

TENNESSEE RESIDENTIAL PROPERTY CONDITION EXEMPTION

1 Property Address: 2776 Ladd Springs Road Old Fort, TN 37362
2 Seller: The Estate of Neal Herron - Shirley Pullen, Personal Representative

3 The Tennessee Residential Property Disclosure Act requires sellers of residential real property with one to four dwelling units
4 to furnish to a buyer one of the following: (1) a residential property disclosure statement (the "Disclosure"), or (2) a residential
5 property disclaimer statement (permitted only where the buyer waives the required Disclosure). Some property transfers may
6 be exempt from this requirement (See Tenn. Code Ann. § 66-5-209). The following is a summary of the buyers' and sellers'
7 rights and obligations under the Act. A complete copy of the Act may be found at: <http://www.tn.gov/regboards/trec/law.shtml>.
8 (See Tenn. Code Ann. § 66-5-201, et seq.)

- 9 1. Sellers must disclose all known material defects, and must answer the questions on the Disclosure form in good faith to
10 the best of the seller's knowledge as of the Disclosure date.
- 11 2. Sellers must give the buyers the Disclosure form before the acceptance of a purchase contract.
- 12 3. Sellers must inform the buyers, at or before closing, of any inaccuracies or material changes in the condition that have
13 occurred since the time of the initial Disclosure, or certify that there are no changes.
- 14 4. Sellers may give the buyers a report or opinion prepared by a professional inspector or other expert(s), or certain
15 information provided by a public agency, in lieu of responding to some or all of the questions on the form (See Tenn. Code
16 Ann. § 66-5-204).
- 17 5. Sellers are not required to have a home inspection or other investigation in order to complete the Disclosure form.
- 18 6. Sellers are not required to repair any items listed on the Disclosure form or on any past or future inspection report unless
19 agreed to in the purchase contract.
- 20 7. Sellers involved in the first sale of a dwelling must disclose the amount of any impact fees or adequate facility taxes paid.
- 21 8. Sellers are not required to disclose if any occupant was HIV-positive, or had any other disease not likely to be transmitted
22 by occupying a home, or whether the home had been the site of a homicide, suicide or felony, or act or occurrence which
23 had no effect on the physical structure of the property.
- 24 9. Sellers may provide an "as is", "no representations or warranties" disclaimer statement in lieu of the Disclosure form only
25 if the buyer waives the right to the required disclosure, otherwise the sellers must provide the completed Disclosure form
26 (See Tenn. Code Ann. § 66-5-202).
- 27 10. Sellers may be exempt from having to complete the Disclosure form in certain limited circumstances (e.g. public auctions,
28 court orders, some foreclosures and bankruptcies, new construction with written warranty, or owner has not resided on the
29 property at any time within the prior 3 years). (See Tenn. Code Ann. § 66-5-209).
- 30 11. Buyers are advised to include home, wood infestation, well, water sources, septic system, lead-based paint, radon, mold,
31 and other appropriate inspection contingencies in the contract, as the Disclosure form is not a warranty of any kind by the
32 seller, and is not a substitute for any warranties or inspections the buyer may desire to purchase.
- 33 12. Any repair of disclosed defects must be negotiated and addressed in the Purchase and Sale Agreement; otherwise, seller is
34 not required to repair any such items.
- 35 13. Buyers may, but do not have to, waive their right to receive the Disclosure form from the sellers if the sellers provide a
36 disclaimer statement with no representations or warranties. (See Tenn. Code Ann. § 66-5-202).
- 37 14. Remedies for misrepresentations or nondisclosure in a Property Condition Disclosure statement may be available to buyer
38 and are set out fully in Tenn. Code Ann. § 66-5-208. Buyer should consult with an attorney regarding any such matters.
- 39 15. Representations in the Disclosure form are those of the sellers only, and not of any real estate licensee, although licensees
40 are required to disclose to all parties adverse facts of which the licensee has actual knowledge or notice.
- 41 16. Pursuant to Tenn. Code Ann. § 47-18-104(b), sellers of newly constructed residences on a septic system are prohibited
42 from knowingly advertising or marketing a home as having more bedrooms than are permitted by the subsurface sewage
43 disposal system permit.

