



INFORMATION ABOUT SPECIAL FLOOD HAZARD AREAS

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CONCERNING THE PROPERTY AT

**Baker RD. No address yet issued
Rosenberg, TX 77471**

A. FLOOD AREAS:

- (1) The Federal Emergency Management Agency (FEMA) designates areas that have a high risk of flooding as special flood hazard areas.
- (2) A property that is in a special flood hazard area is designated on flood insurance rate maps with a zone beginning in a "V" or "A". Both V-Zone and A-Zone areas indicate a high risk of flooding.
- (3) Some properties may also lie in the "floodway" which is the channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge a flood under FEMA rules. Communities must regulate development in these floodways.

B. AVAILABILITY OF FLOOD INSURANCE:

- (1) Generally, flood insurance is available regardless of whether the property is located in or out of a special flood hazard area. Contact your insurance agent to determine if any limitations or restrictions apply to the property in which you are interested.
- (2) FEMA encourages every property owner to purchase flood insurance regardless of whether the property is in a high, moderate, or low risk flood area.
- (3) A homeowner may obtain flood insurance coverage (up to certain limits) through the National Flood Insurance Program. Supplemental coverage is available through private insurance carriers.
- (4) A mortgage lender making a federally related mortgage will require the borrower to maintain flood insurance if the property is in a special flood hazard area.

C. GROUND FLOOR REQUIREMENTS:

- (1) Many homes in special flood hazard areas are built-up or are elevated. In elevated homes the ground floor typically lies below the base flood elevation and the first floor is elevated on piers, columns, posts, or piles. The base flood elevation is the highest level at which a flood is likely to occur as shown on flood insurance rate maps.
- (2) Federal, state, county, and city regulations:
 - (a) restrict the use and construction of any ground floor enclosures in elevated homes that are in special flood hazard areas.
 - (b) may prohibit or restrict the remodeling, rebuilding, and redevelopment of property and improvements in the floodway.
- (3) The first floor of all homes must now be built above the base flood elevation.
 - (a) Older homes may have been built in compliance with applicable regulations at the time of construction and may have first floors that lie below the base flood elevation, but flood insurance rates for such homes may be significant.

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- (b) It is possible that modifications were made to a ground floor enclosure after a home was first built. The modifications may or may not comply with applicable regulations and may or may not affect flood insurance rates.
- (c) It is important for a buyer to determine if the first floor of a home is elevated at or above the base flood elevation. It is also important for a buyer to determine if the property lies in a floodway.
- (4) Ground floor enclosures that lie below the base flood elevation may be used only for: (i) parking; (ii) storage; and (iii) building access. Plumbing, mechanical, or electrical items in ground floor enclosures that lie below the base flood elevation may be prohibited or restricted and may not be eligible for flood insurance coverage. Additionally:
 - (a) in A-Zones, the ground floor enclosures below the base flood elevation must have flow-through vents or openings that permit the automatic entry and exit of floodwaters:
 - (b) in V-Zones, the ground floor enclosures must have break-away walls, screening, or lattice walls; and
 - (c) in floodways, the remodeling or reconstruction of any improvements may be prohibited or otherwise restricted.

D. COMPLIANCE:

- (1) The above-referenced property may or may not comply with regulations affecting ground floor enclosures below the base flood elevation.
- (2) A property owner's eligibility to purchase or maintain flood insurance, as well as the cost of the flood insurance, is dependent on whether the property complies with the regulations affecting ground floor enclosures.
- (3) A purchaser or property owner may be required to remove or modify a ground floor enclosure that is not in compliance with city or county building requirements or is not entitled to an exemption from such requirements.
- (4) A flood insurance policy maintained by the current property owner does not mean that the property is in compliance with the regulations affecting ground floor enclosures or that the buyer will be able to continue to maintain flood insurance at the same rate.
- (5) Insurance carriers calculate the cost of flood insurance using a rate that is based on the elevation of the lowest floor.
 - (a) If the ground floor lies below the base flood elevation and does not meet federal, state, county, and city requirements, the ground floor will be the lowest floor for the purpose of computing the rate.
 - (b) If the property is in compliance, the first elevated floor will be the lowest floor and the insurance rate will be significantly less than the rate for a property that is not in compliance.
 - (c) If the property lies in a V-Zone the flood insurance rate will be impacted if a ground floor enclosure below the base flood elevation exceeds 299 square feet (even if constructed with break-away walls).

E. ELEVATION CERTIFICATE:

The elevation certificate is an important tool in determining flood insurance rates. It is used to provide elevation information that is necessary to ensure compliance with floodplain management laws. To determine the proper insurance premium rate, insurers rely on an elevation certificate to certify building elevations at an acceptable level above flood map levels. If available in your area, it is recommended that you obtain an elevation certificate for the property as soon as possible to accurately determine future flood insurance rates.

You are encouraged to: (1) inspect the property for all purposes, including compliance with any ground floor enclosure requirement; (2) review the flood insurance policy (costs and coverage) with your insurance agent; and (3) contact the building permitting authority if you have any questions about building requirements or compliance issues.

Receipt acknowledged by:

Signature

Date

Signature

Date



INFORMATION ABOUT MINERAL CLAUSES IN CONTRACT FORMS

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This form contains general information about mineral estates in published contract forms.

- 1. INTRODUCTION:** Historically, buyers and sellers of property near urban areas have not been concerned about the conveyance or retention of mineral interests. Mineral interests for such properties may have been severed in the past or the value of the mineral interests may have been relatively insignificant. There has historically been little risk that the owner of the mineral interests under property near urban areas could or would access the surface of the property to drill or excavate for minerals (perhaps, because the property was too small to support such activity or because such activity may have been heavily regulated by a city). In recent years, the discovery of large mineral deposits near urban areas and advances in drilling technologies have led to increased exploration and drilling activities in and near urban areas. In turn, buyers and sellers of property in urban and suburban areas have raised questions as to whether it is best to convey or retain all or part of the mineral interests in a particular sale.
- 2. WHO OWNS THE MINERALS?** Owners of property in or near urban areas typically are not aware of the precise extent of the mineral interests they may own. One may own all or only a portion of the mineral interests. Further, the mineral interests may have been leased. Determining who owns the mineral interests, whether the mineral interests have been leased, and who holds rights under any leases requires an expert (such as an oil and gas attorney) to review the chain of title and formulate an informed opinion.
- 3. CONTRACT FORMS:** The residential contract forms promulgated by the Texas Real Estate Commission and the commercial contract forms published by Texas REALTORS® provide that the seller will convey to the buyer all of the seller's rights associated with the property, including all mineral interests and any rights held under any mineral leases by the seller. If a seller wishes to reserve all or a part of the mineral interests and rights held by the seller in a residential transaction, the seller **must** use the Texas Real Estate Commission's Addendum for Reservation of Oil, Gas, And Other Minerals (TREC No. 44-2, TXR No. 1905). If the addendum is not attached to the sales contract, the seller conveys to the buyer all of the mineral interests and rights held by the seller at the time of the transaction. In a farm & ranch transaction, the seller may use the TREC promulgated form, but may also use any addendum prepared by an attorney or by either party.
- 4. RESOURCES:** One may find information related to mineral estates and mineral leases through many sources, including but not limited to: (a) the Real Estate Research Center (www.recenter.tamu.edu); and (b) the Railroad Commission of Texas (www.rrc.texas.gov). There are many other useful sources that one can access via the Internet through most Internet search engines.

The undersigned acknowledge receipt of this notice.

Printed Name: _____

Printed Name: _____

Date

Date

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