

**BEFORE THE  
NORTH CAROLINA REAL ESTATE COMMISSION**

NRDC, The North Carolina Justice Center,	)	PETITION FOR RULEMAKING
MDC Inc., The North Carolina Disaster	)	PURSUANT TO NCGS § 150B-20
Recovery and Resilience School, Robeson	)	TO AMEND 21 NCAC 58A. 0114
County Church and Community Center,	)	AND 21 NCAC 58A .0700
and NC Field	)	
Petitioners	)	

On behalf of Natural Resources Defense Council (“NRDC”), the North Carolina Justice Center, MDC Inc., the North Carolina Disaster Recovery and Resiliency School, Robeson County Church and Community Center, and NC Field (“Petitioners”), the undersigned file this Petition for Rulemaking (“Petition”) pursuant to and in accordance with the North Carolina Administrative Procedure Act, NCGS § 150B-20, and 21 NCAC 58A .0700. These provisions require any person wishing to adopt, amend, or repeal a rule of the North Carolina Real Estate Commission (“the Commission”) to submit a rulemaking petition addressed to the executive director of the Commission. The following sections of this Petition shall be organized by and provide the information that is required of rulemaking petitions set forth in 21 NCAC 58A .0701(b)(1)-(5).

**I. PETITIONERS**

Petitioner NRDC is an international, non-profit environmental and public health membership organization. NRDC advocates to reduce greenhouse gas emissions that cause climate change, increase the resilience of communities to the unavoidable impacts of climate change, and safeguard human health. NRDC has 9,762 members that live in North Carolina. NRDC’s members are at risk of harm because North Carolina’s Residential Property and Owners’ Association Disclosure Statement<sup>1</sup> fails to require adequate disclosure of a property’s flood history and flood risk. Without adequate disclosure, NRDC’s members are hindered in their ability to make an informed decision concerning the purchase of a property.

Petitioner North Carolina Justice Center is a progressive research and advocacy non-profit organization with the mission to eliminate poverty in North Carolina by ensuring that every household in the state has access to the resources, services, and fair treatment it needs to achieve economic security. Because flood risks and the consequences of flood events disproportionately harm lower income households, pushing for adequate flood disclosure falls within the North Carolina Justice Center’s mission.

For over 50 years, petitioner MDC, Inc. has worked to equip leaders, institutions, and communities with the necessary tools and strategies to advance equity—particularly racial and gender equity—and economic mobility. One of MDC’s projects, the North Carolina Inclusive

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<sup>1</sup> 21 N.C.A.C. 58A .0114

Disaster Recovery Network (NCIDR), works with public, private, non-profit, and faith organizations to seek avenues for community voice and equitable access to resources in a disaster recovery system. Strong flood disclosure requirements further the goals of MDC's NCIDR project.

Petitioner North Carolina Disaster Recovery and Resiliency School is predicated on the belief that survivors impacted by disaster must sustain a seat at the decision-making table as equal partners in preparation, response, mitigation, and recovery. Participating in this petition serves this purpose.

Petitioner Robeson County Church and Community Center is a non-profit organization providing emergency assistance to the County's most vulnerable residents, as well as seeking long-term, sustainable solutions to address social determinants of health. Robeson County Church and Community Center meets residents where they are to provide access to food, housing resources, and supplies through their food pantry and resale store. Robeson County Church and Community Center is uniquely situated as a Petitioner, as their facilities and neighborhood were completely flooded by Hurricane Matthew in 2016. They have witnessed the devastation of the community first-hand with the flooding of the Lumber River in 2016 and 2018. Their current long-term plans for creating permanent, sustainable housing in the community are a direct response to the mass displacement and need seen after the floods. Such need would be significantly alleviated in the future with greater transparency requirements concerning flood disclosure and past receipt of financial assistance.

Petitioner NC Field, located in Kinston, North Carolina, has created a model for training farmworkers and farmworker youth to have a voice in the debates about issues that directly impact their lives and their families' livelihoods. Its mission is to work alongside marginalized communities to build capacity, achieve holistic systems, equitable access to resources, and ensure a strong inclusive rural North Carolina. The flooding that accompanied hurricanes Florence and Matthew were devastating for farmworkers, and NC Field has a direct interest in ensuring that there is more transparency in flood disclosure, as it would further their mission and benefit the community with which they work.

## **II. SUMMARY OF PROPOSED ACTION**

Pursuant to North Carolina's Administrative Procedure Act<sup>2</sup> and the North Carolina Real Estate Commission's ("Commission") governing regulations,<sup>3</sup> Petitioners hereby petition the Commission for the amendment of the Residential Property and Owners' Association Disclosure Statement ("Disclosure Statement").<sup>4</sup> Petitioners request the Commission initiate a rulemaking to amend the Disclosure Statement to require the disclosure of a property's flood history and flood risk as outlined in the following section.

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<sup>2</sup> N.C. Gen. Stat. § 150B-20.

<sup>3</sup> 21 N.C.A.C. 58A .0701.

<sup>4</sup> 21 N.C.A.C. 58A .0114.

### III. TEXT OF THE PROPOSED AMENDMENT TO A RULE

The current Disclosure Statement does not solicit adequate information related to a property's flood history and flood risk. A home that has flooded once is likely to flood again. Providing homebuyers with information about the potential flood risk that comes with a home will enable buyers to take appropriate steps to mitigate damages, including by purchasing flood insurance. The following proposed additions to the Disclosure Statement will equip buyers to make better-informed decisions, leading to more transparent real estate transactions.

*30. Has any structure on the property ever flooded? If yes, provide the number of times.*

*31. Have you ever filed a claim for flood damage to the property with any insurance provider, including the National Flood Insurance Program? If yes, provide the amount received.*

*32. Is there flood insurance on the property? If yes, provide the current premium amount.*

*33. Have you or any previous owners received assistance from FEMA, the U.S. Small Business Administration, or any other federal disaster flood assistance for flood damage to the property? For properties that have received federal disaster assistance, the requirement to obtain flood insurance passes down to all future owners. Failure to obtain and maintain flood insurance can result in an individual being ineligible for future assistance.*

*34. Is there a FEMA elevation certificate for the property?*

### IV. STATEMENT OF THE REASONS FOR THE PROPOSED AMENDMENT TO A RULE

Disclosing flood risk information during real estate transactions equips homebuyers to make better-informed decisions, thus making real estate markets function more effectively.<sup>5</sup> Any transaction where only one party is privy to information denied to the other is asymmetrical and inherently unfair. As currently written, North Carolina's Disclosure Statement—the only document governing seller disclosures—denies buyers access to crucial information about flood risk, leaving them with inadequate information about one of their most important financial decisions.

Flooding, North Carolina's most common natural hazard,<sup>6</sup> poses an increasingly significant threat to life and property as climate change strengthens storms and raises sea level.<sup>7</sup> Despite widespread flooding events in recent years from hurricanes and tropical storms, such as Matthew, Florence, and Dorian in 2016, 2018, and 2019 respectively, homebuyers in North

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<sup>5</sup> FEMA, *Flood Risk Disclosure: Model State Requirements for Disclosing Flood Risk During Real Estate Transactions*, 1 (July 11, 2022) available at [https://www.fema.gov/sites/default/files/documents/fema\\_state-flood-risk-disclosure-best-practices\\_07142022.pdf](https://www.fema.gov/sites/default/files/documents/fema_state-flood-risk-disclosure-best-practices_07142022.pdf)

<sup>6</sup> North Carolina Emergency Management, *Draft North Carolina Hazard Mitigation Plan 2023*, 3-18 (Sept. 2022) available at <https://www.ncdps.gov/media/11577/open>.

<sup>7</sup> K.E. Kunkel, et. al., *North Carolina Climate Science Report*, 7 (Revised Sept. 2020) available at <https://ncics.org/programs/nccsr>

Carolina are not entitled to information about past flooding damage. This prevents new owners from protecting themselves against future extreme weather-related costs. The four proposed additions to the Disclosure Statement track what is already required in many other states,<sup>8</sup> including other Southern states with similar flood risks. Adding the proposed disclosures would remedy a lack of transparency in current real estate transactions and empower homebuyers to make fully informed decisions.

This Commission is obligated to develop and require the use of the Disclosure Statement,<sup>9</sup> and possesses the authority to amend it through rulemaking.<sup>10</sup> It should accordingly amend the Disclosure Statement to require adequate disclosure of flood risk in residential real estate transactions.

**a. Flooding in North Carolina will continue to worsen with climate change**

North Carolina is subject to increasingly frequent flooding. Between 1996 and 2021, North Carolina experienced 4,382 flooding events, resulting in 72 deaths and \$1,663,464,754 in property and crop damage.<sup>11</sup> Every county in North Carolina is vulnerable to flooding as each has identified and mapped Special Flood Hazard Areas (SFHAs) floodplains with at least a 1-percent annual chance of floods that could cause damage to development lying within those floodplains.<sup>12</sup>

The number of properties subject to repeated flooding is growing in North Carolina. As of 2022, the state has documented 11,984 residential repetitive loss properties,<sup>13</sup> with a net increase of 3,344 repetitive loss properties since 2017.<sup>14</sup> Between 2012 and 2017, the state documented a net increase in repetitive loss properties of 1,787.<sup>15</sup> Importantly, these numbers only represent properties covered by the National Flood Insurance Program. The number of residential properties that have been subjected to repeated flood damage is likely greater. Most of those properties are likely uninsured or may have coverage from private insurers, which would exclude them from being counted.

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<sup>8</sup> See, NRDC, *How States Stack Up on Flood Disclosure*, <https://www.nrdc.org/flood-disclosure-map>; FEMA, *supra* note 5 at 16 – 18 (detailing each state’s real estate disclosure law requirements concerning flooding).

<sup>9</sup> N.C. Gen. Stat. § 47E-4(b).

<sup>10</sup> *Id.*; *id.* at § 47E-10.

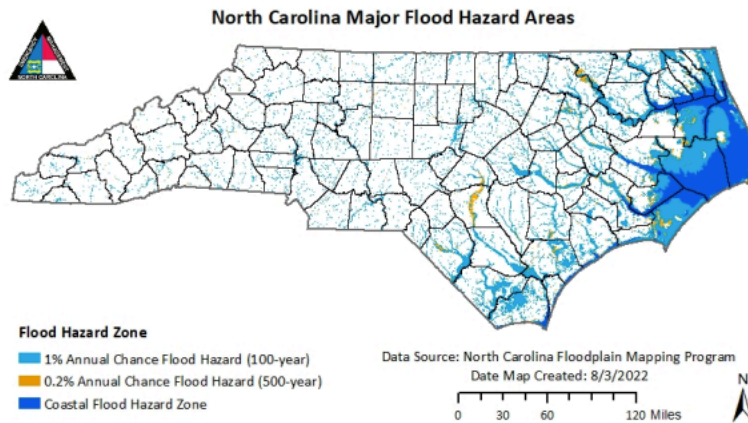
<sup>11</sup> North Carolina Emergency Management, *supra* note 6 at 3-14 - 3-16 (Damage amount is inflated to 2017 dollars).

<sup>12</sup> *Id.* at 3-9.

<sup>13</sup> A repetitive loss property is “any insured structure with at least two paid flood insurance losses of more than \$1,000 each in any rolling 10-year period since 1978.”

<sup>14</sup> North Carolina Emergency Management, *supra* note 6 at 3-230.

