

**NOTICE AND DISCLOSURE REGARDING PRIVATE TRANSFER FEE
(Trinity Falls)**

PROPERTY ADDRESS: [8216 Yellow Brick Pass](#)

Buyers have signed an Earnest Money Contract for the purchase of a home at the address stated above (the "Property"). DFH Coventry, LLC d/b/a Coventry Homes ("Seller") desires to provide Buyers with this notice and disclosure regarding a private transfer fee obligation governed by Subchapter G, of the Texas Property Code §5.205. It has recently come to the attention of Seller that certain land within the Trinity Falls subdivision may be encumbered by restrictions that appear to impose a covenant on the Property which requires payment of a transfer fee to a third party upon any transfer of the Property. This fee is not imposed by any governmental entity. The documents imposing such fee are recorded in the County Clerk's File Nos. 20210921001928750, 20210825001721490, 20210113000083370, and 20090814001022730, of the Official Public Records of Collin County, Texas (hereinafter "Covenant"). This Covenant seeks to impose a private transfer fee of 1% of the purchase price of the Property, payable by the grantor, in connection with any conveyance of the Property over a period of 99 years following the date of recording of the declaration, as further disclosed in the Covenant. The terms of the Covenant purport to impose a lien on the Property if the transfer fee is not paid in accordance with terms of the Covenant. Upon the Purchaser's sale of the Property in the future, a transfer fee may be charged based upon the price at which the Property is being sold and may have to be paid by Purchaser. Currently, several parties, including the developer and builders in Trinity Falls are challenging the legality and effectiveness of this private transfer fee obligation in court. Until further resolution, any title insurance policy issued on this Property may have an exception in Schedule B of the Title Policy for the Covenant and any lien resulting from the Covenant. If you have questions concerning this Covenant or the transfer fee obligation, you should consult an attorney. Seller encourages you to conduct your own due diligence and investigation in connection with the community and this issue as you determine necessary and appropriate at your sole discretion. For more information on this matter, please refer to:

https://dentonrc.com/business/predatory-hidden-covenants-on-more-than-100-denton-homes-were-thrown-out-by-a-judge/article_88a556dd-bbff-50ca-896f-bfcf8a2983a4.html

BUYERS' ACKNOWLEDGMENT

THE UNDERSIGNED BUYERS HEREBY ACKNOWLEDGE THAT: (A) THEY HAVE RECEIVED, READ AND UNDERSTOOD THIS NOTICE AND DISCLOSURE; (B) SELLER WOULD NOT HAVE AGREED TO SELL THE PROPERTY TO THE UNDERSIGNED BUYERS IF THEY HAD NOT SIGNED THIS NOTICE AND DISCLOSURE; (C) NEITHER SELLER NOR ITS EMPLOYEES HAVE MADE ANY REPRESENTATIONS OR WARRANTIES THAT EXPRESSLY OR IMPLICITLY CONTRADICT THE INFORMATION CONTAINED IN THIS NOTICE AND DISCLOSURE; AND (D) SELLER DISCLAIMS ANY AND ALL WARRANTIES WITH RESPECT TO THE MATTER SET FORTH ABOVE, EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF LIABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, DURABILITY, DESIGN OR PRESENT OR FUTURE VALUE.

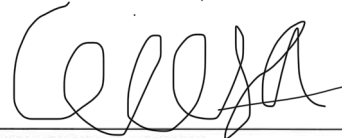
THE UNDERSIGNED BUYERS ACKNOWLEDGE THAT IN PURCHASING THE PROPERTY, (I) THEY ARE RELYING ON THEIR OWN DUE DILIGENCE, INVESTIGATION, AND JUDGMENT RESPECTING THE INFORMATION CONTAINED IN THIS NOTICE AND DISCLOSURE, (II) BUYERS ARE NOT RELYING ON SELLER TO INVESTIGATE OR DISCLOSE ANY PUBLIC

INFORMATION, AND (III) THEY ARE NOT RELYING ON ANY PROMISE, STATEMENT, REPRESENTATION, OR AGREEMENT OF ANY AGENT OF SELLER RESPECTING THE INFORMATION SET FORTH IN THIS NOTICE AND DISCLOSURE OTHER THAN THE INFORMATION SET FORTH IN THIS NOTICE AND DISCLOSURE.

BUYERS ACKNOWLEDGE AND AGREE TO HOLD SELLER, AND ITS OFFICERS, OWNERS, AND EMPLOYEES HARMLESS FROM ANY LIABILITY CONCERNING ALL MATTERS RELATING TO, ARISING FROM OR ASSOCIATED WITH PRIVATE TRANSFER FEE OBLIGATIONS. THE UNDERSIGNED BUYERS' SIGNING OF THIS NOTICE AND DISCLOSURE IS A MATERIAL CONSIDERATION FOR SELLER'S SALE OF THE PROPERTY TO THE UNDERSIGNED BUYERS.



05/20/22



05/20/22

BUYER SIGNATURE

DATE

BUYER SIGNATURE

DATE