

DUTIES OWED BY A NEVADA LICENSEE

IMPACT FEES

SRPD'S

CONSTRUCTION DEFECTS

LEAD-BASED PAINT

OPEN RANGE

SEPTIC SYSTEMS

UNDERGROUND TANKS

RADON

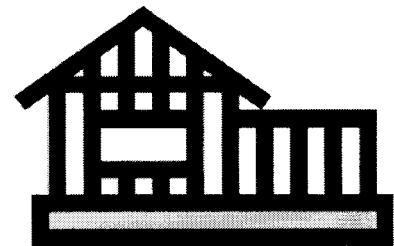
ENVIRONMENTAL ISSUES

SPECIAL IMPROVEMENTS

Nevada Real Estate Division

Residential Disclosure Guide

*A few things you should
know before buying or selling
a home in Nevada.*



State of Nevada
Department of Business & Industry
Real Estate Division

INTRODUCTION

The Department of Business and Industry—Nevada Real Estate Division has developed this booklet to increase consumer awareness and understanding of disclosures that may be required during the sale or purchase of a residential property in the State of Nevada.

In almost every real estate transaction, some form of written disclosure is required. For example, real estate licensees must disclose if they are related to a party in the transaction or affiliated with the lender involved in approving the loan for that particular transaction. Sellers, for instance, are responsible for disclosing material facts, data and other information relating to the property they are attempting to sell. And buyers, in some cases, must disclose if they are choosing to waive their 10-day opportunity to conduct a risk assessment of lead hazards.

These are only a few examples of what must be disclosed during a real estate transaction. While it is impossible to outline which disclosures are needed in every situation (as each real estate transaction is unique), this booklet contains discussions on the most commonly-required state, federal and local disclosures.

References to real estate licensees and the sale of residential properties in this booklet apply only to the state of Nevada. This guide, however, does not specifically address vacant land or commercial properties.

We hope that you will find this booklet helpful and that it becomes a valuable resource during your real estate transaction.

This booklet is state-issued and may not be modified or altered in any way. Copies may be reproduced as needed. This booklet has also been produced in Microsoft Word format and may be downloaded and printed from our website at www.red.state.nv.us/forms/622.pdf

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Section I – State Disclosures

COMMON-INTEREST COMMUNITIES

Purpose of Disclosure

The purpose of this disclosure is to make the buyer aware of all rights, obligations and other aspects related to owning a unit within a common-interest community (also known as a homeowner's association).

Who must provide the disclosure?

The seller must provide an information statement with the sale of any unit belonging to a common-interest community. The statement is entitled "*BEFORE YOU PURCHASE PROPERTY IN A COMMON-INTEREST COMMUNITY DID YOU KNOW...*"

When is it due?

The statement must be delivered to the buyer not later than the date the offer becomes binding on the purchaser.

Additional Information

In addition to the information statement, the seller must provide the prospective buyer with a **resale package** which includes the following: declarations, bylaws, rules and regulations, monthly assessments, unpaid assessments of any kind, current operating budget, financial statement, reserve summary, unsatisfied judgments, and status of any pending legal actions.

The resale package must be delivered as soon as practicable or before conveyance of the unit.

If the property is a new unit in a common-interest community or if the community is subject to any developmental rights, or contains converted buildings or contains units which may be in a time share, or is registered with the Securities and Exchange Commission, the buyer must also be provided with a **Public Offering Statement** disclosing applicable information, including: development rights of contractors, construction schedule, description of proposed improvements, mechanical & electrical installations, initial or special fees and number & identity of units in timeshare.

Unless the buyer has personally inspected the unit, the buyer may cancel the contract to purchase, by written notice, until midnight of the fifth calendar day following the date of execution of the contract. This provision must be stated in the contract.

CONSENT TO ACT

Purpose of Disclosure

The purpose of this form is for the licensee to obtain the written consent to act for more than one party in a transaction.

Who must provide the disclosure?

