



## COMMERCIAL PROPERTY CONDITION STATEMENT

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CONCERNING THE PROPERTY AT: 2307 IRVING ST,

THIS IS A DISCLOSURE OF THE SELLER'S OR LANDLORD'S KNOWLEDGE OF THE CONDITION OF THE PROPERTY AS OF THE DATE SIGNED. IT IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES A BUYER OR TENANT MAY WISH TO OBTAIN. IT IS NOT A WARRANTY OF ANY KIND BY SELLER, SELLER'S AGENTS, LANDLORD, LANDLORD'S AGENTS OR ANY OTHER AGENT. THE TERM "LANDLORD" INCLUDES SUBLESSORS.

### PART I - Complete if Property is Improved or Unimproved

Are you (Seller or Landlord) aware of:	<u>Aware</u>	<u>Not Aware</u>
(1) any of the following environmental conditions on or affecting the Property:		
(a) radon gas? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(b) asbestos components:		
(i) friable components? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(ii) non-friable components? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(c) urea-formaldehyde insulation? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(d) endangered species or their habitat? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(e) wetlands? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(f) underground storage tanks? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(g) leaks in any storage tanks (underground or above-ground)? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(h) lead-based paint? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(i) hazardous materials or toxic waste? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(j) open or closed landfills on or under the surface of the Property? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(k) external conditions materially and adversely affecting the Property such as nearby landfills, smelting plants, burners, storage facilities of toxic or hazardous materials, refiners, utility transmission lines, mills, feed lots, and the like? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(l) any activity relating to drilling or excavation sites for oil, gas, or other minerals? ..	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(2) previous environmental contamination that was on or that materially and adversely affected the Property, including but not limited to previous environmental conditions listed in Paragraph 1(a)-(l)? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(3) any improper drainage onto or away from the Property? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(4) any fault line at or near the Property that materially and adversely affects the Property? [	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(5) air space restrictions or easements on or affecting the Property? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(6) unrecorded or unplatted agreements for easements, utilities, or access on or to the Property? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(TXR-1408) 07-08-22 Initialed by Seller or Landlord: RbV, \_\_\_\_\_ and Buyer or Tenant: \_\_\_\_\_, \_\_\_\_\_

Page 1 of 5

Commercial Property Condition Statement concerning \_\_\_\_\_

	<u>Aware</u>	<u>Not Aware</u>
(7) special districts in which the Property lies (for example, historical districts, development districts, extraterritorial jurisdictions, or others)? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(8) pending changes in zoning, restrictions, or in physical use of the Property? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
The current zoning of the Property is: _____		
(9) your receipt of any notice concerning any likely condemnation, planned streets, highways, railroads, or developments that would materially and adversely affect the Property (including access or visibility)? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(10) lawsuits affecting title to or use or enjoyment of the Property? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(11) your receipt of any written notices of violations of zoning, deed restrictions, or government regulations from EPA, OSHA, TCEQ, or other government agencies? ....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(12) common areas or facilities affiliated with the Property co-owned with others? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(13) an owners' or tenants' association or maintenance fee or assessment affecting the Property? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If aware, name of association: _____		
Name of manager: _____		
Amount of fee or assessment: \$ _____ per _____		
Are fees current through the date of this notice? [ <input type="checkbox"/> ] yes [ <input type="checkbox"/> ] no [ <input type="checkbox"/> ] unknown		
(14) subsurface structures, hydraulic lifts, or pits on the Property? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(15) intermittent or wet weather springs that affect the Property? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(16) any material defect in any irrigation system, fences, or signs on the Property? ....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(17) conditions on or affecting the Property that materially affect the health or safety of an ordinary individual? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(18) any of the following rights vested in others:		
(a) outstanding mineral rights? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(b) timber rights? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(c) water rights? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(d) other rights? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(19) any personal property or equipment or similar items subject to financing, liens, or lease(s)? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If aware, list items: _____		

If you are aware of any of the conditions listed above, explain. (Attach additional information if needed.) \_\_\_\_\_

