



COMMERCIAL PROPERTY CONDITION STATEMENT

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CONCERNING THE PROPERTY AT: 1975 CR 1605, Rusk, TX 75785

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?	☐	☒
(b) asbestos components:		
(i) friable components?	☐	☒
(ii) non-friable components?	☐	☒
(c) urea-formaldehyde insulation?	☐	☒
(d) endangered species or their habitat?	☐	☒
(e) wetlands?	☐	☒
(f) underground storage tanks?	☐	☒
(g) leaks in any storage tanks (underground or above-ground)?	☐	☒
(h) lead-based paint?	☐	☒
(i) hazardous materials or toxic waste?	☐	☒
(j) open or closed landfills on or under the surface of the Property?	☐	☒
(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?	☐	☒
(l) any activity relating to drilling or excavation sites for oil, gas, or other minerals? ..	☐	☒
(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)?	☐	☒
(3) any improper drainage onto or away from the Property?	☐	☒
(4) any fault line at or near the Property that materially and adversely affects the Property? ..	☐	☒
(5) air space restrictions or easements on or affecting the Property?	☐	☒
(6) unrecorded or unplatted agreements for easements, utilities, or access on or to the Property?	☐	☒

(TXR-1408) 07-08-22 Initialed by Seller or Landlord: OK, _____ and Buyer or Tenant: _____, _____

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	<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)?	☐	☒
(8) pending changes in zoning, restrictions, or in physical use of the Property? 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)?	☐	☒
(10) lawsuits affecting title to or use or enjoyment of the Property?	☐	☒
(11) your receipt of any written notices of violations of zoning, deed restrictions, or government regulations from EPA, OSHA, TCEQ, or other government agencies?	☐	☒
(12) common areas or facilities affiliated with the Property co-owned with others?	☐	☒
(13) an owners' or tenants' association or maintenance fee or assessment affecting the Property? If aware, name of association: _____ Name of manager: _____ Amount of fee or assessment: \$ _____ per _____ Are fees current through the date of this notice? [☐] yes [☐] no [☐] unknown	☐	☒
(14) subsurface structures, hydraulic lifts, or pits on the Property?	☐	☒
(15) intermittent or wet weather springs that affect the Property?	☐	☒
(16) any material defect in any irrigation system, fences, or signs on the Property?	☐	☒
(17) conditions on or affecting the Property that materially affect the health or safety of an ordinary individual?	☐	☒
(18) any of the following rights vested in others:		
(a) outstanding mineral rights?	☐	☒
(b) timber rights?	☐	☒
(c) water rights?	☐	☒
(d) other rights?	☐	☒
(19) any personal property or equipment or similar items subject to financing, liens, or lease(s)? If aware, list items: <u>Mortgage on property,</u>	☒	☐

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

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PART 2 - Complete if Property is Improved or Unimproved

Are you (Seller or Landlord) aware of any of the following conditions*:	<u>Aware</u>	<u>Not Aware</u>
(1) Present flood insurance coverage?	☐	☒
(2) Previous flooding due to a failure or breach of a reservoir or a controlled or emergency release of water from a reservoir?	☐	☒
(3) Previous flooding due to a natural flood event?)	☐	☒
(4) Previous water penetration into a structure on the Property due to a natural flood event?	☐	☒
(5) Located ☐ wholly ☐ partly in a 100-year floodplain (Special Flood Hazard Area- Zone A, V, A99, AE, AO, AH, VE, or AR)?	☐	☒
(6) Located ☐ wholly ☐ partly in a 500-year floodplain (Moderate Flood Hazard Area- Zone X (shaded))?	☐	☒
(7) Located ☐ wholly ☐ partly in a floodway?	☐	☒
(8) Located ☐ wholly ☐ partly in a flood pool?	☐	☒
(9) Located ☐ wholly ☐ partly in a reservoir?	☐	☒

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

**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)*

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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)?	☐	☒	☐
(b) exterior walls?	☐	☒	☐
(c) fireplaces and chimneys?	☐	☐	☒
(d) roof, roof structure, or attic (covering, flashing, skylights, insulation, roof penetrations, ventilation, gutters and downspouts, decking)? . . .	☐	☒	☐
(e) windows, doors, plate glass, or canopies	☒	☐	☐
(2) <u>Plumbing Systems</u> :			
(a) water heaters or water softeners?	☐	☒	☐
(b) supply or drain lines?	☐	☒	☐
(c) faucets, fixtures, or commodes?	☐	☒	☐
(d) private sewage systems?	☐	☒	☐
(e) pools or spas and equipment?	☐	☒	☐
(f) fire sprinkler systems?	☐	☒	☐
(g) landscape sprinkler system?	☐	☒	☐
(h) water coolers?	☐	☒	☐
(i) private water wells?	☐	☒	☐
(j) pumps or sump pumps?	☐	☒	☐
(k) gas lines?	☐	☒	☐
(3) <u>HVAC Systems</u> : any cooling, heating, or ventilation systems?	☐	☒	☐
(4) <u>Electrical Systems</u> : service drops, wiring, connections, conductors, plugs, grounds, power, polarity, switches, light fixtures, or junction boxes?	☐	☒	☐
(5) <u>Other Systems or Items</u> :			
(a) security or fire detection systems?	☐	☒	☐
(b) fire detection systems?			
(b) porches or decks?	☐	☒	☐
(d) garage doors and door operators?	☐	☒	☐
(e) loading doors or docks?	☐	☒	☐
(f) rails or overhead cranes?	☐	☒	☐
(g) elevators or escalators?	☐	☒	☐
(h) parking areas, drives, steps, walkways?	☐	☒	☐
(i) appliances or built-in kitchen equipment?	☐	☒	☐

If you are aware of material defects in any of the items listed under Paragraph A, explain. (Attach additional information if needed.) Canopy near shipping and receiving dock needs repair

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

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: <u>Teraganix Holdings LLC</u> By: <u>CEO / Chad Krause</u> By (signature): <u>Chad Krause</u> Printed Name: <u>Chad Krause</u> Title: <u>CEO</u>	Buyer or Tenant: _____ 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.

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