

EXHIBIT A



TEXAS ASSOCIATION OF REALTORS®
COMMERCIAL REAL ESTATE LISTING AGREEMENT
EXCLUSIVE RIGHT TO SELL

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS® IS NOT AUTHORIZED.
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1. PARTIES: The parties to this agreement (this Listing) are HBOS Manufacturing, L.P. (Seller) and Don Hobbs (Broker).
Seller appoints Broker as Seller's sole and exclusive real estate agent and grants to Broker the exclusive right to sell the Property.

2. PROPERTY:
A. The Property is that real property situated in Cooke County, Texas at 2600 Bonna Villa Dr. Gainesville, TX 76240 (address) that is legally described as follows: (Identify exhibit if described by attachment.)
Lease hold building and equipment only located in the Dickerson Survey Abstract 339. The land is owned by the city of Gainesville, Texas and leased by HBOS Manufacturing L.P.

B. Except as otherwise provided in this Listing, Broker is to market the Property together with:
(1) all buildings, improvements, and fixtures;
(2) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
(3) Seller's interest in all leases, rents, and security deposits for all or part of the Property;
(4) Seller's interest in all licenses and permits related to the Property;
(5) Seller's interest in all third party warranties or guarantees, if transferable, relating to the Property or any fixtures;
(6) Seller's interest in any trade names, if transferable, used in connection with the Property; and
(7) the following personal property: None

(Describe any exceptions, reservations, or restrictions in Paragraph 16 or an addendum.)
(If the Property is a condominium, attach condominium addendum.)

3. LISTING PRICE: Seller lists the Property for the gross amount of \$ 2,500,000.00 (Listing Price) and agrees to sell the Property for the Listing Price or any other price acceptable to Seller. Seller will pay all typical closing costs charged to sellers of real property in Texas (seller's typical closing costs are those set forth in the commercial contract forms published by the Texas Association of REALTORS®) except none

4. TERM: This Listing commences on September 1, 2002 (Commencement Date) and ends at 11:58 p.m. on August 31, 2003 (Expiration Date). If Seller enters into a binding written contract to sell the Property before the Commencement Date and that contract is in effect on the Commencement Date, this Listing will not commence and will be void.

5. BROKER'S FEE:
A. Fee: When earned and payable, Seller will pay Broker a fee of:
(1) 6 % of the sales price.
(2) _____

In the event of an exchange or breach of this Listing, the Listing Price will be the sales price for purposes of computing Broker's fee

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TAR, P.O. Box 2246, Austin, TX 78768-2246

Commercial Listing concerning

2600 Benna Villa Dr. Gainesville, TX 76240

- B. Earned: Broker's fee is earned when any one of the following occurs during the term of this Listing:
- (1) Seller sells, exchanges, agrees to sell, or agrees to exchange the Property to anyone at any price on any terms;
 - (2) Broker individually or in cooperation with another broker procures a buyer ready, willing, and able to buy the Property at the Listing Price or at any other price acceptable to Seller;
 - (3) Seller grants or agrees to grant to another person an option to purchase the Property;
 - (4) Seller transfers or agrees to transfer Seller's interest (stock or shares) in any entity that holds title to the Property for the purpose of conveying the Property to another person; or
 - (5) Seller breaches this Listing.

- C. Payable: Once earned, Broker's fee is payable, either during the term of this Listing or after it ends, at the earlier of:
- (1) the closing and funding of any sale or exchange of the Property;
 - (2) Seller's refusal to sell the Property after Broker's fee has been earned;
 - (3) Seller's breach of this Listing; or
 - (4) at such time as otherwise set forth in this Listing.

Broker's fee is not payable if a sale of the Property does not close or fund as a result of: (i) Seller's failure, without fault of Seller, to deliver a title policy to a buyer; (ii) loss of ownership due to foreclosure or other legal proceeding; or (iii) Seller's failure to restore the Property, as a result of a casualty loss, to its previous condition by the closing date set forth in a contract for the sale of the Property.

D. Other Fees:

- (1) Lease of the Property: If Broker procures a tenant to lease all or part of the Property and Seller agrees to lease all or part of the Property to the tenant, Seller will pay Broker at the time the lease is executed a fee of:

- (a) _____ % of all rents to be paid for the term of the lease.
- (b) _____

If Broker procures a tenant under this Paragraph 5D(1), the provisions of Paragraph 10 will be read to include a landlord, tenant, and lease of the Property.