*D/W MAY OR MAY NOT WORK*

(TXR-140807-08-22      Initialed by Seller or Landlord: RLV, \_\_\_\_\_ and Buyer or Tenant: \_\_\_\_\_, \_\_\_\_\_      Page 2 of 5

**PART 2 - Complete if Property is Improved or Unimproved**

Are you (Seller or Landlord) aware of any of the following conditions\*:

**Aware**

**Not  
Aware**

- |   |                          |                                     |
|---|--------------------------|-------------------------------------|
| (1) Present flood insurance coverage? .....   | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (2) Previous flooding due to a failure or breach of a reservoir or a controlled or emergency release of water from a reservoir? .....   | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (3) Previous flooding due to a natural flood event?) .....  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (4) Previous water penetration into a structure on the Property due to a natural flood event? .....   | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (5) Located <input type="checkbox"/> wholly <input type="checkbox"/> partly in a 100-year floodplain (Special Flood Hazard Area-Zone A, V, A99, AE, AO, AH, VE, or AR)? ..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (6) Located <input type="checkbox"/> wholly <input type="checkbox"/> partly in a 500-year floodplain (Moderate Flood Hazard Area-Zone X (shaded))? .....                      | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (7) Located <input type="checkbox"/> wholly <input type="checkbox"/> partly in a floodway? .....  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (8) Located <input type="checkbox"/> wholly <input type="checkbox"/> partly in a flood pool? .....  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (9) Located <input type="checkbox"/> wholly <input type="checkbox"/> partly in a reservoir? .....   | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

If the answer to any of the above is "aware," explain: (attach additional sheets as necessary)

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*\*If Buyer or Tenant is concerned about these matters, Buyer or Tenant may consult Information About Flood Hazards (TXR 1414)*

*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 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.*

- (10) Have you (Seller or Landlord) 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)

- (11) Have you (Seller or Landlord) 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)

**PART 3 - Complete only if Property is Improved**

A. Are you (Seller or Landlord) aware of any material defects in any of the following on the Property?

	<u>Aware</u>	<u>Not Aware</u>	<u>Not Appl.</u>
(1) <u>Structural Items:</u>			
(a) foundation systems (slabs, columns, trusses, bracing, crawl spaces, piers, beams, footings, retaining walls, basement, grading)? . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(b) exterior walls? . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(c) fireplaces and chimneys? . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(d) roof, roof structure, or attic (covering, flashing, skylights, insulation, roof penetrations, ventilation, gutters and downspouts, decking)? . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(e) windows, doors, plate glass, or canopies . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) <u>Plumbing Systems:</u>			
(a) water heaters or water softeners? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) supply or drain lines? . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(c) faucets, fixtures, or commodes? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d) private sewage systems? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(e) pools or spas and equipment? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(f) fire sprinkler systems? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(g) landscape sprinkler system? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(h) water coolers? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(i) private water wells? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(j) pumps or sump pumps? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(k) gas lines? . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(3) <u>HVAC Systems:</u> any cooling, heating, or ventilation systems? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(4) <u>Electrical Systems:</u> service drops, wiring, connections, conductors, plugs, grounds, power, polarity, switches, light fixtures, or junction boxes? . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(5) <u>Other Systems or Items:</u>			
(a) security or fire detection systems? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(b) fire detection systems?			
(b) porches or decks? . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(d) garage doors and door operators? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(e) loading doors or docks? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(f) rails or overhead cranes? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(g) elevators or escalators? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(h) parking areas, drives, steps, walkways? . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(i) appliances or built-in kitchen equipment? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you are aware of material defects in any of the items listed under Paragraph A, explain. (Attach additional information if needed.) \_\_\_\_\_

D/W

(TXR-1408) 07-08-22 Initialed by Seller or Landlord: R6V and Buyer or Tenant: \_\_\_\_\_