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44 17. Sellers must disclose the presence of any known exterior injection well, the presence of any known sinkhole(s), the results
45 of any known percolation test or soil absorption rate performed on the property that is determined or accepted by the
46 Department of Environment and Conservation, and whether the property is located within a Planned Unit Development as
47 defined by Tenn. Code Ann. § 66-5-213 and, if requested, provide buyers with a copy of the development's restrictive
48 covenants, homeowner bylaws and master deed. Sellers must also disclose if they have knowledge that the residence has
49 ever been moved from an existing foundation to another foundation.

50 The Buyers and Sellers involved in the current or prospective real estate transaction for the property listed above acknowledge
51 that they were informed of their rights and obligations regarding Residential Property Disclosures, and that this information
52 was provided by the real estate licensee(s) prior to the completion or reviewing of a Tennessee Residential Property Condition
53 Disclosure, a Tennessee Residential Property Condition Disclaimer Statement, or a Tennessee Residential Property Condition
54 Exemption. Buyers and Sellers also acknowledge that they were advised to seek the advice of an attorney on any legal questions
55 they may have regarding this information or prior to taking any legal actions.

56 The Tennessee Residential Property Disclosure Act states that anyone transferring title to residential real property must provide
57 information about the condition of the property. This completed form constitutes that disclosure by the Seller. The information
58 contained in the disclosure is the representation of the owner and not the representation of the real estate licensee or sales
59 person, if any. This is not a warranty or a substitute for any professional inspections or warranties that the purchasers may
60 wish to obtain.

61 **Buyers and Sellers should be aware that any sales agreement executed between the parties will supersede this form as**
62 **to the terms of sale, property included in the sale and any obligations on the part of the seller to repair items identified**
63 **below and/or the obligation of the buyer to accept such items "as is."**

64 The undersigned Seller of the property described as 2776 Ladd Springs Road does
65 hereby notify Buyer that said property is being offered without a Residential Property Condition Disclosure Statement as
66 provided by the Tennessee Residential Property Disclosure Act. This transfer is excluded under Tenn. Code Ann. § 66-5-209
67 for the following reason(s):

- 68 This is a transfer pursuant to court order including, but not limited to, transfers ordered by a court in the administration
69 of an estate, transfers pursuant to a writ of execution, transfers by foreclosure sale, transfers by a trustee in a
70 bankruptcy, transfers by eminent domain and transfers resulting from a decree of specific performance.
- 71 This is a transfer to a beneficiary of a deed of trust by a trustor or successor in interest who is in default; transfers by
72 a trustee under a deed of trust pursuant to a foreclosure sale, or transfers by a beneficiary under a deed of trust who
73 has acquired the real property at a sale conducted pursuant to a foreclosure sale under a deed of trust or has acquired
74 the real property by a deed in lieu of foreclosure.
- 75 This is a transfer by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship
76 or trust.
- 77 This is a transfer from one (1) or more co-owners solely to one (1) or more co-owners. This provision is intended to
78 apply and only does apply in situations where ownership is by a tenancy by the entirety, a joint tenancy or a tenancy
79 in common and the transfer will be made from one (1) or more of the owners to another owner or co-owners holding
80 property either as a joint tenancy, tenancy in common or tenancy by the entirety.
- 81 This is a transfer made by virtue of the record owner's failure to pay federal, state or local taxes.
- 82 This is a transfer between spouses resulting from a decree of divorce or a property settlement stipulation.
- 83 This is a transfer made solely to any combination of a spouse or a person or persons in the lineal line of consanguinity
84 of one (1) or more of the transferors.
- 85 This is a transfer to or from any governmental entity of public or quasi-public housing authority or agency.
- 86 This is a transfer involving the first sale of a dwelling provided that the builder offers a written warranty.
- 87 This is a transfer of any property sold at public auction.
- 88 This is a transfer of any property where the owner has not resided on the property at any time within three (3) years
89 prior to the date of transfer.
- 90 This is a transfer from a debtor in a chapter 7 or a chapter 13 bankruptcy to a creditor or third party by a deed in lieu
91 of foreclosure or by a quitclaim deed.