The licensee must provide the "Consent to Act" form to all parties in the transaction if he seeks to act for more than one party.

When is it due?

If a licensee makes such a disclosure, the consent must be obtained from all parties before the licensee may continue to act in his capacity as an agent.

Additional Information

The written consent must include:

- A description of the real estate transaction;
- A statement that the licensee is acting for two or more parties to the transaction and that, in acting for these parties, the licensee has a conflict of interest;
- A statement that the licensee will not disclose any confidential information for 1 year after the revocation or termination of any brokerage agreement entered into with a party to the transaction, unless he is required to do so per court order or he is given written permission by that party;
- A statement that a party is not required to consent to the licensee acting on his behalf;
- A statement that the party is giving his consent without coercion and understands the terms of the consent given.

CONSTRUCTION DEFECTS

Purpose of Disclosure

The purpose of this disclosure is to make the buyer aware of any construction defects in the property.

Who must provide the disclosure?

If there is a construction defect, the contractor must disclose this information in understandable language that is underlined and in bold-faced type with capital letters.

If the property is or has been the subject of a construction defect claim or lawsuit, the seller must provide the following information to the prospective buyer:

- copies of all notices given to contractor
- expert opinions obtained by claimant
- terms of settlement or order of judgment
- detailed report of all repairs

When is it due?

Construction defects must be disclosed to the buyer before purchase of the residence. If the property is or has been the subject of a defect claim or lawsuit, the information must be disclosed 30 days before close of escrow, or if escrow is less than 30 days, then immediately upon signing. If a claim is made while in escrow, the disclosure must be made within 24 hours of complaint.

Additional Information

If the property is located within a common-interest community and is the subject of a defect claim or lawsuit, this information must be disclosed in the buyer’s resale package (see page 4).



DUTIES OWED BY A NEVADA REAL ESTATE LICENSEE

Purpose of Disclosure

The purpose of this form is to make the buyer or seller aware of obligations owed by a real estate licensee to all parties involved in the transaction.

Who must provide the disclosure?

A licensee who acts as an agent in a real estate transaction must disclose to each party in the transaction all duties owed to the parties and the licensee’s relationship as an agent to each party in the transaction.

When is it due?

The “Duties Owed By a Nevada Real Estate Licensee” form must be presented to the client before any documents are signed by the client.

Additional Information

A licensee who has entered into a brokerage agreement to represent a client in a real estate transaction:

1. Shall exercise skill and care to carry out the terms of the brokerage agreement;
2. Shall not disclose confidential information relating to a client unless he is required to do so pursuant to a court order or given written permission to do so by the client; and
3. Shall promote the interests of his client by:

- (a) Seeking a sale, lease or property at terms acceptable to the client.
- (b) Presenting all offers as soon as is practicable.
- (c) Disclosing to the client material facts of which the licensee has knowledge concerning the transaction.
- (d) Advising the client to obtain advice from an expert relating to matters which are beyond the licensee's expertise.
- (e) Accounting for all money and property he receives in which the client may have an interest as soon as is practicable.



IMPACT FEES

Purpose of Disclosure

The seller of any property must give notice of impact fees that may be imposed upon the buyer.

An impact fee is a charge imposed by a local government on new development (i.e., the construction, reconstruction, redevelopment, conversion, alteration, relocation or enlargement of any structure which increases the number of service units) to finance some of the costs attributable to the new development.

Who must provide the disclosure?

A seller who has been made aware of the impact fee must give written notice to the buyer, including the amount of the impact fee and the name of the local government imposing the fee.

When is it due?

The notice must be provided to the buyer before the property is conveyed.

Additional Information

If the seller fails to give notice, the seller is liable to the buyer for the amount of the impact fee.



LIEN FOR DEFERRED TAXES

Purpose of Disclosure

If there are deferred taxes that have not been paid at the time the property is sold or transferred, the buyer must be notified in writing that there is a lien for deferred taxes on the property.

Who must provide the disclosure?