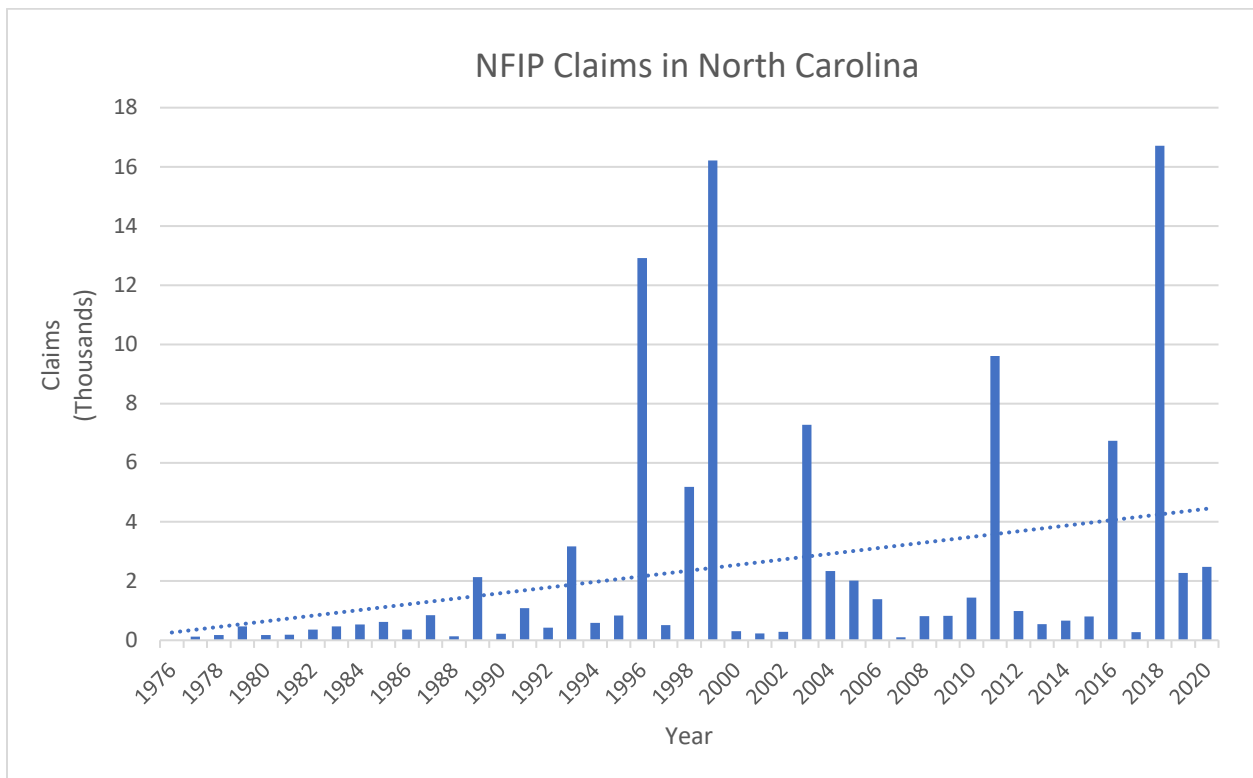
<sup>15</sup> North Carolina Emergency Management, North Carolina Hazard Mitigation Plan 2018, 3-196 (Feb. 2018) *available at* <https://files.nc.gov/ncdps/documents/files/State%20of%20North%20Carolina%20Hazard%20Mitigation%20Plan%20Final%20As%20Adopted.pdf>



(Source: Draft North Carolina Hazard Mitigation Plan 2023, pg. 3-9)

Many North Carolina counties have experienced increased catastrophic flooding in recent years, with some experiencing multiple major flooding disasters. Since 1977, North Carolina has seen 29 major federal disasters declared for events that caused major flood damage in one or more counties.<sup>16</sup>

The number of claims filed with the National Flood Insurance Program has also grown over the past 40 years as the below table shows.



<sup>16</sup> North Carolina Emergency Management, *supra* note 6 at 3-9

Current and future emissions of greenhouse gases, the primary driver of climate change,<sup>17</sup> will continue to have a warming effect on the climate for the foreseeable future. This warming effect will lead to increases in temperature that will in turn lead to sea level rise and more extreme precipitation events. When layered onto the booming development and population growth in the state's floodplains, this combination of factors will exacerbate flood risks and associated flood-related damages across North Carolina.

North Carolina is highly susceptible to sea level rise.<sup>18</sup> “Depending on the rate of greenhouse gas emissions, global average sea level is projected to increase by 1.3-2.4 feet (moderate emissions scenario) to 2.0-3.6 feet (higher emissions scenario) by 2100.”<sup>19</sup> Under either projected scenario, the state is likely to experience high tide flooding on a near daily basis by 2100.<sup>20</sup> In the coastal communities near Duck, Beaufort, and Wilmington, high-tide flooding is expected to occur as often as one out of every two days during the decade from 2050 to 2060 and daily after about 2080.<sup>21</sup>

Flooding amplified by sea level rise poses grave risks to North Carolina land and property, both coastal and inland, as low-gradient rivers, like the Tar River, see their head of tide migrate several miles inland because of sea level rise.<sup>22</sup> The U.S. Environmental Protection Agency has determined North Carolina has the third highest land area that is vulnerable to sea level rise.<sup>23</sup>

According to the state's own risk assessment for natural hazards,

It is virtually certain that sea level along the North Carolina coast will continue to rise due to expansion of ocean water from warming and melting of ice on land. Similarly, it is virtually certain that rising sea levels and increasing intensity of coastal storms will result in an increase in storm surge flooding in coastal North Carolina. Increase storm surge will, in time, lead to eroded shorelines. This loss of land and natural buffer will ultimately leave properties further at risk of flooding and storm damage.<sup>24</sup>

Clearly, in coastal areas, sea level rise will contribute to increasing incidents of flooding and flood damages.

Climate change has also “detectably influenced” extreme precipitation events, an important driver of flooding.<sup>25</sup> Per the most recently available North Carolina Climate Science Report, there is a statistically significant upward trend in extreme precipitation events—days with more

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<sup>17</sup> Kunkel, *supra* note 7 at 26.

<sup>18</sup> *Id.* at 168 (North Carolina has many square miles of coastal land within a few feet of sea level).

<sup>19</sup> *Id.*

<sup>20</sup> *Id.*

<sup>21</sup> *Id.* at 176.

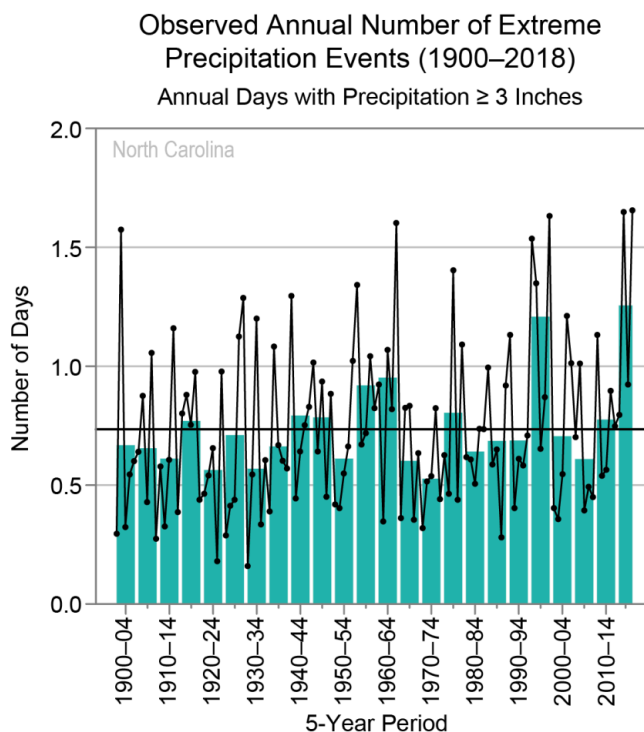
<sup>22</sup> *Id.*

<sup>23</sup> North Carolina Emergency Management, *supra* note 6 3-17.

<sup>24</sup> *Id.* at 3-40.

<sup>25</sup> Sonia Senevirante et al., *Ch 3: Changes in Climate Extremes and their Impacts on the Natural Physical Environment* in IPCC Special Report on Managing Risks of Extreme Events and Disasters to Advance Climate Adaptation 109, 177

than 3 total inches of rainfall—with the highest number of extreme precipitation events occurring in the report’s final 4-year period (2015–2018).<sup>26</sup>



(Source: North Carolina Climate Science Report)

Furthermore, most parts of North Carolina will see an increase in the number of days with 3 inches or more of precipitation for both midcentury time periods. Based on the virtual certainty that water vapor in the atmosphere will increase with global warming, the risk of extreme precipitation will also increase everywhere in the state.<sup>27</sup> In addition, tropical cyclones are expected to produce heavier precipitation, and the strongest storms are projected to become even more catastrophic in the future. Given the link between extreme precipitation and flooding, future increases in heavy rainfall will cause increased flooding across the state.<sup>28</sup>

**b. The proposed disclosures will provide North Carolina homebuyers with critical information regarding flood risk**

As flooding becomes increasingly frequent and financially disruptive to North Carolinians, flood risk emerges as a key element of real estate transactions. Despite this mounting evidence, North Carolina’s Disclosure Statement requires only the barest of disclosures, preventing a buyer from knowing about a property’s actual risk and history of flooding. The four proposed additions to the Disclosure Statement would provide homebuyers with critical information currently unavailable to them. Further, North Carolina’s flood risk disclosures lag those of other similarly

<sup>26</sup> Kunkel, *supra* note 7 at 66.

<sup>27</sup> *Id.*

<sup>28</sup> *Id.* at 187

positioned states.<sup>29</sup> Adding the proposed questions to the Disclosure Statement would bring North Carolina in line with other Southern states that are feeling the impacts of increased flooding, including Texas, Louisiana, and Mississippi.

Question 29 in the current Disclosure Statement asks the following:

*Is the property subject to a flood hazard or is the property located in a federally designated flood hazard area?*<sup>30</sup>

The only currently required flood-related disclosure in the Disclosure Statement lacks the requisite specificity to adequately inform potential homebuyers about flood risks and past incidents of flood damage. It presumes that a flood map provides an accurate snapshot of flood risks, which may not be a correct assumption given that FEMA flood maps can be outdated.<sup>31</sup> Per FEMA's Community Status Book Report for North Carolina, 64 percent of North Carolina's flood maps are outdated.<sup>32</sup>

However, even if a flood map is up-to-date, it does not tell a buyer a complete picture. Per FEMA, people outside of FEMA-mapped floodplains file more than 20 percent of NFIP claims and receive one-third of disaster assistance for flooding.<sup>33</sup> Further, FEMA flood maps do not capture so-called urban flooding events nor flooding caused by overburdened storm sewer systems during sudden localized rainstorms. As such, there are numerous situations in which a property could flood that are not reflected by FEMA flood maps. While flood maps can be a useful source of information, they should not be relied upon as the sole piece of information.

A critical indicator of whether a property will flood in the future is whether it has flooded in the past. The best way for a homebuyer to find out that information is through disclosure by the current property owner. Similarly, whether a past homeowner has filed for flood damage with an insurance provider would give a homebuyer important information about the potential for flooding and the severity of damage, which can only be provided by the current owner. Petitioners' proposed Questions 30 and 31 directly elicit this crucial information.

A potential buyer in North Carolina cannot currently ascertain whether the home carries existing insurance due to flooding risk because the current Disclosure Statement fails to elicit this information directly. Petitioners' proposed Question 32 addresses this gap by asking sellers to provide this crucial information, including the current premium amount.

Currently, there is no specific requirement in North Carolina to disclose information that would inform a buyer about whether a property is federally mandated to be covered by flood

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<sup>29</sup> See, NRDC, *How States Stack Up on Flood Disclosure*, <https://www.nrdc.org/flood-disclosure-map>; see also FEMA, *supra* note 5 at 16 – 18.

<sup>30</sup> 21 NCAC 58A. 0114

<sup>31</sup> DHS Office of the Inspector General, OIG-17-110, *FEMA Needs to Improve Management of Its Flood Mapping Programs* (Sept. 27, 2017) available at <https://www.oig.dhs.gov/sites/default/files/assets/2017/OIG-17-110-Sep17.pdf>

<sup>32</sup> *Id.* at 2.

<sup>33</sup> FEMA, National Flood Insurance Program Fact Sheet, [https://www.fema.gov/sites/default/files/2020-07/fema\\_NFIP\\_National-Flood-Insurance-Program-Fact-Sheet\\_May-2016.pdf](https://www.fema.gov/sites/default/files/2020-07/fema_NFIP_National-Flood-Insurance-Program-Fact-Sheet_May-2016.pdf)



insurance.<sup>34</sup> For properties that have received federal disaster assistance in the past, the requirement to obtain flood insurance passes down to all future owners.<sup>35</sup> For these properties, failure to obtain and maintain flood insurance, even if the future owner is unaware that it was required, can result in an individual being ineligible for federal assistance.<sup>36</sup> Petitioners' proposed Question 33 would address this shortcoming in the Disclosure Statement.

Another tool in predicting whether a property will flood in the future is a FEMA elevation certificate. This form, completed by a licensed surveyor or engineer, provides critical information about the flood risk of a property and is used by flood insurance providers under the National Flood Insurance Program to help determine the appropriate flood insurance rating for the property. Petitioners' proposed Question 34 would provide a buyer with this tool, which could be especially useful as a buyer may be able to use the elevation certificate from a previous owner for securing their flood insurance coverage.

According to FEMA, two-thirds of states have more explicit flood-related disclosure requirements than North Carolina.<sup>37</sup> Other states' disclosure forms, like the aforementioned Louisiana, Mississippi, and Texas, require disclosure of the following: the presence of an active insurance policy, the current cost of flood insurance premiums, previous flood events and/or flood-related property damage, any past flood insurance claims, including dates and amounts, any past disaster-related aid provided (federal, state, or local), including dates and amounts, and the presence of a flood elevation certificate (Exhibits 1-3). In comparison, North Carolina's Disclosure Statement falls short in informing buyers about flood risks.

Adding proposed Questions 30-34 to the Disclosure Statement would bring North Carolina closer to flood disclosure best practices in real estate transactions. These questions elicit information on past flooding history, claims with the National Flood Insurance Program, flood insurance, assistance from local and federal sources, and FEMA elevation certificates. A buyer cannot make an informed decision about purchasing a home without knowledge of flood risk. Knowledge of flood risk informs the price someone is willing to pay for a home, and the actions taken to reduce a home's flood risk and, by extension, adequately protect lives and property. Sellers of residential property in North Carolina are not currently required to disclose adequate information related to flooding risk to buyers, though this information is often only available to them and not in any other person's possession. Though a FEMA flood map can give a general sense of a property's flood risk, it does not tell a buyer if a specific home has flooded in the past. The current owner of a property should know when flooding occurred, what parts of a property or home were damaged, and what the cost and extent of repairs were, among other things. The proposed questions are therefore necessary to safeguard buyers during an asymmetrical process where sellers have access to crucial information without being required to disclose it.

