer is advised that the purchase of any real property has tax and legal consequences. Buyer is advised to consult with appropriate legal and tax advisors regarding any real estate transaction.

ENERGY EFFICIENCY: According to the national ENERGY STAR program, and other similar energy efficiency programs, utility bills in a typical existing home can be reduced by 20% or more through energy efficiency improvements. A home energy analysis can be provided by certified home energy efficiency professionals to document the energy efficiency levels of an existing home, and also provide recommendations for energy improvements that will reduce utility costs, improve comfort, and improve indoor air quality and safety of a property. Buyer is advised to consult with appropriate energy efficiency professionals regarding any property of interest to the Buyer. Additional information is available at www.energystar.gov. Neither the Company nor its agents make any representation with regard to such energy efficiency issues.

COMPARABLE PROPERTIES: The terms “comps”, “comparables” and “comparable sales” refer to prices paid for recently sold homes that are comparable in size, style and location. Comparable sales are a critical part of assessing the current market value of a property and the Buyer is advised to obtain comps on their purchase either from their REALTOR® or by researching public records. It is also important to note that while comparable sales figures are important, they do not take the place of an appraisal obtained from a licensed and certified appraiser. Buyer should also note that the value contained in a formal appraisal is what a lender will rely on and not any amount(s) contained in a comparative market analysis or comparables provided by the Company or any of its agents.

RECEIPT & ACKNOWLEDGEMENT BY BUYER

I have carefully reviewed this BUYER DUE DILIGENCE & POLICY STATEMENT. I understand the rights I may have and the recommendations of the Company to consult with appropriate experts and professionals as part of an offer to purchase any property.

Buyer Signature **Date**

Buyer Signature **Date**

Print Buyer Name

Print Buyer Name