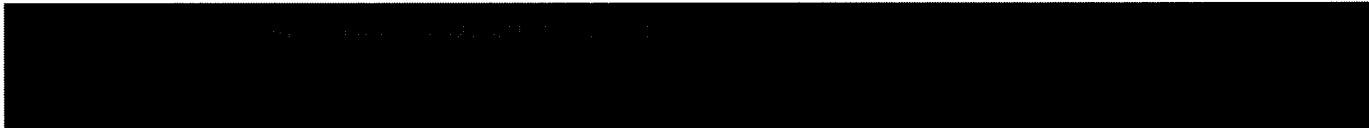
The seller must notify the buyer of the lien.

When is it due?

The lien must be disclosed at the time the property is sold or transferred.

Additional Information

The owner of the property on the date the deferred taxes become due is liable for the deferred taxes.



**MANUFACTURED HOUSING
USED MANUFACTURED/MOBILE HOMES**

Purpose of Disclosure

The purpose of this disclosure is to make the buyer aware that a used manufactured or mobile home that has not been converted to real property is personal property and subject to personal property taxes.

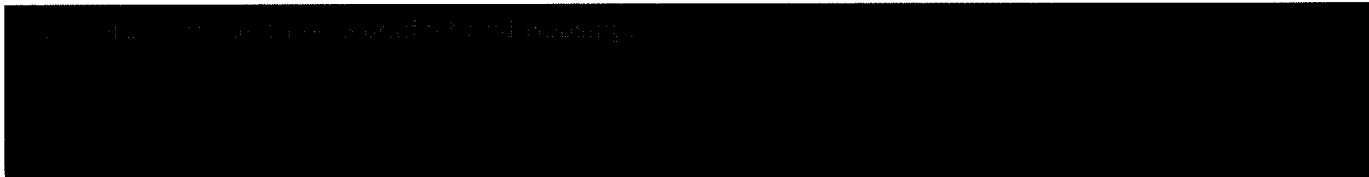
Who must provide the disclosure?

The real estate licensee shall provide the form to the purchaser as soon as practicable, but before title is transferred.

Additional Information

This disclosure also informs the purchaser that title will not pass unless the county assessor's endorsement is placed on the face of the title, verifying that taxes have been paid in full.

The disclosure also instructs the consumer to submit certain documents to Nevada's Manufactured Housing Division within 45 days after the sale is complete and before a certificate of ownership will be issued.



MANUFACTURED HOUSING MANUFACTURED HOME PARKS

Purpose of Disclosure

The purpose of this disclosure is to make the buyer aware that he may be subject to approval by the landlord of the manufactured home park if the manufactured or mobile home will remain in the park.

Who must provide the disclosure?

If the landlord requires approval of a prospective buyer and tenant, the landlord must post a sign that is clearly readable at the entrance to the park which advises consumers that before a manufactured home in the park is sold, the buyer and tenant must be approved by the landlord.

Additional Information

If the property will remain in the manufactured home park, make sure you have a lease agreement with the park manager and that you know the park's rules and regulations.

Remember: The seller or a manufactured home dealer cannot promise that you'll be accepted as a tenant in a particular manufactured home park. You must apply for the lease yourself and should do so before finalizing the purchase of your home. The landlord must approve or deny a completed application from a prospective buyer and tenant within 10 days after the date the application is submitted.

RANGE LAND DISCLOSURE

Purpose of Disclosure

The purpose of the "Range Land Disclosure" form is to make the buyer aware of the possibility of roaming livestock on property near an open range.

Who must provide the disclosure?

If the property is adjacent to open range, the seller must disclose, in writing, information regarding grazing on the open range. (Open range is all unenclosed land outside cities or towns.)