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<sup>34</sup> Stafford Act, 42 U.S.C. 5154 (a), Sec. 311 (a), available at [https://www.fema.gov/sites/default/files/documents/fema\\_stafford\\_act\\_2021\\_vol1.pdf](https://www.fema.gov/sites/default/files/documents/fema_stafford_act_2021_vol1.pdf); NRDC, How States Stack Up on Flood Disclosure, <https://www.nrdc.org/flood-disclosure-map>, <https://www.nrdc.org/flood-disclosure-map>

<sup>35</sup> 4 NRDC, How States Stack Up on Flood Disclosure, <https://www.nrdc.org/flood-disclosure-map>

<sup>36</sup> *Id.*

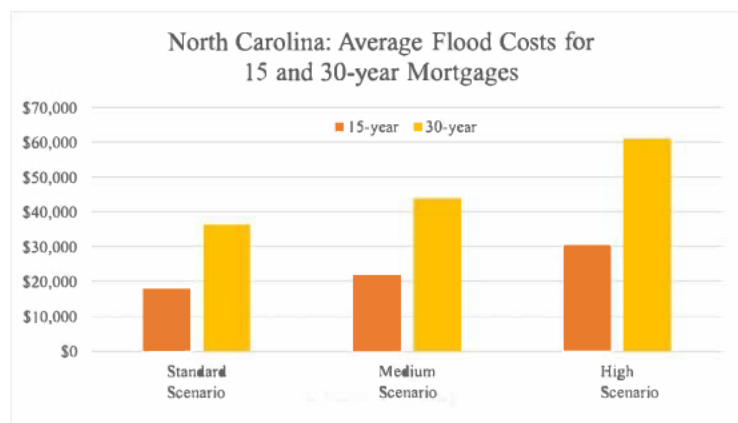
<sup>37</sup> FEMA, *supra* note 5 at 3.

**c. The proposed amendments will empower homebuyers to mitigate the risks of a flood-prone home**

Floods and storm-related costs can be financially devastating for North Carolinians. A recent NRDC-commissioned research study by Milliman, an independent actuarial consulting firm, found that a home buyer of a previously flooded home can incur tens of thousands of dollars in flood damage costs over the course of his or her mortgage.<sup>38</sup> Homes that have previously flooded are more likely to flood again, and the average damage associated with previously flooded homes is significantly higher than with homes that have not previously flooded.<sup>39</sup>

The study found that over the life of a 15-year mortgage, the average buyer of a previously flooded home in North Carolina can expect to incur \$18,164 in additional flood damages.<sup>40</sup> Home buyers with 30-year mortgages incur \$36,328 in additional costs compared to owners of homes without a history of flooding.<sup>41</sup>

Climate change will only exacerbate flood damage costs. As shown below, these costs are significant: a homeowner with a 15-year mortgage faces increased costs of \$22,009 in the medium climate scenario and \$30,512 in the high climate scenario.<sup>42</sup> The same homeowner with a 30-year mortgage faces \$44,018 in expected costs under the medium climate scenario and \$61,025 under the high climate scenario.<sup>43</sup>



These proposed amendments to the Disclosure Statement will give all future home buyers in North Carolina adequate information to make a better-informed decision about one of their most important financial decisions.

<sup>38</sup> David D. Evans, Larry Baeder, *Estimating Undisclosed Flood Risk in Real Estate Transactions* (Aug. 2022), available at [https://www.milliman.com/-/media/milliman/pdfs/2022-articles/7-29-22\\_nrdc-estimating-undisclosed-flood-risk.ash](https://www.milliman.com/-/media/milliman/pdfs/2022-articles/7-29-22_nrdc-estimating-undisclosed-flood-risk.ash)

<sup>39</sup> *Id.* at 1.

<sup>40</sup> *Id.* at 6.

<sup>41</sup> *Id.*

<sup>42</sup> *Id.*

<sup>43</sup> *Id.*

**d. Strong, bi-partisan support for flood disclosure exists in North Carolina**

North Carolina voters strongly support requiring property owners to disclose a home's flood history to prospective buyers. Per an NRDC-commissioned survey by the Global Strategy Group, more than 80 percent of surveyed North Carolinians support such a requirement (*see* Exhibit 4). This support was firmly bi-partisan; 86 percent of respondents identifying as Democrat and 80 percent of respondents identifying as Republican supported the disclosure of a home's flood history. Further, 82 percent of respondents identified with the statement "This policy is the right thing to do because it will allow . . . buyers to have full knowledge of the condition and history of property" versus 11 percent of respondents who identified with the statement that "This policy is wrong thing to do because it will add more burdensome regulations." North Carolinian voters overwhelmingly support flood disclosure, viewing it as benefiting home buyers, public safety, and coastal communities.

**V. STATEMENT OF THE EFFECT ON EXISTING RULES OR ORDERS**

The proposed rulemaking will amend the Disclosure Statement to adequately require the disclosure of a property's flood history and flood risk as outlined in the previous sections. The proposed amendment will not affect any other existing rules or forms.

**VI. THE NAME AND ADDRESS OF PETITIONERS**

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Chicago, IL 60606

The North Carolina Justice Center  
224 South Dawson Street  
Raleigh, NC 27601

MDC Inc.  
307 West Main St  
Durham, NC 27701

The North Carolina Disaster Recovery and Resilience School  
c/o Southern Vision Alliance  
PO Box 51698  
Durham NC 27712

Robeson County Church and Community Center  
600 West 5th Street  
Lumberton, NC 28358

NC Field  
327 North Queen Street  
Suite 315  
Kinston, NC 28501

**VII. REQUEST TO PRESENT THIS PETITION TO THE COMMITTEE**

Petitioners request the opportunity to present this petition for rulemaking to the Commission.

Respectfully submitted this the 1<sup>st</sup> day of December 2022.

**EXHIBIT 1**  
**LOUISIANA PROPERTY**  
**DISCLOSURE FORM**  
**Section 6**

**PROPERTY DISCLOSURE EXEMPTION FORM**

In accordance with LSA-R.S. 9:3196-3200, a SELLER of residential real property must furnish BUYERS with a Property Disclosure Document. A complete copy of these statutes can be found at <http://www.legis.la.gov/>. The required Property Disclosure Document may be in the form promulgated by the Louisiana Real Estate Commission ("Commission") or in another form that contains substantially the same information. The Commission form can be found at [www.lrec.gov](http://www.lrec.gov).

**WHO IS REQUIRED TO MAKE DISCLOSURE? ALL SELLERS are required to make written disclosure of known defects\* regarding a property being transferred.** A SELLER'S obligation to furnish a Property Disclosure Document applies to any transfer of any interest in residential real property, whether by sale, exchange, bond for deed, lease with option to purchase, etc. The following transfers are exempt from the requirement to provide a property disclosure document:

**CHECK ALL THAT APPLY**

- ☐ 1. Transfers ordered by a court, including but not limited to a transfer ordered by a court in the administration of an estate, a transfer pursuant to a writ of execution, a transfer by any foreclosure sale, a transfer by a trustee in bankruptcy, a transfer by eminent domain, and any transfer resulting from a decree of specific performance.
- ☐ 2. Transfers to a mortgagee by a mortgagor or successor in interest who is in default.
- ☐ 3. Transfers by a mortgagee who has acquired the residential real property at a sale conducted pursuant to a power of sale under a mortgage or a sale pursuant to decree of foreclosure, or who has acquired the residential property by a deed in lieu of foreclosure.
- ☐ 4. Transfers by a fiduciary in the course of administration of a decedent's estate, guardianship, conservatorship, or trust.
- ☐ 5. Transfers of newly constructed residential real property, which has never been occupied.
- ☐ 6. Transfers from one or more co-owners solely to one or more of the remaining co-owners.
- ☐ 7. Transfers from the succession executor or administrator pursuant to testate or intestate succession.
- ☐ 8. Transfers of residential real property that will be converted by the BUYER into a use other than residential use.
- ☐ 9. Transfers of residential real property to a spouse or relative in the line of consanguinity (blood line).
- ☐ 10. Transfers between spouses resulting from a judgment of divorce or a judgment of separate maintenance or from a property settlement agreement incidental to such a judgment.
- ☐ 11. Transfers or exchanges to or from any governmental entity.
- ☐ 12. Transfers from an entity that has acquired title or assignment of a real estate contract to a piece of residential real property to assist the prior owner in relocating, as long as the entity makes available to the BUYER a copy of the property disclosure statement, any inspection reports if any furnished to the entity by the prior owner, or both.
- ☐ 13. Transfers to an inter vivos trust.
- ☐ 14. Acts that, without additional consideration and without changing ownership or ownership interest, confirm, correct, modify, or supplement a deed or conveyance previously recorded.
- ☐ 15. NONE OF THE EXEMPTIONS ABOVE APPLY TO THE SELLER(S).

PROPERTY DESCRIPTION (ADDRESS, CITY, STATE ZIP)

\* **Known defect or defect** is a condition found within the property that was actually known by the SELLER and that results in one or all of the following:

- (a) It has a substantial adverse effect on the value of the property.
- (b) It significantly impairs the health or safety of future occupants of the property.
- (c) If not repaired, removed, or replaced, significantly shortens the expected normal life of the property.

**CHECK ONE BOX**

☐ **SELLER claims that he/she is exempt from filling out the Property Disclosure Document and declares that SELLER has no knowledge of known defects to the property.**

**OR**

☐ **SELLER has reviewed this Exemption page. SELLER does not claim any of the Exemptions listed on this page. Accordingly, SELLER will complete the Property Disclosure Form.**

SELLER (sign) \_\_\_\_\_ (print) \_\_\_\_\_ Date \_\_\_\_\_ Time \_\_\_\_\_

SELLER (sign) \_\_\_\_\_ (print) \_\_\_\_\_ Date \_\_\_\_\_ Time \_\_\_\_\_

SELLER (sign) \_\_\_\_\_ (print) \_\_\_\_\_ Date \_\_\_\_\_ Time \_\_\_\_\_

SELLER (sign) \_\_\_\_\_ (print) \_\_\_\_\_ Date \_\_\_\_\_ Time \_\_\_\_\_

Received by:

BUYER (sign) \_\_\_\_\_ (print) \_\_\_\_\_ Date \_\_\_\_\_ Time \_\_\_\_\_

BUYER (sign) \_\_\_\_\_ (print) \_\_\_\_\_ Date \_\_\_\_\_ Time \_\_\_\_\_

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BUYER (sign) \_\_\_\_\_ (print) \_\_\_\_\_ Date \_\_\_\_\_ Time \_\_\_\_\_

## PROPERTY DISCLOSURE DOCUMENT

In accordance with LSA-R.S. 9:3196-3200, a SELLER of residential real property must furnish BUYERS with a Property Disclosure Document. A complete copy of these statutes can be found at [www.legis.la.gov](http://www.legis.la.gov). The required Property Disclosure Document may be in the form promulgated by the Louisiana Real Estate Commission ("Commission") or in another form that contains substantially the same information. The Commission form can be found at [www.lrec.gov](http://www.lrec.gov).

**RIGHTS OF BUYER AND CONSEQUENCES FOR FAILURE TO DISCLOSE:** If the Property Disclosure Document is delivered after the BUYER makes an offer, the BUYER can terminate any resulting real estate contract or withdraw the offer for up to **72 hours** after receipt of the Property Disclosure Document. This termination or withdrawal will be without penalty to the BUYER and any deposit or earnest money must be promptly returned to the BUYER (despite any agreement to the contrary).

**DUTIES OF REAL ESTATE LICENSEES AND CONSEQUENCES FOR FAILURE TO FULFILL SUCH DUTIES:** Louisiana law requires real estate licensees to inform their clients of those clients' duties and rights in connection with the Property Disclosure Document. Failure to inform could subject the licensee to censure or suspension or revocation of their license, as well as fines. The licensee is not liable for any error, inaccuracy, or omission in a Property Disclosure Document, unless the licensee has actual knowledge of the error, inaccuracy, or omission by the SELLER.

### KEY DEFINITIONS:

- **Residential real property** or property is real property consisting of one or not more than four residential dwelling units, which are buildings or structures each of which are occupied or intended for occupancy as single-family residences.
- **Known defect or defect** is a condition found within the property that was actually known by the SELLER and that results in one or all of the following:
  - (a) It has a substantial adverse effect on the value of the property.
  - (b) It significantly impairs the health or safety of future occupants of the property.
  - (c) If not repaired, removed, or replaced, significantly shortens the expected normal life of the property.

