



COMMERCIAL PROPERTY CONDITION STATEMENT

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CONCERNING THE PROPERTY AT: **2003 E. US Highway 84, Palestine, Texas 75801**

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: FID LD and Buyer or Tenant: _____, _____

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Aware Not
Aware

- (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: n/a
- (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: _____

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

- Building needs new flooring + baseboards.

- Exterior sprinkler system is not fully operational.

(TXR-140807-08-22

Initialed by Seller or Landlord:

FJD

LD

and Buyer or Tenant: _____

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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*:

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)*

**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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Initialed by Seller or Landlord:

FJD

LD

and Buyer or Tenant: _____

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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)?	<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 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 equipment?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(f) fire sprinkler systems?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(g) landscape sprinkler system?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(h) water coolers?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(i) private water wells?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(j) pumps or sump pumps?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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 type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>
(e) loading doors or docks?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(f) rails or overhead cranes?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(g) elevators or escalators?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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.) Exterior sprinkler system does not fully operate.

Back door window pane broken.

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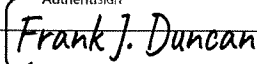
	<u>Aware</u>	<u>Not Aware</u>
B. Are you (Seller or Landlord) aware of:		
(1) any of the following water or drainage conditions materially and adversely affecting the Property:		
(a) ground water?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(b) water penetration?	<input type="checkbox"/>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

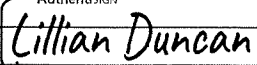
The undersigned acknowledges receipt of the foregoing statement.

Seller or Landlord: _____

Buyer or Tenant: _____

By: _____
Authentisign
 02/15/23
 By (signature):
 Printed Name: Frank Duncan
 Title: Owner

By: _____
 By (signature):
 Printed Name:
 Title:

By: _____
Authentisign
 02/14/23
 By (signature):
 Printed Name: Lillian Duncan
 Title: Owner

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.**