92 Pursuant to Tenn. Code Ann. § 66-5-212, Sellers are required to disclose, in writing, the presence of any known exterior
93 injection well on the Property, whether the Sellers have knowledge that any single family residence on the Property has ever
94 been moved from an existing foundation to another foundation, whether the Sellers have knowledge of any percolation tests or
95 soil absorption rates performed on the Property that are determined or accepted by the Tennessee Department of Environment
96 and Conservation and the results of said tests and/or rates, and the presence of any known sinkholes. Sellers, pursuant to Tenn.

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97 Code Ann. § 66-5-213, are also required to disclose in writing if the Property is located in a Planned Unit Development and
98 upon request, provide buyers with a copy of the development's restrictive covenants, homeowner bylaws and master deed.

99 **ARE YOU (SELLER) AWARE OF ANY OF THE FOLLOWING:** YES NO UNKNOWN

- 100 1. Is there an exterior injection well anywhere on the property? YES NO UNKNOWN
- 101 2. Is seller aware of any percolation tests or soil absorption rates being
102 performed on the property that are determined or accepted by
103 the Tennessee Department of Environment and Conservation?
104 If yes, results of test(s) and/or rate(s) are attached. YES NO UNKNOWN
- 105 3. Has any residence on this property ever been moved from its original
106 foundation to another foundation? YES NO UNKNOWN
- 107 4. Is this property in a Planned Unit Development? Planned Unit Development
108 is defined pursuant to Tenn. Code Ann. § 66-5-213 as "an area of land,
109 controlled by one (1) or more landowners, to be developed under unified control
110 or unified plan of development for a number of dwelling units, commercial,
111 educational, recreational or industrial uses, or any combination of the
112 foregoing, the plan for which does not correspond in lot size, bulk or type of
113 use, density, lot coverage, open space, or other restrictions to the existing land
114 use regulations." Unknown is not a permissible answer under the statute. YES NO UNKNOWN
- 115 5. Is a sinkhole present on the property? A sinkhole is defined pursuant to Tenn.
116 Code Ann. § 66-5-212(c) as "a subterranean void created by the dissolution of
117 limestone or dolostone strata resulting from groundwater erosion, causing a
118 surface subsidence of soil, sediment, or rock and is indicated through the
119 contour lines on the property's recorded plat map." YES NO UNKNOWN
- 120 6. Was a permit for a subsurface sewage disposal system for the Property issued
121 during a sewer moratorium pursuant to Tenn. Code Ann. § 68-221-409? If
122 yes, Buyer may have a future obligation to connect to the public sewer system. YES NO UNKNOWN

123 Buyer is advised that no representation or warranties, express or implied, as to the condition of the property and its
124 improvements, are being offered by Seller except in the case where transfer involves the first sale of a dwelling in which builder
125 offers a written warranty and those required by Seller pursuant to Tenn. Code Ann. §§ 66-5-212 and 66-5-213. Furthermore,
126 the Buyer should make or have made on the Buyer's behalf a thorough and diligent inspection of the property.

127 If the property being purchased is a condominium, the transferee/buyer is hereby given notice that the transferee/buyer is
128 entitled, upon request, to receive certain information regarding the administration of the condominium from the developer or
129 the condominium association, as applicable, pursuant to Tennessee Code Annotated § 66-27-502.

130 The party(ies) below have signed and acknowledge receipt of a copy.

131 _____

132 **SELLER** **SELLER**

133 _____ at _____ o'clock am/ pm _____ at _____ o'clock am/ pm

134 **Date** **Date**

135 The party(ies) below have signed and acknowledge receipt of a copy.

136 _____

137 **BUYER** **BUYER**

138 _____ at _____ o'clock am/ pm _____ at _____ o'clock am/ pm

139 **Date** **Date**

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LEAD-BASED PAINT DISCLOSURE

1 Federal law mandates that Sellers of housing constructed prior to 1978 must complete certain Lead-Based Paint
2 Disclosure requirements. These should be completed before the Buyer makes an offer and certainly before the Seller
3 accepts a purchase offer, otherwise the Buyer may not be obligated under any contract to purchase such housing.