Page 4 of 5

B. Are you (Seller or Landlord) aware of:	<u>Aware</u>	<u>Not Aware</u>
(1) any of the following water or drainage conditions materially and adversely affecting the Property:		
(a) ground water? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(b) water penetration? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(c) previous flooding or water drainage? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(d) soil erosion or water ponding? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(2) previous structural repair to the foundation systems on the Property? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(3) settling or soil movement materially and adversely affecting the Property? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(4) pest infestation from rodents, insects, or other organisms on the Property? .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(5) termite or wood rot damage on the Property needing repair? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(6) mold to the extent that it materially and adversely affects the Property? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(7) mold remediation certificate issued for the Property in the previous 5 years? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<i>if aware, attach a copy of the mold remediation certificate.</i>		
(8) previous termite treatment on the Property? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(9) previous fires that materially affected the Property? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(10) modifications made to the Property without necessary permits or not in compliance with building codes in effect at the time? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(11) any part, system, or component in or on the Property not in compliance with the Americans with Disabilities Act or the Texas Architectural Barrier Statute? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If you are aware of any conditions described under Paragraph B, explain. (Attach additional information, if needed.) SQUIRRELS IN ATTIC

The undersigned acknowledges receipt of the foregoing statement.

Seller or Landlord: \_\_\_\_\_

Buyer or Tenant: \_\_\_\_\_

By: \_\_\_\_\_  
 By (signature): Richard Velloso  
 Printed Name: RICHARD VELLOSO  
 Title: \_\_\_\_\_

By: \_\_\_\_\_  
 By (signature): \_\_\_\_\_  
 Printed Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

By: \_\_\_\_\_  
 By (signature): \_\_\_\_\_  
 Printed Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

By: \_\_\_\_\_  
 By (signature): \_\_\_\_\_  
 Printed Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

**NOTICE TO BUYER OR TENANT:** The broker representing Seller or Landlord, and the broker representing you advise you that this statement was completed by Seller or Landlord, as of the date signed. The brokers have relied on this statement as true and correct and have no reason to believe it to be false or inaccurate. YOU ARE ENCOURAGED TO HAVE AN INSPECTOR OF YOUR CHOICE INSPECT THE PROPERTY.

## STATUTORY NOTICE TO PURCHASER(S) OF REAL PROPERTY

The real property, which you are about to purchase, is in the **ORANGE COUNTY DRAINAGE DISTRICT**. The district has taxing authority separate from any other taxing authority and may, subject to voter approval, issue an unlimited amount of bonds. As of this date, the rate of taxes levied by the district on real property located in the district is 0.134100 on each \$100 of assessed valuation. The total amount of bonds, which has been approved by the voters and which have been or may, at this date be issued is \$N/A.

The district has the authority to adopt and impose a standby fee on property in the district that has water, sanitary sewer, or drainage facilities and services available but not connected and which does not have a house, building, or other improvement located thereon and does not substantially utilize the utility capacity available to the property. The district may exercise the authority without holding an election on the matter. As of this date the amount of the standby fee is \$N/A. An unpaid standby fee is a personal obligation of the person that owned the property at the time of imposition and is secured by a lien on the property. Any person may request a certificate from the district stating the amount, if any, of unpaid standby fees on a tract of property in the district.

The purpose of this district is to provide water, sewer, drainage, or flood control facilities and services within the district through the issuance of bonds payable in whole or in part from property taxes. The cost of these utility facilities is not included in the purchase price of your property, and these utility facilities are owned or to be owned by the district.

The legal description of the property you are acquiring is as follows:

*Metes & Bounds - P/O S. Jeff A-16  
Know as 2307 Irving, Orange, TX 77630*

Date:

*9/30/2028*

*R. D. Will*

Signature of Seller

Signature of Seller

PURCHASER IS ADVISED THAT THE INFORMATION SHOWN ON THIS FORM IS SUBJECT TO CHANGE BY THE DISTRICT AT ANY TIME. THE DISTRICT ROUTINELY ESTABLISHES TAX RATES DURING THE MONTHS OF SEPTEMBER THROUGH DECEMBER OF EACH YEAR, EFFECTIVE FOR THE YEAR IN WHICH THE TAX RATES ARE APPROVED BY THE DISTRICT. PURCHASER IS ADVISED TO CONTACT THE DISTRICT TO DETERMINE THE STATUS OF ANY CURRENT OR PROPOSED CHANGES TO THE INFORMATION SHOWN ON THIS FORM.