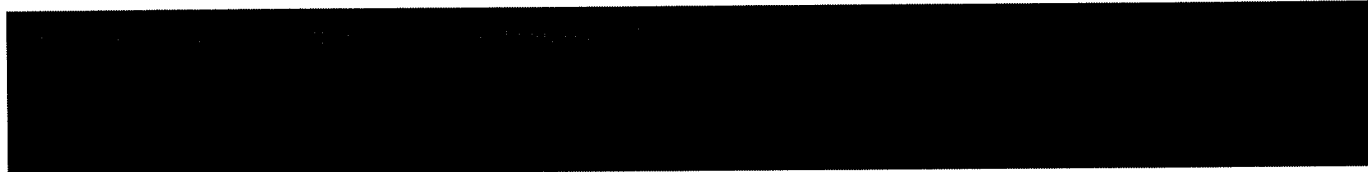
When is it due?

The disclosure must be provided to the buyer before the sales agreement is signed.

Additional Information

The disclosure also identifies fencing requirements and warning about harming livestock.

The law requires that the seller retain a copy of the disclosure document that has been signed by the purchaser acknowledging receipt of the original document.



SELLER'S REAL PROPERTY DISCLOSURE

Purpose of Disclosure

The purpose of this disclosure form is to make the buyer aware of the overall condition of the property before it is transferred. This disclosure is not a guarantee nor does it take the place of an inspection. This form is not required for new home sales.

Who must provide the disclosure?

The seller must complete the "Seller's Real Property Disclosure" form, detailing the condition of the property, known defects, and any other aspects of the property that may affect its use or value.

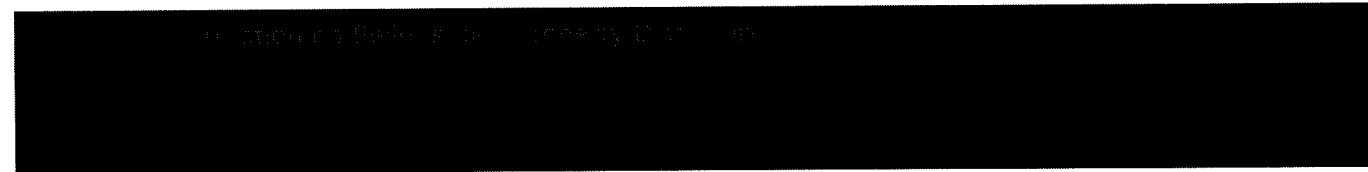
When is it due?

The disclosure must be delivered to the buyer at least 10 days prior to conveyance of the property.

Additional Information

The content of the disclosure is based on what the seller is aware of at the time. If, after completion of the disclosure form, the seller discovers a new defect or notices that a previously disclosed condition has worsened, the seller must inform the purchaser, in writing, as soon as practicable after discovery of the condition, or before conveyance of the property.

The buyer may waive this form, in writing, or rescind the sales agreement for non-disclosure.



WATER & SEWER RATES

Purpose of Disclosure

The purpose of this disclosure is to inform the buyer of a previously unsold home about public utility rates when service is for more than 25 but fewer than 2,000 customers.

Who must provide the disclosure?


The seller must post a notice, which shows the current or projected rates, in a conspicuous place on the property.

When is it due?

The notice must be posted and a copy provided to the buyer before the home is sold.

Additional Information

The notice must contain the name, address and telephone number of the public utility and the Division of Consumer Complaint Resolution of the Public Utilities Commission of Nevada.



Section II – Federal Disclosures

LEAD-BASED PAINT

Purpose of Disclosure

The purpose of the lead-based paint disclosure is to make the buyer aware that the residential property (if built prior to 1978) may present exposure to lead.

Who must provide the disclosure?