(2) Breach by Buyer Under Contract:

- (a) If a buyer, with whom Seller has entered into a contract for the sale of the Property during the term of this Listing, breaches such contract and Seller receives earnest money or a portion thereof as liquidated damages, Seller will pay Broker the lesser of one-half of such amount or the amount of Broker's fee stated in Paragraph 5A. Any amount paid under this Paragraph 5D(2)(a) is in addition to any amount that Broker may be entitled to receive for subsequently selling the Property.
- (b) If Seller collects the sales price and/or damages by suit, compromise, settlement or otherwise from a buyer who breached a contract for the sale of the Property entered into during the term of this Listing, Seller will pay Broker, after deducting attorney's fees and other expenses of collection, an amount equal to the lesser of one-half of the amount collected after deductions or the amount of the Broker's fee stated in Paragraph 5A. Any amount paid under this Paragraph 5D(2)(b) is in addition to any amount that Broker may be entitled to receive for subsequently selling the Property.

(3) Transaction Fees: Normal closing costs

E. Protection Period:

- (1) "Protection period" means that time starting the day after this Listing ends and continuing for 30 days.
- (2) If Seller agrees to sell or lease all or part of the Property during the protection period to any person whose attention has been called to the Property during the time this Listing is in effect, Seller will pay Broker, upon the closing of the sale or upon execution of the lease, the amount that Broker would have been entitled to receive if this Listing were still in effect, if Broker, not later than 10 days after this Listing ends, sends Seller written notice specifying the names of the persons whose attention has been called to the Property during the term of this Listing.
- (3) "Person" is broadly construed to include any individual or entity in any capacity. "Sell" is broadly construed to include any transfer of any interest in the Property whether by agreement or option.
- (4) This Paragraph 5E survives termination of this agreement. This Paragraph 5E will not apply if Seller agrees to sell or lease the Property during the protection period and the Property is exclusively listed with another Texas licensed real estate broker at the time the sale or lease is negotiated and Seller is obligated to pay the other broker a fee for the sale or lease.

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2600 Santa Villa Dr. Gainesville, TX 76240

- F. County: All amounts payable to Broker are to be paid in cash in Cooke County, Texas.
- G. Escrow Authorization: Seller authorizes, and Broker may so instruct, any escrow or closing agent authorized to close a transaction for the purchase or acquisition of the Property to collect and disburse to Broker all amounts payable to Broker under this Listing.
- NOTICE: Under Chapter 62, Texas Property Code, Broker is entitled to claim a lien against the Property to secure payment of an earned commission.
6. RESERVED. (Reserved for the purpose of maintaining consistent paragraph numbers in different listing forms.)
7. ACCESS TO THE PROPERTY:
- A. To facilitate the showing and sale of the Property, Seller instructs Broker and Broker's associates to:
- (1) access the Property at reasonable times; and
 - (2) authorize other brokers, inspectors, appraisers, engineers, and repair persons to enter the Property at reasonable times.
- B. Authorizing access to the Property means giving permission to another person to enter the Property, disclosing any security codes necessary to enter the Property to such person, and lending a key to the Property to such person.
8. REQUIRED DISCLOSURES:
- A. Property Condition: Seller and Broker must disclose any known material defect in the Property to a prospective buyer. (Check (1) or (2) only.)
- (1) Seller is not aware of any material defects to the Property except as stated in the attached Property Condition Statement. Seller authorizes Broker to furnish prospective buyers and other brokers with a copy of the Property Condition Statement.
- (2) Except as listed below, Seller is not aware of:
- (a) any material defect on the Property or any condition that materially and detrimentally affects the Property;
 - (b) any condition on the Property that violates any law or ordinance;
 - (c) whether any part of the Property lies in a flood hazard area;
 - (d) any environmental hazards or conditions that affect the Property;
 - (e) whether the Property is or has ever been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground storage tanks or containers;
 - (f) whether radon, asbestos insulation or fireproofing, urea-formaldehyde foam insulation, lead-based paint, or other pollutants or contaminants of any nature now exist or have ever existed on the Property;
 - (g) whether wetlands as defined by federal or state law or regulation are on the Property; and
 - (h) whether threatened or endangered species or their habitat are on the Property.
- (List any exceptions to (a)-(h) in Paragraph 16 or an addendum.)
- B. Accuracy of Required Disclosures: Seller represents that Seller has disclosed all known material defects and material facts affecting the Property.
- C. Indemnity: Seller will protect, defend, indemnify, and hold Broker, Broker's associates, and any other brokers or their associates harmless from any damages, costs, attorney's fees, or expenses arising from Seller's failure to disclose any material or relevant information or the giving of any incorrect information to Broker, Broker's associates, any other brokers or their associates, or prospective buyers.
9. COOPERATION WITH OTHER BROKERS: Broker will allow other brokers to show the Property to prospective buyers and if another broker, who represents a buyer, procures an acceptable offer, Broker will pay the other broker part of Broker's fee described in Paragraph 5A. Broker will determine the terms and conditions of offers to compensate other brokers.
10. AGENCY RELATIONSHIPS:
- A. Seller acknowledges receipt of the attached exhibit entitled "Information About Brokerage Services" which is incorporated into this Listing for all purposes.
- B. Broker will exclusively represent Seller in negotiations for the sale of the Property unless Seller authorizes Broker, as set forth below, to act as an intermediary in the event Broker also represents a buyer who offers to purchase the Property. (Check (1) or (2) only.)
- (1) Intermediary Relationship Authorized: Seller authorizes Broker to show the Property to prospective buyers Broker has agreed to represent. If Broker represents a buyer who offers to buy the Property, Seller authorizes Broker to act as an intermediary between the buyer and Seller, to present any offer such buyer may wish to make, and to assist both Seller