The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or prior to execution of a binding contract for the purchase of the real property described in such notice or at closing of purchase of the real property.

Date:

Signature of Purchaser

Signature of Purchaser



APPROVED BY THE TEXAS REAL ESTATE COMMISSION  
**ADDENDUM FOR SELLER'S DISCLOSURE OF INFORMATION  
ON LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS  
AS REQUIRED BY FEDERAL LAW**

10-10-11

CONCERNING THE PROPERTY AT 2319 Irving Orange  
(Street Address and City)

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

**NOTICE: Inspector must be properly certified as required by federal law.**

**B. SELLER'S DISCLOSURE:**

1. PRESENCE OF LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS (check one box only):

☐ (a) Known lead-based paint and/or lead-based paint hazards are present in the Property (explain): \_\_\_\_\_

*RLV* ☒ (b) Seller has no actual knowledge of lead-based paint and/or lead-based paint hazards in the Property.

2. RECORDS AND REPORTS AVAILABLE TO SELLER (check one box only):

☐ (a) Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the Property (list documents): \_\_\_\_\_

*RLV* ☒ (b) Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the Property.

**C. BUYER'S RIGHTS** (check one box only):

- ☐ 1. Buyer waives the opportunity to conduct a risk assessment or inspection of the Property for the presence of lead-based paint or lead-based paint hazards.
- ☐ 2. Within ten days after the effective date of this contract, Buyer may have the Property inspected by inspectors selected by Buyer. If lead-based paint or lead-based paint hazards are present, Buyer may terminate this contract by giving Seller written notice within 14 days after the effective date of this contract, and the earnest money will be refunded to Buyer.

**D. BUYER'S ACKNOWLEDGMENT** (check applicable boxes):

- ☐ 1. Buyer has received copies of all information listed above.
- ☐ 2. Buyer has received the pamphlet *Protect Your Family from Lead in Your Home*.

**E. BROKERS' ACKNOWLEDGMENT:** Brokers have informed Seller of Seller's obligations under 42 U.S.C. 4852d to:

(a) provide Buyer with the federally approved pamphlet on lead poisoning prevention; (b) complete this addendum; (c) disclose any known lead-based paint and/or lead-based paint hazards in the Property; (d) deliver all records and reports to Buyer pertaining to lead-based paint and/or lead-based paint hazards in the Property; (e) provide Buyer a period of up to 10 days to have the Property inspected; and (f) retain a completed copy of this addendum for at least 3 years following the sale. Brokers are aware of their responsibility to ensure compliance.

**F. CERTIFICATION OF ACCURACY:** The following persons have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

\_\_\_\_\_  
Buyer Date

*Rena Veillon* 9/30/22  
\_\_\_\_\_  
Seller Date

Estate of Rena Veillon by Richard Glenn Veillon

\_\_\_\_\_  
Buyer Date

*[Signature]* 9/30/22  
\_\_\_\_\_  
Seller Date

\_\_\_\_\_  
Other Broker Date

*[Signature]* \_\_\_\_\_  
\_\_\_\_\_  
Listing Broker Date

Deborah Hughes

The form of this addendum has been approved by the Texas Real Estate Commission for use only with similarly approved or promulgated forms of contracts. Such approval relates to this contract form only. TREC forms are intended for use only by trained real estate licensees. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not suitable for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, 512-936-3000 (<http://www.trec.texas.gov>)

(TXR 1906) 10-10-11

**TREC No. OP-L**



## INFORMATION ABOUT SPECIAL FLOOD HAZARD AREAS

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### CONCERNING THE PROPERTY AT \_\_\_\_\_

#### 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 lies in a "V-Zone" or "A-Zone" as noted on flood insurance rate maps. Both V-Zone and A-Zone areas are areas with 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.

(TXR 1414) 01-01-14

*RW*

Page 1 of 3



- (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).

*RBV*