### OTHER IMPORTANT PROVISIONS OF THE LAW:

- **A Property Disclosure Document shall NOT be considered a warranty by the SELLER.**
- **A Property Disclosure Document is for disclosure purposes only; it is not intended to be part of any contract between the SELLER and the BUYER.**
- **The Property Disclosure Document may not be used as a substitute for any inspections or warranties that the BUYERS or SELLER may obtain.**
- **Nothing in this law precludes the rights or duties of a BUYER to inspect the physical condition of the property.**
- **The SELLER shall not be liable for any error, inaccuracy, or omission, of any information required to be delivered to the BUYERS if the error, inaccuracy, or omission, was not a willful misrepresentation, according to the best of the SELLER's information, knowledge and belief or was based on information provided by a public body or another person with a professional license or special knowledge, who provided a written or oral report or opinion that the SELLER reasonably believed to be correct and which was transmitted by the SELLER to the BUYER.**

BUYER'S Initials: \_\_\_\_\_ BUYER'S Initials: \_\_\_\_\_ SELLER'S Initials: \_\_\_\_\_ SELLER'S Initials: \_\_\_\_\_

BUYER'S Initials: \_\_\_\_\_ BUYER'S Initials: \_\_\_\_\_ SELLER'S Initials: \_\_\_\_\_ SELLER'S Initials: \_\_\_\_\_



PROPERTY DESCRIPTION (ADDRESS, CITY, STATE ZIP)

The following representations are made by the SELLER and **NOT** by any real estate licensee.  
It is not a substitute for any inspections or professional advice the BUYER may wish to obtain.  
The following information is based only upon the SELLER's actual knowledge of the property. The SELLER  
can only disclose what the SELLER actually knows. The SELLER may not know about all material or  
significant items affecting the property.

Y = Yes

N = No

NK = No Knowledge

**SECTION 1: LAND**

- (1) What is the length of ownership of the property by the SELLER? \_\_\_\_\_
- (2) Lot size or acres \_\_\_\_\_
- (3) Are you aware of any servitudes/encroachments regarding the property, other than typical/customary utility servitudes, that would affect the use of the property? ☐ Y ☐ N
- (4) Are you aware of any rights vested in others? Check all that apply and explain at the end of this section.
- |                            |                            |                            |                 |                            |                            |
|----------------------------|----------------------------|----------------------------|-----------------|----------------------------|----------------------------|
| Timber rights              | <input type="checkbox"/> Y | <input type="checkbox"/> N | Common driveway | <input type="checkbox"/> Y | <input type="checkbox"/> N |
| Right of ingress or egress | <input type="checkbox"/> Y | <input type="checkbox"/> N | Mineral rights  | <input type="checkbox"/> Y | <input type="checkbox"/> N |
| Right of way               | <input type="checkbox"/> Y | <input type="checkbox"/> N | Surface rights  | <input type="checkbox"/> Y | <input type="checkbox"/> N |
| Right of access            | <input type="checkbox"/> Y | <input type="checkbox"/> N | Air rights      | <input type="checkbox"/> Y | <input type="checkbox"/> N |
| Servitude of passage       | <input type="checkbox"/> Y | <input type="checkbox"/> N | Usufruct        | <input type="checkbox"/> Y | <input type="checkbox"/> N |
| Servitude of drainage      | <input type="checkbox"/> Y | <input type="checkbox"/> N | Other           | _____                      |                            |
- (5) Has any part of the property been determined to be or pending determination as a wetland by the United States Army Corps of Engineers under §404 of the Clean Water Act? ☐ Y ☐ N ☐ NK

*If yes, documentation shall be attached and become a part of this Property Disclosure Document.*

The Clean Water Act is a federal law that protects the wetlands of the United States. Section 404 of the Act contains permit requirements for altering or building on property that has been determined a wetland by the Army Corps of Engineers. The Corps may assess a fee to the **SELLER** or **BUYER** of a property for this determination. A property that has been determined a wetland may result in additional costs for a Section 404 permit.

Question Number      Explanation of "Yes" answers      ☐ Additional sheet is attached

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**SECTION 2: TERMITES, WOOD-DESTROYING INSECTS AND ORGANISMS**

- (6) Has the property ever had termites or other wood-destroying insects or organisms?
- (a) during the time the SELLER owned the property? ☐ Y ☐ N
- (b) prior to the time the SELLER owned the property? ☐ Y ☐ N ☐ NK
- (c) Was there any damage to the property? ☐ Y ☐ NK
- (d) Was the damage repaired? ☐ Y ☐ NK

BUYER'S Initials: \_\_\_\_\_ BUYER'S Initials: \_\_\_\_\_ SELLER'S Initials: \_\_\_\_\_ SELLER'S Initials: \_\_\_\_\_

BUYER'S Initials: \_\_\_\_\_ BUYER'S Initials: \_\_\_\_\_ SELLER'S Initials: \_\_\_\_\_ SELLER'S Initials: \_\_\_\_\_

PROPERTY DESCRIPTION (ADDRESS, CITY, STATE ZIP)

(7) If the property is currently under a termite contract provide the following:

- (a) Name of company \_\_\_\_\_
- (b) Date contract expires \_\_\_\_\_
- (c) List any structures not covered by contract \_\_\_\_\_

Question Number Explanation of "Yes" answers ☐ Additional sheet is attached

Question Number	Explanation of "Yes" answers	<input type="checkbox"/> Additional sheet is attached

**SECTION 3: STRUCTURE(S)**

(8) What is the approximate age of all structures on property? Main structure \_\_\_\_\_  
Other structures \_\_\_\_\_

(9) Have there been any additions or alterations made to the structures during the time the SELLER owned the property? ☐ Y ☐ N  
If yes, were the necessary permits and inspections obtained for all additions or alterations? ☐ Y ☐ N ☐ NK

(10) What is the approximate age of the roof of each structure? Main structure \_\_\_\_\_  
Other structures \_\_\_\_\_

(11) Are you aware of any defects regarding the following? Check all that apply and if yes, explain at the end of this section.

Roof	<input type="checkbox"/> Y <input type="checkbox"/> N	Irrigation system	<input type="checkbox"/> Y <input type="checkbox"/> N
Interior walls	<input type="checkbox"/> Y <input type="checkbox"/> N	Ceilings	<input type="checkbox"/> Y <input type="checkbox"/> N
Floor	<input type="checkbox"/> Y <input type="checkbox"/> N	Exterior walls	<input type="checkbox"/> Y <input type="checkbox"/> N
Attic spaces	<input type="checkbox"/> Y <input type="checkbox"/> N	Foundation	<input type="checkbox"/> Y <input type="checkbox"/> N
Porches	<input type="checkbox"/> Y <input type="checkbox"/> N	Basement	<input type="checkbox"/> Y <input type="checkbox"/> N
Steps/Stairways	<input type="checkbox"/> Y <input type="checkbox"/> N	Overhangs	<input type="checkbox"/> Y <input type="checkbox"/> N
Pool	<input type="checkbox"/> Y <input type="checkbox"/> N	Railings	<input type="checkbox"/> Y <input type="checkbox"/> N
Decks	<input type="checkbox"/> Y <input type="checkbox"/> N	Spa	<input type="checkbox"/> Y <input type="checkbox"/> N
Windows	<input type="checkbox"/> Y <input type="checkbox"/> N	Patios	<input type="checkbox"/> Y <input type="checkbox"/> N
		Other	_____

(12) Has there ever been any property damage, including, but not limited to, fire, wind, hail, lightning, or other property damage, excluding flood damage referenced in Section 6?

(a) during the time the SELLER owned the property? ☐ Y ☐ N  
(b) prior to the time the SELLER owned the property? ☐ Y ☐ N ☐ NK  
If yes, detail all property damages/defects and repair status at the end of this section.

(13) Has there been any foundation repair?

(a) during the time the SELLER owned the property? ☐ Y ☐ N  
(b) prior to the time the SELLER owned the property? ☐ Y ☐ N ☐ NK  
(c) Is there a transferable warranty available? ☐ Y ☐ N ☐ NK  
(d) If yes, provide the name of warranty company \_\_\_\_\_

BUYER'S Initials: \_\_\_\_\_ BUYER'S Initials: \_\_\_\_\_ SELLER'S Initials: \_\_\_\_\_ SELLER'S Initials: \_\_\_\_\_  
BUYER'S Initials: \_\_\_\_\_ BUYER'S Initials: \_\_\_\_\_ SELLER'S Initials: \_\_\_\_\_ SELLER'S Initials: \_\_\_\_\_

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- (14) Does the property contain exterior insulation and finish system (EIFS) or other synthetic stucco? ☐ Y ☐ N ☐ NK
- Question Number Explanation of "Yes" answers ☐ Additional sheet is attached

**SELLER** shall complete and provide the "Disclosure on Lead-Based Paint and Lead-Based Paint Hazard Addendum" that is included with this property disclosure if any structure was built before 1978.

**SECTION 4: PLUMBING, WATER, GAS, AND SEWAGE**

- (15) Are you aware of any defects with the plumbing system?  
(a) during the time the SELLER owned the property? ☐ Y ☐ N  
(b) prior to the time the SELLER owned the property? ☐ Y ☐ N ☐ NK
- (16) Are there any known defects with the water piping?  
(a) during the time the SELLER owned the property? ☐ Y ☐ N  
(b) prior to the time the SELLER owned the property? ☐ Y ☐ N ☐ NK  
(c) The water is supplied by:  
☐ Municipality ☐ Private utility ☐ On-site system ☐ Shared well system ☐ None  
(d) How many private wells service the primary residence only? \_\_\_\_\_  
(e) If there are private wells, when was the water last tested? Date \_\_\_\_\_ Results \_\_\_\_\_  
(f) Are you aware of any polybutylene piping in the structure? ☐ Y ☐ N ☐ NK
- (17) Is there gas service available to the property? ☐ Y ☐ N ☐ NK  
(a) If yes, what type? ☐ Butane ☐ Natural ☐ Propane  
(b) If yes, are there any known defects with the gas service? ☐ Y ☐ NK  
(c) If Butane or Propane, are tanks ☐ Owned or ☐ Leased
- (18) Are there any known defects with any water heater?  
(a) during the time the SELLER owned the property? ☐ Y ☐ N  
(b) prior to the time the SELLER owned the property? ☐ Y ☐ N ☐ NK
- (19) The sewerage service is supplied by: ☐ Municipality ☐ Community ☐ Other \_\_\_\_\_  
(a) How many private sewer systems service the primary residence only? \_\_\_\_\_  
(b) Is the property serviced by a pump grinder system? ☐ Y ☐ N ☐ NK

Question Number Explanation of "Yes" answers ☐ Additional sheet is attached

**SELLER** shall attach a private water/sewerage disclosure if the property described herein is not connected to a community sewerage system (i.e., any sewerage system which serves multiple homes/connections) or is not connected to a water system regulated by the Louisiana Department of Health.

BUYER'S Initials: \_\_\_\_\_ BUYER'S Initials: \_\_\_\_\_ SELLER'S Initials: \_\_\_\_\_ SELLER'S Initials: \_\_\_\_\_  
BUYER'S Initials: \_\_\_\_\_ BUYER'S Initials: \_\_\_\_\_ SELLER'S Initials: \_\_\_\_\_ SELLER'S Initials: \_\_\_\_\_

## SECTION 5: ELECTRICAL, HEATING AND COOLING, APPLIANCES

- (20) Are there any known defects with the electrical system?
- (a) during the time the SELLER owned the property? ☐ Y ☐ N
- (b) prior to the time the SELLER owned the property? ☐ Y ☐ N ☐ NK
- (c) Are you aware of any aluminum wiring in the structure? ☐ Y ☐ N ☐ NK
- (21) Are there any known defects with the heating or cooling systems?
- (a) during the time the SELLER owned the property? ☐ Y ☐ N
- (b) prior to the time the SELLER owned the property? ☐ Y ☐ N ☐ NK
- (22) If a fireplace(s) exists, is it working? ☐ Y ☐ N ☐ NK
- (23) Are there any known defects in any permanently installed or built-in appliances?
- (a) during the time the SELLER owned the property? ☐ Y ☐ N
- (b) prior to the time the SELLER owned the property? ☐ Y ☐ N ☐ NK
- (24) What type of security system is installed? (check all that apply)
- (a) ☐ None ☐ Security Alarm ☐ Fire ☐ Audio/Video surveillance
- (b) Are the above security systems ☐ Leased or ☐ Owned

Question Number Explanation of "Yes" answers ☐ Additional sheet is attached


## SECTION 6: FLOOD, FLOOD ASSISTANCE, AND FLOOD INSURANCE

- (25) Has any flooding, water intrusion, accumulation, or drainage problem been experienced with respect to the land:
- (a) during the time the SELLER owned the property? ☐ Y ☐ N
- If yes, indicate the nature and frequency of the defect at the end of this section.
- (b) prior to the time the SELLER owned the property? ☐ Y ☐ N ☐ NK
- If yes, indicate the nature and frequency of the defect at the end of this section.
- (26) Has any structure on the property ever flooded, by rising water, water intrusion or otherwise?
- (a) during the time the SELLER owned the property? ☐ Y ☐ N
- (b) prior to the time the SELLER owned the property? ☐ Y ☐ N ☐ NK
- If yes, give the nature and frequency of the defect at the end of this section.
- (27) What is/are the flood zone classification(s) of the property? \_\_\_\_\_ What is the source and date of this information? Check all that apply.
- ☐ Survey/Date \_\_\_\_\_ ☐ Elevation Certificate/Date \_\_\_\_\_ ☐ Other/Date \_\_\_\_\_
- ☐ FEMA Flood Map - <https://msc.fema.gov/portal>
- ☐ <https://www.floodsmart.gov/flood-map-zone/find-yours>
- ☐ Other: \_\_\_\_\_ (please provide)