4 Lead Warning Statement

5 Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is
6 notified that such property may present exposure to lead from lead-based paint that may place young children at risk of
7 developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including
8 learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also
9 poses a particular risk to pregnant women. The Seller of any interest in residential real property is required to provide
10 the Buyer with any information on lead-based paint hazards from risk assessments or inspections in the Seller's
11 possession and notify the Buyer of any known lead-based paint hazards. A risk assessment or inspection for possible
12 lead-based paint hazards is recommended prior to purchase.

13 Property Address: 2776 Ladd Springs Road Old Fort, TN 37362

14 Seller Disclosure

15 Seller to check one box below:

- 16 Seller has no knowledge, records, or reports of lead-based paint and/or lead-based paint hazards in the
17 housing.
- 18 Seller is aware of the presence of lead-based paint and/or lead-based paint hazards in the housing and has provided
19 the Buyer with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the
20 housing. List any records, reports and/or additional information, including but not limited to the basis for the
21 determination that lead-based paint and/or lead-based paint hazards exists, the location of the lead-based paint and
22 the conditions of the painted surfaces. This requirement includes records or reports regarding common areas. It also
23 includes records or reports of other residential dwellings in multifamily housing, provided that such information is
24 part of an evaluation or reduction of lead-based paint and/or lead-based paint hazards in the target housing as a whole.
25 If no reports or records are available, Seller shall indicate as such.

28 Buyer Acknowledgment

- 29 1) Buyer has received copies of all records, reports and information listed above (if any);
30 2) Buyer has read the Lead Warning Statement (above) and understands its contents;
31 3) Buyer has received the lead hazard information pamphlet, "Protect Your Family From Lead In Your Home"
32 (Copies available at <http://www.hud.gov> and <http://www.epa.gov>);
33 4) Buyer has received a 10-day opportunity (unless the parties mutually agreed upon a different period of time)
34 before becoming obligated under the contract to purchase the housing to conduct a risk assessment or inspection
35 for the presence of lead-based paint hazards. This opportunity is waived if Buyer checks the second box below.

36 Buyer to check one box below:

37 Contract is subject to Buyer's approval of the results of a risk assessment or inspection of the property for the
38 presence of lead-based paint and/or lead-based paint hazards, to be completed at the Buyer's expense. This
39 contingency shall be satisfied **within 10 calendar days after the Binding Agreement Date.**

40 Buyer waives the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or
41 lead-based paint hazards.

42 Licensee Acknowledgment

43 Licensees have informed the Seller of the Seller's obligations under 42 U.S.C. § 4852d, as amended, and are aware of
44 listing and selling licensees' duty to ensure compliance.

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45 **Certification of Accuracy**

46 The Sellers, Buyers, and Licensees have reviewed the information above and certify, to the best of their knowledge, that
47 the information they have provided is true and accurate and they have received a copy hereof.

48 The parties agree that the Licensees' signatures on this document are for certification and acknowledgment purposes only
49 as required and do not make either said Licensee a party to the Purchase and Sale Agreement.

50 The party(ies) below have signed and acknowledge receipt of a copy.

51 _____

52 **SELLER** **SELLER**

53 _____ at _____ o'clock am/ pm _____ at _____ o'clock am/ pm

54 **Date** **Date**

55 The party(ies) below have signed and acknowledge receipt of a copy.

56 _____

57 **BUYER** **BUYER**

58 _____ at _____ o'clock am/ pm _____ at _____ o'clock am/ pm

59 **Date** **Date**

60 The party(ies) below have signed and acknowledge receipt of a copy.

61 _____

62 **REAL ESTATE LICENSEE FOR SELLER**

63 **Kenny Phillips**

64 _____ at _____ o'clock am/ pm

Date

65 The party(ies) below have signed and acknowledge receipt of a copy.

66 _____

67 **REAL ESTATE LICENSEE FOR BUYER**

68 _____ at _____ o'clock am/ pm

69 **Date**

For Information Purposes Only:

Powell Auction & Realty, LLC
Listing Company

Selling Company

Kenny Phillips
Independent Licensee

Independent Licensee

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