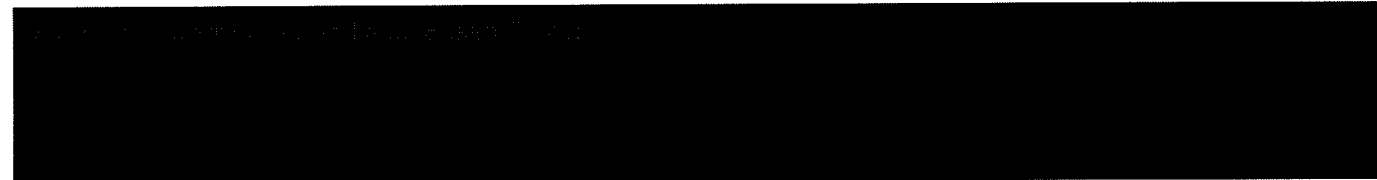
Federal law requires that the seller disclose any known presence of lead-based paint hazards and provide the buyer with the EPA disclosure booklet, "Protect Your Family From Lead in Your Home," along with any other available records and/or reports.

When is it due?

The disclosure is on a federally prescribed form and must be made as a condition of the sale before conveyance of the property.

Additional Information

On the disclosure form, the buyer must acknowledge receipt of the EPA disclosure booklet and copies of lead reports, if available. Additionally, the buyer will receive a 10-day opportunity to conduct a risk assessment or may choose to waive this opportunity.



Section III – Local/Miscellaneous Disclosures

Depending upon the type of transaction, the following disclosures may also be required from a buyer, seller or licensee:

⇒ AIRPORT NOISE

Buyers should investigate the impact of airport flight paths and the noise levels at different times of the day over that property.

For more information on airport noise, visit

McCarran Airport Noise Study (<http://www.mccarrannoisestudy.com/>) OR

Reno Airport Noise (http://renoairport.com/about_the_airport/airport_noise.php)

⇒ BUILDING & ZONING CODES

The purpose of this disclosure is to inform the buyer of transportation beltways and/or planned or anticipated land use within proximity of the subject property of which the seller has knowledge.

For more information on building and zoning codes, contact your local jurisdiction.

⇒ ENVIRONMENTAL HAZARDS

Although the seller is required to disclose the presence of environmental hazards, a statement that the seller is not aware of a defect or hazard does not mean that it does not exist. **It is the buyer's responsibility to be informed and take additional steps to further investigate.**

Some potential hazards that may be found in Nevada include:

- Radon (www.epa.gov/radon)
- Floods <http://www.epa.gov/ebtpages/emernaturaldisastefloods.html>
- Methamphetamine Labs ([NRS 40.770](http://www.nrs.gov/nrs40.770) & [489.776](http://www.nrs.gov/nrs489.776))
- Wood-Burning Devices (<http://www.epa.gov/iaq/pubs/combust.html>)
- Underground Storage Tanks (<http://www.epa.gov/ebtpages/industoragetanksundergroundstoragetanks.html>)
- Well & Septic Systems (<http://www.epa.gov/ebtpages/wategroundwaterwells.html>)
- Contaminated Soils <http://www.epa.gov/ebtpages/pollsoilcontaminants.html>
- Groundwater (www.epa.gov/safewater/protect/citguide.html)

For more information on environmental hazards, visit www.epa.gov.

⇒ HOME INSPECTIONS

When obtaining an FHA-insured loan, this disclosure informs the buyer about the limits of the Federal Housing Administration appraisal inspection and suggests the buyer obtain a home inspection to evaluate the physical condition of the property prior to purchase. The form is entitled, "For Your Protection: Get a Home Inspection."

For more information on FHA home inspections, visit www.epa.gov.

⇒ **GAMING (New Construction Only)**

If there is a gaming district near the property, the seller must disclose information which includes a copy of the most recent gaming enterprise district map, the location of the nearest gaming enterprise district, and notice that the map is subject to change. This disclosure is required for Nevada counties with population over 400,000.

The information must be provided at least 24 hours before the seller signs the sales agreement. The buyer may waive the 24-hour period. For more information, see NRS 113.080

⇒ **LICENSEE DISCLOSURES**

In addition to the "Duties Owed by a Nevada Real Estate Licensee" and the "Consent to Act" forms (see pages 5 & 6), a real estate licensee is required to disclose information such as his relationship to one or more parties in the transaction and/or having a personal interest in the property.