BUYER'S Initials: \_\_\_\_\_ BUYER'S Initials: \_\_\_\_\_ SELLER'S Initials: \_\_\_\_\_ SELLER'S Initials: \_\_\_\_\_

BUYER'S Initials: \_\_\_\_\_ BUYER'S Initials: \_\_\_\_\_ SELLER'S Initials: \_\_\_\_\_ SELLER'S Initials: \_\_\_\_\_

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PROPERTY DESCRIPTION (ADDRESS, CITY, STATE ZIP)

- (28) SPECIAL FLOOD HAZARD AREAS. If the property is located within a designated special flood hazard area on a map prepared by the Federal Emergency Management Agency, the federal law (42 U.S.C. § 4104a, et seq.), mandates that prospective purchasers be advised that flood insurance may be required as a condition of obtaining financing. Is the property within a designated special flood hazard area? ☐ Y ☐ N
- (29) Is there flood insurance on the property? ☐ Y ☐ N

**IF YES, A COPY OF THE POLICY DECLARATIONS PAGE SHALL BE ATTACHED AND BECOME PART OF THIS PROPERTY DISCLOSURE DOCUMENT.**

**PRIVATE FLOOD INSURANCE**

- (30) Does SELLER have a flood elevation certificate that will be shared with BUYER? ☐ Y ☐ N
- (31) Has the SELLER made a private flood insurance claim for this property? ☐ Y ☐ N ☐ NK
- (a) If YES, was the claim approved? ☐ Y ☐ N ☐ NK
- (b) If YES, what was the amount received? \_\_\_\_\_
- (32) Did the previous owner make a private flood insurance claim for this property? ☐ Y ☐ N ☐ NK
- (a) If YES, was the claim approved? ☐ Y ☐ N ☐ NK
- (b) If YES, what was the amount received? \_\_\_\_\_

**NATIONAL FLOOD INSURANCE PROGRAM (NFIP)**

- (33) Has the SELLER made an NFIP claim for this property?
- (a) If YES, was the claim approved? ☐ Y ☐ N ☐ NK
- (b) If YES, what was the amount received? \_\_\_\_\_
- (34) Did the previous owner make an NFIP for this property?
- (a) If YES, was the claim approved? ☐ Y ☐ N ☐ NK
- (b) If YES, what was the amount received? \_\_\_\_\_

**FEDERAL DISASTER ASSISTANCE**

- (35) FLOOD DISASTER INSURANCE. If the SELLER or previous owner has previously received federal flood disaster assistance and such assistance was conditioned upon obtaining and maintaining flood insurance on the property, federal law, i.e., 42 U.S.C. § 5154a, mandates that prospective purchasers be advised that they will be required to maintain insurance on the property and that if insurance is not maintained and the property is thereafter damaged by a flood disaster, the purchaser may not be eligible for additional Federal flood disaster assistance. To the best of the SELLER's knowledge, has federal flood disaster assistance been previously received with regard to the property? ☐ Y ☐ N ☐ NK
- (a) If YES, from which federal agency (e.g., FEMA, SBA)? \_\_\_\_\_
- (b) If YES, what was the amount received? \_\_\_\_\_
- (c) If YES, what was the purpose of the assistance (e.g., elevation, mitigation, restoration)? \_\_\_\_\_

BUYER'S Initials: \_\_\_\_\_ BUYER'S Initials: \_\_\_\_\_ SELLER'S Initials: \_\_\_\_\_ SELLER'S Initials: \_\_\_\_\_

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PROPERTY DESCRIPTION (ADDRESS, CITY, STATE ZIP)

**ROAD HOME PROGRAM**

- (36) Was SELLER a recipient of a **Road Home** grant? ☐ Y ☐ N ☐ NK
- (37) Was a previous owner of the property a recipient of a **Road Home** grant? ☐ Y ☐ N ☐ NK  
If YES, complete (a) - (c.) below.
- (a) Is the property subject to the Road Home Declaration of Covenants Running with the Land or other requirements to obtain and maintain flood insurance on the property? ☐ Y ☐ N ☐ NK
- (b) If YES, attach a copy of the Road Home Program Declaration of Covenants other requirements to obtain and maintain flood insurance on the property.
- (c) Has SELLER OR PREVIOUS OWNER(S) personally assumed any terms of the Road Home Program Grant Agreement? ☐ Y ☐ N ☐ NK

Question Number      Explanation of "Yes" answers ☐ Additional sheet is attached

_____	_____
_____	_____
_____	_____

**SECTION 7: MISCELLANEOUS**

- (38) Are you aware of any building restrictions or restrictive covenants which may provide for restrictions as to the use of the property or as to the type of construction or materials to be used in the construction of any of structure on the property? ☐ Y ☐ N
- (39) What is the zoning of the property? \_\_\_\_\_  
Has it ever been zoned for commercial or industrial? ☐ Y ☐ NK
- (40) Is the property located in an historic district? ☐ Y ☐ N ☐ NK  
If yes, which historic district? \_\_\_\_\_. (See attached disclosure)
- (41) Are you aware of any conflict with current usage of the property and any zoning, building, and/or safety restrictions? ☐ Y ☐ N
- (42) Are you aware of any current governmental liens or taxes owing on the property? ☐ Y ☐ N
- (43) Is membership in a homeowners' association (HOA), condominium owners' association (COA), or property owners' association (POA) required as the result of owning this property? ☐ Y ☐ N
- (a) Are any HOA, COA, or POA dues required? ☐ Y ☐ N  
If yes, what is the amount? \$\_\_\_\_\_per \_\_\_\_\_
- (b) Are there any current or pending special assessments? ☐ Y ☐ N ☐ NK  
If yes, what is the amount? \$\_\_\_\_\_per \_\_\_\_\_
- (c) Provide contact information (name, e-mail or phone number) for HOA, COA or POA. \_\_\_\_\_  
\_\_\_\_\_

**Any information contained in this property disclosure regarding homeowners' associations (HOA), condominium owners' associations (COA), or property owners' associations (POA) is summary in nature. The covenants and association governing documents are a matter of public record and can be obtained from the conveyance records on file at the Clerk of Court in the parish where the property is located.**

- (44) Are the streets accessing the property ☐ Private ☐ Public ☐ NK

BUYER'S Initials: \_\_\_\_\_ BUYER'S Initials: \_\_\_\_\_ SELLER'S Initials: \_\_\_\_\_ SELLER'S Initials: \_\_\_\_\_

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- (45) Is there a homestead exemption in effect? ☐ Y ☐ N ☐ NK
- (46) Is there any pending litigation regarding the property not previously disclosed in this document? ☐ Y ☐ N ☐ NK
- (47) Has an animal or pet ever inhabited the structure?  
(a) during the time the SELLER owned the property? ☐ Y ☐ N  
(b) prior to the time the SELLER owned the property? ☐ Y ☐ N ☐ NK
- (48) Does the property or any of its structures contain any of the following? Check all that apply and provide additional details at the end of this section.
- |                                       |   |                        |   |
|---------------------------------------|---|------------------------|---|
| Asbestos                              | <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NK | Formaldehyde           | <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NK |
| Radon gas                             | <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NK | Chemical storage tanks | <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NK |
| Contaminated soil                     | <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NK | Contaminated water     | <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NK |
| Hazardous waste                       | <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NK | Toxic Mold             | <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NK |
| Mold/Mildew                           | <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NK | Electromagnetic fields | <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NK |
| Contaminated drywall/sheetrock        | <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NK | Contaminated flooring  | <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NK |
| Other adverse materials or conditions | <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NK |                        |   |
- (49) Is there or has there ever been an illegal laboratory for the production or manufacturing of methamphetamine in operation on the property? ☐ Y ☐ N ☐ NK
- (50) Is there a cavity created within a salt stock by dissolution with water underneath the property? ☐ Y ☐ N ☐ NK
- (51) Is there a solution mining injection well within 2640 feet (1/2 mile) of the property? ☐ Y ☐ N ☐ NK
- (52) Are there any solar panels on the property? ☐ Y ☐ N ☐ NK
- If yes, are they: ☐ Leased ☐ Owned ☐ Removable ☐ Monthly Payment Amount \_\_\_\_\_

Question Number Explanation of "Yes" answers ☐ Additional sheet is attached


BUYER'S Initials: \_\_\_\_\_ BUYER'S Initials: \_\_\_\_\_ SELLER'S Initials: \_\_\_\_\_ SELLER'S Initials: \_\_\_\_\_  
BUYER'S Initials: \_\_\_\_\_ BUYER'S Initials: \_\_\_\_\_ SELLER'S Initials: \_\_\_\_\_ SELLER'S Initials: \_\_\_\_\_

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**PROPERTY DISCLOSURE DOCUMENT ACKNOWLEDGEMENTS**

All SELLERS are required to make written disclosure of known defects regarding a property being transferred. I/We attest that the above statements and explanations have been provided by me/us and are true and correct to the best of my/our knowledge. (If either party is represented by a real estate licensee, your signature below acknowledges that you have been informed of your duties and rights under LSA-R.S. 9:3196-3200 and have read and understand the informational statement.)

Seller(s) acknowledge(s) that the information contained herein is current as of the date shown below.

SELLER (sign) \_\_\_\_\_ (print) \_\_\_\_\_

Date \_\_\_\_\_ Time \_\_\_\_\_

SELLER (sign) \_\_\_\_\_ (print) \_\_\_\_\_

Date \_\_\_\_\_ Time \_\_\_\_\_

SELLER (sign) \_\_\_\_\_ (print) \_\_\_\_\_

Date \_\_\_\_\_ Time \_\_\_\_\_

SELLER (sign) \_\_\_\_\_ (print) \_\_\_\_\_

Date \_\_\_\_\_ Time \_\_\_\_\_

Buyer(s) signing below acknowledge(s) receipt of this property disclosure.

BUYER (sign) \_\_\_\_\_ (print) \_\_\_\_\_

Date \_\_\_\_\_ Time \_\_\_\_\_

BUYER (sign) \_\_\_\_\_ (print) \_\_\_\_\_

Date \_\_\_\_\_ Time \_\_\_\_\_

BUYER (sign) \_\_\_\_\_ (print) \_\_\_\_\_

Date \_\_\_\_\_ Time \_\_\_\_\_

BUYER (sign) \_\_\_\_\_ (print) \_\_\_\_\_

Date \_\_\_\_\_ Time \_\_\_\_\_



**EXHIBIT 2**  
**MISSISSIPPI PROPERTY**  
**CONDITION DISCLOSURE**  
**STATEMENT**  
**Section F**



## PROPERTY CONDITION DISCLOSURE STATEMENT (PCDS)

**THIS FORM MAY BE DUPLICATED BUT IT MAY NOT BE ALTERED OR PERSONALIZED BY THE SELLER(S), ANY BROKERAGE FIRM OR LICENSEE.**

The following is a Property Condition Disclosure Statement (PCDS) required by §89-1-507 through §89-1-527 of the Mississippi Real Estate Brokers Act of 1954, as Amended, and made by the **SELLER(S)** concerning the condition of the **RESIDENTIAL PROPERTY (1 TO 4 UNITS)** located at: \_\_\_\_\_.

**SELLER(S):** \_\_\_\_\_ Approximate Age of the Residence \_\_\_\_\_

This document is a disclosure of the condition of real property known by the SELLER on the date that this statement is signed and it is based on their actual knowledge of the property. It is **NOT a warranty of any kind** by the Seller or any Real Estate Licensee representing a principal in this transaction and this PCDS is not a substitute for any home inspection(s) or warranties the purchaser(s) may wish to obtain. However, the purchaser(s) may rely on the information contained herein when deciding to negotiate the terms for the purchase of the residential real property. This statement may be made available to other parties and **is to be attached to the Listing Agreement and signed by the SELLER(S).** This statement is **NOT** intended to be part of any contract between the seller and the purchaser.

**IF THE RESIDENCE IS NEW (NEVER OCCUPIED) OR PROPOSED RESIDENTIAL CONSTRUCTION** and a real estate licensee is involved in the transaction, the **BUILDER/OWNER/SELLER** must complete the PCDS in its entirety and should reference specific plans/specifications, building material lists and/or change orders.

