



TEXAS ASSOCIATION OF REALTORS®
COMMERCIAL PROPERTY CONDITION STATEMENT
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CONCERNING THE PROPERTY AT: **15407 Highway 36, Needville, TX 77461**

THIS IS A DISCLOSURE OF THE SELLER'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.

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: | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (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 of 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 part of the Property lying in a special flood hazard area (A or V Zone)? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (4) any improper drainage onto or away from the Property? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (5) any fault line or near the Property that materially and adversely affects the Property? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (6) air space restrictions or easements on or affecting the Property? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (7) unrecorded or unplatted agreements for easements, utilities, or access on or to the Property? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

(TAR-1408) 4-1-14 Initialed by Seller or Landlord: JM, _____ and Buyer or Tenant: _____, _____

- | | <u>Aware</u> | <u>Not
Aware</u> |
|---|-------------------------------------|-------------------------------------|
| (8) special districts in which the Property lies (for example, historical districts, development districts, extraterritorial jurisdictions, or others)? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (9) 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: _____ | | |
| (10) 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 checked="" type="checkbox"/> | <input type="checkbox"/> |
| (11) lawsuits affecting title to or use or enjoyment of the Property? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (12) 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"/> |
| (13) common areas or facilities affiliated with the Property co-owned with others? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (14) 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 | | |
| (15) subsurface structures, hydraulic lifts, or pits on the Property? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (16) intermittent or weather springs that affect the Property? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (17) any material defect in any irrigation system, fences, or signs on the Property? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (18) conditions on or affecting the Property that materially affect the health or safety of an ordinary individual? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (19) 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"/> |

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

(TAR-1408) 4-1-14 Initialed by Seller or Landlord: ML and Buyer or Tenant: _____

PART 2 - 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) Structural Items: | | | |
| (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 type="checkbox"/> | <input checked="" 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 type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) Plumbing Systems: | | | |
| (a) water heaters or water softeners? | <input type="checkbox"/> | <input checked="" 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 type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (d) private sewage systems? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (e) pools or spas and equipments? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (f) sprinkler systems? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (g) water coolers? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (h) private water wells? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (i) pumps or sump pumps? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) HVAC Systems: any cooling, heating, or ventilation systems? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (4) Electrical Systems: 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) Other Systems or Items: | | | |
| (a) security or fire detection systems? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (b) porches or decks? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (c) gas lines? | <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 type="checkbox"/> | <input checked="" 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.) _____

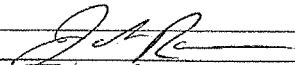
| B. Are you (Seller or Landlord) aware of: | <u>Aware</u> | <u>Not Aware</u> |
|--|--------------------------|-------------------------------------|
| (1) any of the following water or drainage conditions materially and adversely affecting the Property: | | |
| (a) ground water? | <input type="checkbox"/> | <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 type="checkbox"/> | <input checked="" 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 yes, 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.*) _____

The undersigned acknowledges receipt of the foregoing statement.

Seller or Landlord: R-1 Management LLC

Buyer or Tenant: _____

By: _____
 By (signature): 
 Printed Name: John Kosa
 Title: Co-Owner

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.