For more information regarding duties and disclosures owed by a licensee, see NRS 645.252-645.254, NAC 645.637 and NAC 645.640.

⇒ **ROAD MAINTENANCE DISTRICT**

The sale of residential property within a road maintenance district is prohibited unless the seller provides notice to the purchaser, including the amount of assessments for the last two years. For more information, see NRS 320.130.

⇒ **SOIL REPORT (New Construction Only)**

If the property has not been occupied by the buyer more than 120 days before completion, the seller must give notice of any soil report prepared for the property or for the subdivision in which the property is located.

The seller must provide such notice upon signing the sales agreement.

Upon receiving the notice, the buyer must submit a written request within 5 days for a copy of the actual report. The seller must provide a free report to the buyer within 5 days of receiving such request.

Upon receiving the soil report, the buyer has 20 days to rescind the sales agreement. This rescission right may be waived, in writing, by the buyer. For more information, see NRS 113.135.

CONTACT INFORMATION

<p>Nevada Real Estate Division (LV) 2501 East Sahara, Suite 101 Las Vegas, NV 89104 Phone: (702) 486-4033 Fax: (702) 486-4275 Email: realest@red.state.nv.us Website: www.red.state.nv.us</p>	<p>Nevada Real Estate Division (CC) 788 Fairview Drive, Suite 200 Carson City, NV 89701 Phone: (775) 687-4280 Fax: (775) 687-4868 Email: realest@red.state.nv.us Website: www.red.state.nv.us</p>
<p>Manufactured Housing Division (LV) 2501 East Sahara, Suite 204 Las Vegas, NV 89104 Phone: (702) 486-4135 Fax: (702) 486-4309 Email: nmhd@mhd.state.nv.us Website: http://mhd.state.nv.us</p>	<p>Manufactured Housing Division (CC) 901 South Stewart, Suite 1003 Las Vegas, NV 89701 Phone: (775) 684-2920 Fax: (775) 684-2923 Email: nmhd@mhd.state.nv.us Website: http://mhd.state.nv.us</p>
<p>Ombudsman Office (Common-interest Communities) 2501 East Sahara, Suite 202 Las Vegas, NV 89104 Phone: (702) 486-4480 Toll Free: (877) 829-9907 Fax: (702) 486-5137 Email: CICombudsman@red.state.nv.us Website: www.red.state.nv.us/CIC_ombuds.htm</p>	<p>U.S. Environmental Protection Agency Ariel Rios Building 1200 Pennsylvania Avenue, N.W. Washington, DC 20460 Phone: (202) 272-0167 Website: www.epa.gov</p>
<p>National Lead Information Center 8601 Georgia Avenue, Suite 503 Silver Spring, MD 20910 Phone: (800) 424-LEAD Fax: (301) 585-7976 Email: hotline.lead@epa.gov Website: www.epa.gov/lead</p>	<p>Department of Health and Human Services- Centers for Disease Control & Prevention 1600 Clifton Road Atlanta, GA 30333 Phone: (404) 639-3311 Public Inquiries: (800) 311-3435 Website: www.cdc.gov</p>
<p>McCarran Airport Noise Study Email: info@mccarrannoisestudy.com Website: www.mccarrannoisestudy.com</p>	<p>Reno Airport Noise Email: noise.abatement@renoairport.com Website: http://renoairport.com/about_the_airport/airport_noise.php</p>

**Acknowledgement
of Receipt**

Nevada Real Estate Division

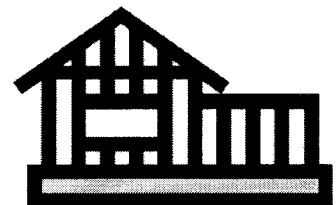
**RESIDENTIAL
DISCLOSURE
GUIDE**

I/We acknowledge that I/we have received a copy of the Residential Disclosure Guide.

BUYER/SELLER

BUYER/SELLER

DATE _____



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Department of Business & Industry
Real Estate Division