**DO NOT LEAVE ANY QUESTIONS UNANSWERED AND DO NOT LEAVE BLANK SPACES.**  
**THE SELLER(S) MAY ATTACH ADDITIONAL PAGES IF NECESSARY TO FULLY EXPLAIN A PROPERTY'S CONDITION. THE ACRONYM "N/A" MAY BE USED FOR "NOT APPLICABLE" AND "UNK" MAY BE USED FOR "UNKNOWN".**

### A. GENERAL INFORMATION:

1. Does the Transferor/Seller currently have a deeded title to the residence? Yes \_\_\_\_ No \_\_\_\_\_. If "YES", when did the current Seller receive the title to the property? \_\_\_\_\_.
2. Does the Transferor/Seller currently occupy the residence? Yes \_\_\_\_ No \_\_\_\_\_. If "YES", has the current seller ever occupied the residence? Yes \_\_\_\_ No \_\_\_\_\_. If "YES", what were the dates of Occupancy? \_\_\_\_\_.
3. Is the site improved with a Factory Built (Manufactured Housing Unit) or a Modular Home constructed on a permanent foundation? Yes \_\_\_\_ No \_\_\_\_\_. If "YES", indicate the Home Identification number on the Data Plate \_\_\_\_\_.
4. Was the residence built in conformity with an approved building code? Yes \_\_\_\_ No \_\_\_\_ Unknown \_\_\_\_\_. If "YES", was a PERMIT secured from the City/County Building Authority? Yes \_\_\_\_ No \_\_\_\_ Unknown \_\_\_\_\_.
5. Do you have a Home Inspection Report which was completed for you? Yes \_\_\_\_ No \_\_\_\_\_. If "YES", is the report available for review by a prospective purchaser? Yes \_\_\_\_ No \_\_\_\_\_.

### B. STRUCTURAL ITEMS & SOILS:

1. Are you aware of any settlement/heaving of soils, any collapsible or expansive soils or poorly compacted fill on the Property? Yes \_\_\_\_ No \_\_\_\_ Unknown \_\_\_\_\_. If "YES", please describe, to your knowledge, the nature and location of any settlement or heaving \_\_\_\_\_.

2. Are you aware of any past or present movement, shifting, deterioration or other problems with the walls (interior or exterior) or the foundation of the Property? Yes \_\_\_\_ No \_\_\_\_ Unknown \_\_\_\_\_. If "YES", please describe, to your knowledge, the nature and location of any such problems \_\_\_\_\_.
3. Are you aware of any tests to determine the composition/compaction of the soil or the presence of any "expandable soils" being present on the Property? Yes \_\_\_\_ No \_\_\_\_\_. If "YES", please provide copies of the results if they are available.
4. Are you aware of any foundation repairs made in the past? Yes \_\_\_\_ No \_\_\_\_\_. If "Yes", is there a written report which will indicate the foundation repairs? Explain \_\_\_\_\_.
5. If foundation repairs were completed is there a Warranty which can be transferred to a new owner? Yes \_\_\_\_ No \_\_\_\_.
6. To your knowledge, are any foundation repairs currently needed? Yes \_\_\_\_ No \_\_\_\_ Unknown \_\_\_\_\_. If "YES", please explain in detail \_\_\_\_\_.
7. Except for "Cosmetic Upgrades" (carpet, paint, wallpaper, etc) have you remodeled, made any room additions, made structural modifications or other alterations or improvements to the Property? If "YES", please describe, to your knowledge, the nature of all such remodels/alterations \_\_\_\_\_.
8. To your knowledge, were all necessary work PERMITS and approvals secured in compliance with local/city/county building codes? Yes \_\_\_\_ No \_\_\_\_ Unknown \_\_\_\_\_. If "YES", please indicate the name of the Licensed Contractor who completed the work and the dates of the work \_\_\_\_\_.

### **C. ROOF:**

1. Has all or any portion of the roof been repaired or replaced during your ownership? Yes \_\_\_\_ No \_\_\_\_\_. If "YES", please indicate the dates of the roof work (if known) and describe, to the best of your knowledge, the nature of any roof repairs or replacements. \_\_\_\_\_.
2. To your knowledge, are there any written warranties presently in place for the roof? Yes \_\_\_\_ No \_\_\_\_\_. If "YES", please attach copies of any warranties in your possession.
3. Are you aware of any current leaks or defects with the roof such as structural issues, dry rot, water backups, moisture issues, wind damage or hail damage? Yes \_\_\_\_ No \_\_\_\_\_. If "YES", please describe, to your knowledge, the nature of the defects and their location \_\_\_\_\_.
4. How long have you known about the current problems with the roof? \_\_\_\_\_.
5. The roof is \_\_\_\_ years old.

### **D. HISTORY OF INFESTATION: TERMITES, CARPENTER ANTS, ETC:**

1. Are you aware of any ongoing, recurring or habitual problems with termites, dry rot, mildew, vermin, rodents or other pests which affect the Property? Yes \_\_\_\_ No \_\_\_\_\_. If "YES", please describe, to your knowledge, the nature of the problem and the location of the problem \_\_\_\_\_.
2. Are you aware of any DAMAGE to the Property which was caused by termites, dry rot, mildew, vermin, rodents or other pests? Yes \_\_\_\_ No \_\_\_\_\_. If "YES", please describe, to your knowledge, the location of such damage and what efforts were taken to mitigate and/or repair the damage \_\_\_\_\_.
3. If a Wood Destroying Insect Treatment was required for the residence, which Pest Control Company treated the Property for the problem? \_\_\_\_\_.
4. If DAMAGE to the residence was actually mitigated/repaired, who was the contractor who repaired the DAMAGE to the Property? \_\_\_\_\_.
5. To your knowledge, are there any written warranties or other termite or pest control coverage(s) presently in place for the Property? Yes \_\_\_\_ No \_\_\_\_\_. If "YES", please attach copies of such warranties in your possession.

### **E. STRUCTURE/FLOOR/WALLS/CEILINGS/WINDOWS/FEATURES:**

1. During your ownership, has there been DAMAGE to any portion of the physical structure resulting from fire, windstorm, hail, tornados, hurricane or any other natural disaster? Yes \_\_\_\_ No \_\_\_\_\_. If "YES", please describe, to your best knowledge, the cause of the damage, in detail, and supply the dates of the losses \_\_\_\_\_.
2. Are you aware of any past or present problems, malfunctions or defects with the windows (including storm windows and screens), the flooring (hardwood, marble, stone, tile or carpeting), fireplace/chimneys, ceilings, walls (interior), jetted bathtub, hot tub, sauna, skylights, shower or wet bar; including any modifications to them? Yes \_\_\_\_ No \_\_\_\_\_. If "YES", please describe, to your knowledge, the nature of any such problem; for example, the skylight leaked or the motor which operates the jetted bathtub had to be replaced, etc. \_\_\_\_\_.
3. Are you aware of any past or present problems, malfunctions or defects with the lawn sprinkler system, swimming pool, hot tub, rain gutters, tile drains (French drains), driveway, patio, storage building, gazebo, outdoor fireplace, or outdoor kitchen appliances (which are remaining with the property)? Yes \_\_\_\_ No \_\_\_\_\_. If "YES", please describe, to your knowledge, the nature of such

problems; for example, the French drains are clogged and do not remove rain water or the timer for the sprinkler system is not functioning properly, etc. \_\_\_\_\_.

4. During your ownership, have there been any notices concerning safety issues with a swimming pool or other improvements to the property? Yes \_\_\_\_ No \_\_\_\_\_. If "YES". Please describe, to the best of your knowledge, those safety issue in detail. \_\_\_\_\_.

5. Except for regular maintenance of the exterior surfaces of the Property (painting, staining, etc) are you aware of any past or present problems, malfunctions or defects with any portion of the exterior walls, fascias, soffits, stucco, windows, doors or trim? Yes \_\_\_\_ No \_\_\_\_\_. If "YES", please describe, to your knowledge, the nature of the problems. (for example, there is moisture damage behind the stucco) \_\_\_\_\_.

#### F. LAND AND SITE DATA:

1. Is there an engineer's survey or a recorded plat of the Property available? Yes \_\_\_\_ No \_\_\_\_\_. If "YES", please attach a copy of the survey (if available). If "YES", please indicate by whom the survey was completed \_\_\_\_\_ and the Date the survey was completed \_\_\_\_\_.

2. Are you aware of the existence of any of the following, to wit:

Encroachments:	Yes ____ No ____ Unknown ____	Boundary Dispute:	Yes ____ No ____ Unknown ____
Easements:	Yes ____ No ____ Unknown ____	Soil/Erosion:	Yes ____ No ____ Unknown ____
Soil Problems:	Yes ____ No ____ Unknown ____	Standing Water:	Yes ____ No ____ Unknown ____
Land Fill:	Yes ____ No ____ Unknown ____	Drainage Problems:	Yes ____ No ____ Unknown ____

3. Are you aware of any current pending litigation, foreclosure, zoning regulations, restrictive covenants, building code violations, mechanics liens, judgments, special assessments or any other type of restriction which could negatively affect your Property? Yes \_\_\_\_ No \_\_\_\_\_. If "YES", please explain \_\_\_\_\_.

4. Other than the utility easements, are you aware of any easement which impacts the residence? Yes \_\_\_\_ No \_\_\_\_.

5. Are there any rights-of-way, easements, eminent domain proceedings or similar matters which may negatively impact your ownership interest in the Property? Yes \_\_\_\_ No \_\_\_\_\_. If "YES", please explain \_\_\_\_\_.

6. Are you aware if any portion of the Property (including a part of the site) is currently located in or near a FEMA Designated Flood Hazard Zone? Yes \_\_\_\_ No \_\_\_\_\_. Unknown \_\_\_\_\_. If "YES", please indicate the source of your information and the current Map Number used to determine the Flood Zone \_\_\_\_\_.

7. Is Flood Insurance currently required on the Property? Yes \_\_\_\_ No \_\_\_\_\_. If "YES", please indicate the amount of the premium currently being paid and when the premium was last adjusted \_\_\_\_\_.

8. Are you aware if any portion of the Property (Site) is currently designated as being located within a WETLANDS area and is subject to specific restrictive uses? Yes \_\_\_\_ No \_\_\_\_\_. If "YES", please explain in detail \_\_\_\_\_.

9. Are you aware if the Property has ever had standing water in the front, rear or side yards for more than forty-eight (48) hours following a heavy rain? Yes \_\_\_\_ No \_\_\_\_\_. If "YES", please describe, to your knowledge, any unusual circumstances causing the problem \_\_\_\_\_.

10. Are you aware, **FOR ANY REASON**, in the past or present of water penetration problems in the walls, windows, doors, crawl space, basement or attic? Yes \_\_\_\_ No \_\_\_\_\_. If "YES", please describe, to your knowledge, the nature of the problem and what steps were taken to remedy the problem \_\_\_\_\_.

11. **FOR ANY REASON**, past or present, has any portion of the interior of the Property ever suffered water damage or moisture related damage which was caused by flooding, lot drainage, moisture seepage, condensation, sewer overflow, sewer backup, leaking or broken water pipes (during or after construction) pipe fittings, plumbing fixtures, leaking appliances, fixtures or equipment? Yes \_\_\_\_ No \_\_\_\_\_. If "YES", please describe, to your knowledge, the nature of the problems and what steps were taken to remedy the problems \_\_\_\_\_.

12. Are you aware, **FOR ANY REASON**, of any leaks, back-ups, or other problems relating to any of the plumbing, water, sewage, or related items during your ownership? Yes \_\_\_\_ No \_\_\_\_\_. If "YES", please describe, to your best knowledge, the problem you experienced and how it was mitigated \_\_\_\_\_.

#### G. APPLIANCES/MECHANICAL EQUIPMENT:

Following is a list of appliances and mechanical systems which may or may not be present in the residence. Please complete the information to the best of your knowledge. You may use the "Item Blanks" at the bottom of the page for additional items.

**APPLIANCES/ITEMS/SYSTEMS REMAINING WITH THE PROPERTY:**

<b>ITEMS</b>	<b>YES/ #ITEMS</b>	<b>NO N/A</b>	<b>GAS/ ELECTRIC</b>	<b>REPAIRS COMPLETED IN LAST TWO YEARS</b>	<b>AGE</b>
BUILT-IN COOKTOP					
BUILT-IN OVEN(S)					
BUILT-IN DISHWASHER					
GARBAGE DISPOSAL					
ICE-MAKER (STAND ALONE)					
MICROWAVE OVEN					
TRASH COMPACTOR					
KITCHEN VENT FAN(S)					
CENTRAL AIR SYSTEM(S)					
CENTRAL HEATING SYSTEM(S)					
HUMIDIFIERS OR EVAPORATORS					
AIR PURIFIERS					
WATER HEATER(S)					
TANKLESS WATER HEATER(S)					
CEILING FAN(S)					
ATTIC FANS					
BATHROOM VENT FAN(S)					
GARAGE DOOR OPENER(S)					
SMOKE/MONOXIDE DETECTORS					
SECURITY SYSTEM					
INTERCOM/SOUND SYSTEM					
REFRIGERATOR					
FREE STANDING STOVE					

## H. OTHER:

1. Are you aware of any past or present hazardous conditions, substances or materials on the Property such as asbestos or asbestos components, lead-based paint, urea-formaldehyde insulation, the presence of Chinese dry-wall, methane gas, radon gas, underground storage tanks and lines or any past industrial uses occurring on the premises? Yes \_\_\_\_ No \_\_\_\_ If "YES", please describe, to your best knowledge, the nature of any such hazardous conditions and any attempts to mitigate any such hazardous condition(s) \_\_\_\_\_.
2. Are you aware of any past or present contaminations which have resulted from the storing or the manufacturing of methamphetamines? Yes \_\_\_\_ No \_\_\_\_ If "YES", please describe \_\_\_\_\_.
3. Are you aware if there are currently, or have previously been, any inspections by qualified experts or orders issued on the property by any governmental authority requiring the remediation of MOLD or any other public health nuisance on the Property? Yes \_\_\_\_ No \_\_\_\_ If "YES", please describe, to your best knowledge, any attempts to mitigate such condition(s) \_\_\_\_\_.
4. Are you aware of any problems or conditions that affect the desirability or functionality of the Heating, Cooling, Electrical, Plumbing, or Mechanical Systems? Yes \_\_\_\_ No \_\_\_\_ If "YES", please described, to your best knowledge, all known problems in complete detail \_\_\_\_\_.
5. The water supply is: Public \_\_\_\_ Private \_\_\_\_ On-site Well \_\_\_\_ Neighbor's Well \_\_\_\_ Community \_\_\_\_
6. If your drinking water is from a well, when was the water quality last checked for safety, what were the results of the test and who was the qualified entity who conducted the test? \_\_\_\_\_.
7. Is the water supply equipped with a water softener? Yes \_\_\_\_ No \_\_\_\_ Unknown \_\_\_\_
8. The Sewage System is: Public \_\_\_\_ Private \_\_\_\_ Septic \_\_\_\_ Cesspool \_\_\_\_ Treatment Plant \_\_\_\_ Other \_\_\_\_
9. If the sewer service is by an individual system, has it been inspected by the proper state/county Health Department officials? Yes \_\_\_\_ No \_\_\_\_ If "YES", please give complete details \_\_\_\_\_.
10. How many bedrooms are allowed by the Individual Waste Water Permit? \_\_\_\_\_.
11. Is there a sewage pump installed? Yes \_\_\_\_ No \_\_\_\_ Date of the last Septic Inspection \_\_\_\_\_.

## I. MISCELLANEOUS:

1. Is the residence situated on Leasehold or Sixteenth Section land? Yes \_\_\_\_ No \_\_\_\_ Unknown \_\_\_\_ If "YES", please indicate the terms of the lease including payments and expiration date \_\_\_\_\_.
2. Are you aware of any hidden defects or needed repairs about which the purchaser should be informed **PRIOR** to their purchase? Yes \_\_\_\_ No \_\_\_\_ If "YES", please describe, to your best knowledge, the problem(s) which need to be disclosed \_\_\_\_\_.
3. What is the **APPROXIMATE SQUARE FOOTAGE** of the Heated and Cooled Living Area? \_\_\_\_\_.
4. How was the approximation of the Gross Living Area (square footage) determined? \_\_\_\_\_.
5. Are there any finished hardwood floors beneath the floor coverings? Yes \_\_\_\_ No \_\_\_\_ Unknown \_\_\_\_ If "YES", please indicate, to your best knowledge, the condition and the location of the hardwood floors \_\_\_\_\_.
6. Are there Homeowner's Association Fees associated with ownership? Yes \_\_\_\_ No \_\_\_\_ Amount \_\_\_\_\_ (Yr/Mth/Quarter)
7. Does the HOA levy dues or assessments for maintenance of common areas and/or other common expenses? \_\_\_\_\_.
8. Are you aware of any HOA, Public (municipal) special improvement district (**PID**) or other assessments that are presently owing or that have been approved but not yet levied against the Property? Yes \_\_\_\_ No \_\_\_\_ If "YES", please indicate the tax (assessing) entity and the amount of the taxes/assessments \_\_\_\_\_.
9. Please indicate the contact information for the HOA \_\_\_\_\_.
10. What is the **YEARLY** Real Estate Tax Bill? County Taxes \_\_\_\_\_ City Taxes \_\_\_\_\_ Special District Taxes \_\_\_\_\_.
11. Has Homestead Exemption been filed for the **current** year? Yes \_\_\_\_ No \_\_\_\_ Unknown \_\_\_\_.
12. Are you aware of any additional tax exemptions which accrue to the Property? Yes \_\_\_\_ No \_\_\_\_ Unknown \_\_\_\_ If "YES", please describe the exemptions and the amount of the tax \_\_\_\_\_.
13. What is the average **YEARLY** Electric Bill? \$ \_\_\_\_\_. What is the average **YEARLY** Gas Bill? \$ \_\_\_\_\_.
14. Is the residence serviced by Propane (LP) Gas? If "YES", what is the average **YEARLY** Propane Bill? \$ \_\_\_\_\_.
15. The Propane Tank is: Owned \_\_\_\_ Leased \_\_\_\_ If Leased, how much is the lease payment? \$ \_\_\_\_\_.
16. Is Cable Television Service available at the site? Yes \_\_\_\_ No \_\_\_\_ Service Provider \_\_\_\_\_.
17. Is Fiber Optic Cable (Internet) available at the site? Yes \_\_\_\_ No \_\_\_\_ Service Provider \_\_\_\_\_.
18. List any item remaining with the Property which is financed separately from the mortgages \_\_\_\_\_.

**MECHANICAL EQUIPMENT WHICH IS CONSIDERED PERSONAL PROPERTY AND IS NOT CONVEYED BY DEED AS PART OF THE REAL PROPERTY SHOULD BE NEGOTIATED IN THE CONTRACT OF SALE OR OTHER SUCH INSTRUMENT IF THE ITEMS ARE TO REMAIN WITH THE RESIDENCE.**

To the extent of the Seller's knowledge as a property owner, the Seller(s) acknowledges that the information contained above is true and accurate for those areas of the property listed. The owner(s) agree to save and hold the Broker harmless from all claims,

disputes, litigation and/or judgments arising from any incorrect information supplied by the owner(s) or from any material fact known by the owner(s) which owner(s) fail to disclose except the Broker is not held harmless to the owner(s) in claims, disputes, litigation, or judgments arising from conditions of which the Broker had actual knowledge.

\_\_\_\_\_  
SELLER (UPON LISTING)                      DATE

\_\_\_\_\_  
SELLER (UPON LISTING)                      DATE

\_\_\_\_\_  
SELLER (AT CLOSING)                      DATE

\_\_\_\_\_  
SELLER (AT CLOSING)                      DATE

PROSPECTIVE PURCHASER'S SIGNATURE \_\_\_\_\_

\_\_\_\_\_  
PURCHASER(S) ACKNOWLEDGE RECEIPT OF REPORT                      DATE

FORM #0100

EFFECTIVE DATE:      April 1, 2017

**EXHIBIT 3**  
**TEXAS SELLER'S**  
**DISCLOSURE NOTICE**





APPROVED BY THE TEXAS REAL ESTATE COMMISSION (TREC)

**SELLER'S DISCLOSURE NOTICE**
 CONCERNING THE PROPERTY AT \_\_\_\_\_  
 (Street Address and City)

THIS NOTICE IS A DISCLOSURE OF SELLER'S KNOWLEDGE OF THE CONDITION OF THE PROPERTY AS OF THE DATE SIGNED BY SELLER AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PURCHASER MAY WISH TO OBTAIN. IT IS NOT A WARRANTY OF ANY KIND BY SELLER OR SELLER'S AGENTS.

 Seller ☐ is ☐ is not occupying the Property. If unoccupied, how long since Seller has occupied the Property? \_\_\_\_\_

1. The Property has the items checked below [Write Yes (Y), No (N), or Unknown (U)]:

<input type="checkbox"/> Range	<input type="checkbox"/> Oven	<input type="checkbox"/> Microwave
<input type="checkbox"/> Dishwasher	<input type="checkbox"/> Trash Compactor	<input type="checkbox"/> Disposal
<input type="checkbox"/> Washer/Dryer Hookups	<input type="checkbox"/> Window Screens	<input type="checkbox"/> Rain Gutters
<input type="checkbox"/> Security System	<input type="checkbox"/> Fire Detection Equipment	<input type="checkbox"/> Intercom System
	<input type="checkbox"/> Smoke Detector	
	<input type="checkbox"/> Smoke Detector-Hearing Impaired	
	<input type="checkbox"/> Carbon Monoxide Alarm	
	<input type="checkbox"/> Emergency Escape Ladder(s)	
<input type="checkbox"/> TV Antenna	<input type="checkbox"/> Cable TV Wiring	<input type="checkbox"/> Satellite Dish
<input type="checkbox"/> Ceiling Fan(s)	<input type="checkbox"/> Attic Fan(s)	<input type="checkbox"/> Exhaust Fan(s)
<input type="checkbox"/> Central A/C	<input type="checkbox"/> Central Heating	<input type="checkbox"/> Wall/Window Air Conditioning
<input type="checkbox"/> Plumbing System	<input type="checkbox"/> Septic System	<input type="checkbox"/> Public Sewer System
<input type="checkbox"/> Patio/Decking	<input type="checkbox"/> Outdoor Grill	<input type="checkbox"/> Fences
<input type="checkbox"/> Pool	<input type="checkbox"/> Sauna	<input type="checkbox"/> Spa <input type="checkbox"/> Hot Tub
<input type="checkbox"/> Pool Equipment	<input type="checkbox"/> Pool Heater	<input type="checkbox"/> Automatic Lawn Sprinkler System
<input type="checkbox"/> Fireplace(s) & Chimney (Wood burning)		<input type="checkbox"/> Fireplace(s) & Chimney (Mock)
<input type="checkbox"/> Natural Gas Lines		<input type="checkbox"/> Gas Fixtures
<input type="checkbox"/> Liquid Propane Gas	<input type="checkbox"/> LP Community (Captive)	<input type="checkbox"/> LP on Property
Garage: <input type="checkbox"/> Attached	<input type="checkbox"/> Not Attached	<input type="checkbox"/> Carport
Garage Door Opener(s):	<input type="checkbox"/> Electronic	<input type="checkbox"/> Control(s)
Water Heater:	<input type="checkbox"/> Gas	<input type="checkbox"/> Electric
Water Supply: <input type="checkbox"/> City	<input type="checkbox"/> Well <input type="checkbox"/> MUD	<input type="checkbox"/> Co-op
Roof Type: _____	Age: _____	(approx.)

 Are you (Seller) aware of any of the above items that are not in working condition, that have known defects, or that are in need of repair? ☐ Yes ☐ No ☐ Unknown. If yes, then describe. (Attach additional sheets if necessary): \_\_\_\_\_

 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

2. Does the property have working smoke detectors installed in accordance with the smoke detector requirements of Chapter 766, Health and Safety Code?\* ☐ Yes ☐ No ☐ Unknown. If the answer to this question is no or unknown, explain (Attach additional sheets if necessary): \_\_\_\_\_

\* Chapter 766 of the Health and Safety Code requires one-family or two-family dwellings to have working smoke detectors installed in accordance with the requirements of the building code in effect in the area in which the dwelling is located, including performance, location, and power source requirements. If you do not know the building code requirements in effect in your area, you may check unknown above or contact your local building official for more information. A buyer may require a seller to install smoke detectors for the hearing impaired if: (1) the buyer or a member of the buyer's family who will reside in the dwelling is hearing impaired; (2) the buyer gives the seller written evidence of the hearing impairment from a licensed physician; and (3) within 10 days after the effective date, the buyer makes a written request for the seller to install smoke detectors for the hearing impaired and specifies the locations for the installation. The parties may agree who will bear the cost of installing the smoke detectors and which brand of smoke detectors to install.

3. Are you (Seller) aware of any known defects/malfunctions in any of the following? Write Yes (Y) if you are aware, write No (N) if you are not aware.

_____ Interior Walls	_____ Ceilings	_____ Floors
_____ Exterior Walls	_____ Doors	_____ Windows
_____ Roof	_____ Foundation/Slab(s)	_____ Sidewalks
_____ Walls/Fences	_____ Driveways	_____ Intercom System
_____ Plumbing/Sewers/Septics	_____ Electrical Systems	_____ Lighting Fixtures
_____ Other Structural Components (Describe): _____		

If the answer to any of the above is yes, explain. (Attach additional sheets if necessary): \_\_\_\_\_

4. Are you (Seller) aware of any of the following conditions? Write Yes (Y) if you are aware, write No (N) if you are not aware.

_____ Active Termites (includes wood destroying insects)	_____ Previous Structural or Roof Repair
_____ Termite or Wood Rot Damage Needing Repair	_____ Hazardous or Toxic Waste
_____ Previous Termite Damage	_____ Asbestos Components
_____ Previous Termite Treatment	_____ Urea-formaldehyde Insulation
_____ Improper Drainage	_____ Radon Gas
_____ Water Damage Not Due to a Flood Event	_____ Lead Based Paint
_____ Landfill, Settling, Soil Movement, Fault Lines	_____ Aluminum Wiring
_____ Single Blockable Main Drain in Pool/Hot Tub/Spa*	_____ Previous Fires
	_____ Unplatted Easements
	_____ Subsurface Structure or Pits
	_____ Previous Use of Premises for Manufacture of Methamphetamine

If the answer to any of the above is yes, explain. (Attach additional sheets if necessary): \_\_\_\_\_

\* A single blockable main drain may cause a suction entrapment hazard for an individual.

5. Are you (Seller) aware of any item, equipment, or system in or on the Property that is in need of repair? ☐ Yes (if you are aware) ☐ No (if you are not aware). If yes, explain (attach additional sheets if necessary). \_\_\_\_\_

6. Are you (Seller) aware of any of the following conditions?\* Write Yes (Y) if you are aware, write No (N) if you are not aware.

\_\_\_\_\_ Present flood insurance coverage  
 \_\_\_\_\_ Previous flooding due to a failure or breach of a reservoir or a controlled or emergency release of water from a reservoir  
 \_\_\_\_\_ Previous water penetration into a structure on the property due to a natural flood event

Write Yes (Y) if you are aware, and check wholly or partly as applicable, write No (N) if you are not aware.

\_\_\_\_\_ Located ☐ wholly ☐ partly in a 100-year floodplain (Special Flood Hazard Area-Zone A, V, A99, AE, AO, AH, VE, or AR)  
 \_\_\_\_\_ Located ☐ wholly ☐ partly in a 500-year floodplain (Moderate Flood Hazard Area-Zone X (shaded))  
 \_\_\_\_\_ Located ☐ wholly ☐ partly in a floodway  
 \_\_\_\_\_ Located ☐ wholly ☐ partly in a flood pool  
 \_\_\_\_\_ Located ☐ wholly ☐ partly in a reservoir

If the answer to any of the above is yes, explain (attach additional sheets if necessary): \_\_\_\_\_

\*For purposes of this notice:

"100-year floodplain" means any area of land that:

- (A) is identified on the flood insurance rate map as a special flood hazard area, which is designated as Zone A, V, A99, AE, AO, AH, VE, or AR on the map;  
 (B) has a one percent annual chance of flooding, which is considered to be a high risk of flooding; and  
 (C) may include a regulatory floodway, flood pool, or reservoir.

"500-year floodplain" means any area of land that:

- (A) is identified on the flood insurance rate map as a moderate flood hazard area, which is designated on the map as Zone X (shaded); and  
 (B) has a two-tenths of one percent annual chance of flooding, which is considered to be a moderate risk of flooding.

"Flood pool" means the area adjacent to a reservoir that lies above the normal maximum operating level of the reservoir and that is subject to controlled inundation under the management of the United States Army Corps of Engineers.

"Flood insurance rate map" means the most recent flood hazard map published by the Federal Emergency Management Agency under the National Flood Insurance Act of 1968 (42 U.S.C. Section 4001 et seq.).

"Floodway" means an area that is identified on the flood insurance rate map as a regulatory floodway, which includes the channel of a river or other watercourse and the adjacent land areas that must be reserved for the discharge of a base flood, also referred to as a 100-year flood, without cumulatively increasing the water surface elevation of more than a designated height.

"Reservoir" means a water impoundment project operated by the United States Army Corps of Engineers that is intended to retain water or delay the runoff of water in a designated surface area of land.

7. Have you (Seller) ever filed a claim for flood damage to the property with any insurance provider, including the National Flood Insurance Program (NFIP)?\* ☐ Yes ☐ No. If yes, explain (attach additional sheets as necessary): \_\_\_\_\_

\*Homes in high risk flood zones with mortgages from federally regulated or insured lenders are required to have flood insurance. Even when not required, the Federal Emergency Management Agency (FEMA) encourages homeowners in high risk, moderate risk, and low risk flood zones to purchase flood insurance that covers the structure(s) and the personal property within the structure(s).

8. Have you (Seller) ever received assistance from FEMA or the U.S. Small Business Administration (SBA) for flood damage to the property? ☐ Yes ☐ No. If yes, explain (attach additional sheets as necessary): \_\_\_\_\_

9. Are you (Seller) aware of any of the following? Write Yes (Y) if you are aware, write No (N) if you are not aware.

\_\_\_\_\_ Room additions, structural modifications, or other alterations or repairs made without necessary permits or not in compliance with building codes in effect at that time.

\_\_\_\_\_ Homeowners' Association or maintenance fees or assessments.

\_\_\_\_\_ Any "common area" (facilities such as pools, tennis courts, walkways, or other areas) co-owned in undivided interest with others.

\_\_\_\_\_ Any notices of violations of deed restrictions or governmental ordinances affecting the condition or use of the Property.

\_\_\_\_\_ Any lawsuits directly or indirectly affecting the Property.

\_\_\_\_\_ Any condition on the Property which materially affects the physical health or safety of an individual.

\_\_\_\_\_ Any rainwater harvesting system located on the property that is larger than 500 gallons and that uses a public water supply as an auxiliary water source.

\_\_\_\_\_ Any portion of the property that is located in a groundwater conservation district or a subsidence district.

If the answer to any of the above is yes, explain. (Attach additional sheets if necessary): \_\_\_\_\_

\_\_\_\_\_

10. If the property is located in a coastal area that is seaward of the Gulf Intracoastal Waterway or within 1,000 feet of the mean high tide bordering the Gulf of Mexico, the property may be subject to the Open Beaches Act or the Dune Protection Act (Chapter 61 or 63, Natural Resources Code, respectively) and a beachfront construction certificate or dune protection permit maybe required for repairs or improvements. Contact the local government with ordinance authority over construction adjacent to public beaches for more information.

11. This property may be located near a military installation and may be affected by high noise or air installation compatible use zones or other operations. Information relating to high noise and compatible use zones is available in the most recent Air Installation Compatible Use Zone Study or Joint Land Use Study prepared for a military installation and may be accessed on the Internet website of the military installation and of the county and any municipality in which the military installation is located.

Signature of Seller

Date

Signature of Seller

Date

The undersigned purchaser hereby acknowledges receipt of the foregoing notice.

Signature of Purchaser

Date

Signature of Purchaser

Date



This form was prepared by the Texas Real Estate Commission in accordance with Texas Property Code § 5.008(b) and is to be used in conjunction with a contract for the sale of real property entered into on or after September 1, 2019. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, 512-936-3000 (<http://www.trec.texas.gov>) TREC NO. OP-H

# **EXHIBIT 4**

## **NATURAL RESOURCES DEFENSE COUNCIL'S NC UTILITY SURVEY**



# Natural Resources Defense Council

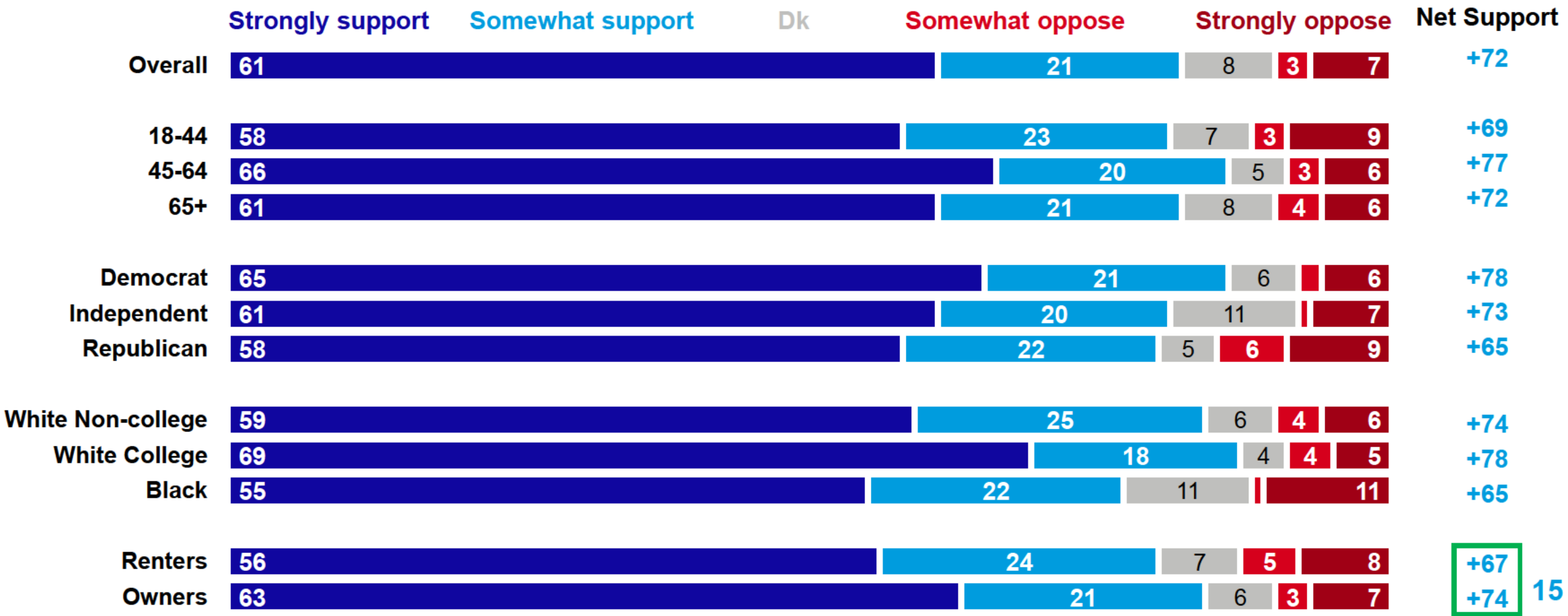
## NC Utility Survey



# Flood Disclosure

# Over eight in ten North Carolina voters support flood disclosure, with strong support across partisans and among renters and owners

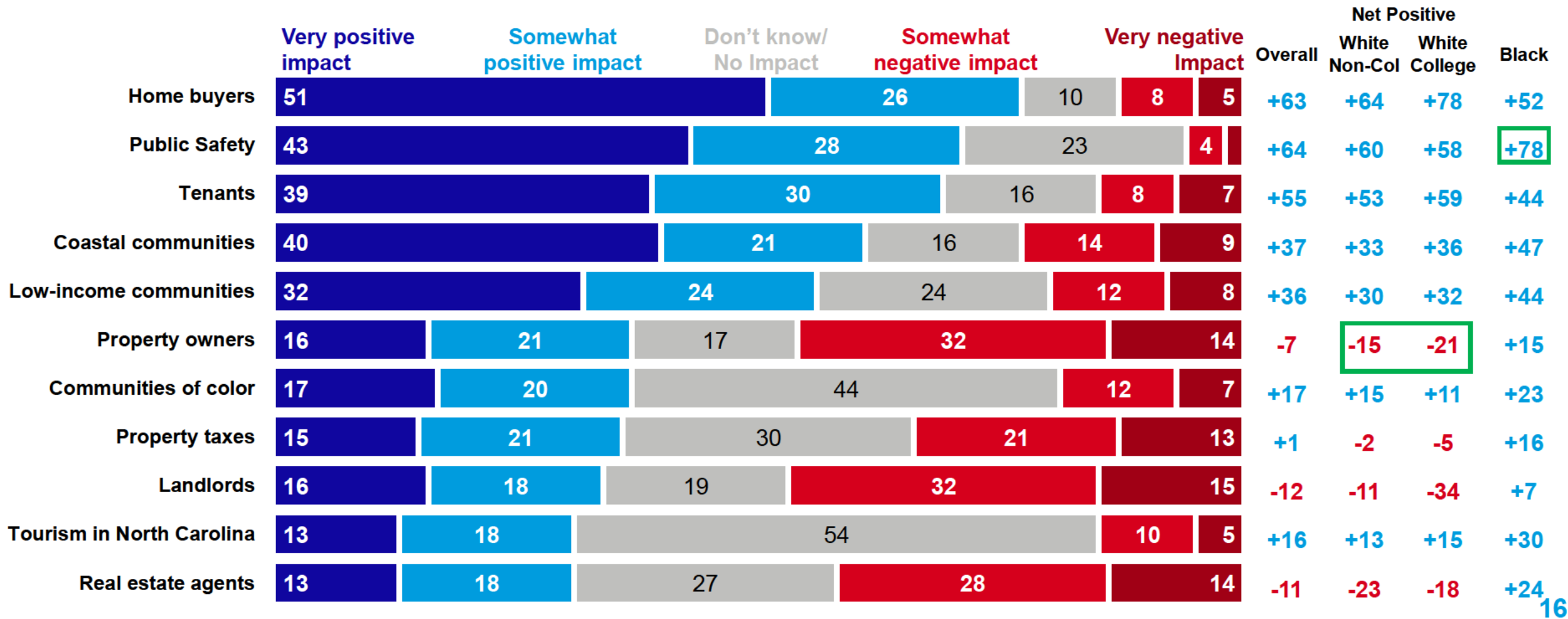
Do you support or oppose changing North Carolina law to require property owners to disclose a home's flood history to prospective buyers and tenants?





# Voters see flood disclosure has benefitting home buyers, tenants, public safety, and coastal communities, but there is some concern about the impact on property taxes and owners

If North Carolina required property owners to disclose a property's flood history to prospective buyers and tenants, what impact do you think it would have on [ITEM]?



# Support for flood disclosure withstands the counter argument focused on costs and regulations