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and buyer in negotiations for the sale of the Property. Broker's compensation will be paid by Seller as provided in Paragraph 5. If Broker acts as an intermediary between Seller and a buyer, Broker:

- (a) may not disclose to the buyer that Seller will accept a price less than the asking price (Listing Price) unless otherwise instructed in a separate writing by Seller;
- (b) may not disclose to Seller that the buyer will pay a price greater than the price submitted in a written offer to Seller unless otherwise instructed in a separate writing by the buyer;
- (c) may not disclose any confidential information or any information Seller or the buyer specifically instructs Broker in writing not to disclose unless otherwise instructed in a separate writing by the respective party or required to disclose the information by the Real Estate License Act or a court order or if the information materially relates to the condition of the Property;
- (d) shall treat all parties to the transaction honestly; and
- (e) shall comply with the Real Estate License Act.

If Broker acts as an intermediary, Broker may appoint a licensed associate(s) of Broker to communicate with, carry out instructions of, and provide opinions and advice during negotiations to Seller and appoint another licensed associate(s) for the same purposes to a buyer.

- (2) Intermediary Relationship not Authorized: Broker will exclusively represent Seller and may not act as an intermediary between Seller and a buyer. Seller understands: (Check (a) or (b) only.)

(a) Broker exclusively represents sellers and does not represent buyers.

(b) Broker represents both buyers and sellers, but Broker will not show the Property to any buyer Broker represents.

- C. During the term of this Listing or after its termination, Broker may not knowingly disclose information obtained in confidence from Seller, except as authorized by Seller or required by law. Broker may not disclose to Seller any information obtained in confidence regarding any other person Broker represents or may have represented, except as required by law.

11. BROKER'S AUTHORITY:

- A. Broker will make reasonable efforts and act diligently to sell the Property.
- B. In addition to other authority granted by this Listing, Seller authorizes Broker and Broker's associates to:
 - (1) advertise the Property by means and methods as Broker determines;
 - (2) place information about the Property into computerized listing services and on the Internet as Broker determines;
 - (3) place a "For Sale" sign or similar marketing sign on the Property;
 - (4) remove from the Property all other signs offering the Property for sale or lease;
 - (5) furnish comparative marketing and sales information about other properties to prospective buyers;
 - (6) disseminate information about the Property to other brokers and their associates;
 - (7) obtain information from any holder of any note secured by a lien on the Property;
 - (8) upon a final and closed sale of the Property, disclose the sales price and terms of sale to other brokers, appraisers, other real estate professionals, and any listing services into which information about the Property was placed; and
 - (9) accept earnest money and deposit the earnest money in trust in accordance with the terms of a contract for the sale of the Property.
- C. Broker is not authorized to execute any document in the name of or on behalf of Seller with respect to the Property.
- D. Any information submitted to a listing service becomes the property of the listing service for all purposes.

12. SELLER'S REPRESENTATIONS: Except as provided in Paragraph 1B, Seller represents that:

- A. Seller has fee simple title to and peaceable possession of the Property and all its improvements and fixtures thereon, unless rented, and the legal capacity to convey the Property;
- B. Seller is not now a party to a listing agreement with another broker for the sale, exchange, or lease of the Property;
- C. no person or entity has any right to purchase, lease, or acquire the Property by virtue of an option, right of first refusal, or other agreement;
- D. no delinquencies or defaults exist under any deed of trust, mortgage, or other encumbrance on the Property;
- E. the Property is not subject to the jurisdiction of any court; and
- F. all information relating to the Property provided to Broker by Seller is true and correct.

13. SELLER'S ADDITIONAL PROMISES: Seller agrees to:

- A. cooperate fully in good faith with Broker to facilitate the showing and marketing of the Property;
- B. refer all prospective buyers to Broker and not negotiate with any prospective buyer directly;
- C. not enter into a listing agreement for the sale or exchange of the Property with another broker to become effective during the term of this Listing;

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- D. not enter into a listing agreement for the lease of all or part of the Property with another broker to become effective during the term of this Listing without Broker's written permission;
- E. provide Broker with copies of a current rent roll, all leases including any amendments, architectural plans and drawings, and a current operating statement, if any, pertaining to the Property; and
- F. advise Broker of any tenants moving in or out of the Property.

14. LIMITATION OF LIABILITY:

- A. If the Property is or becomes vacant during the term of this Listing, Seller must notify Seller's casualty insurance company and request a "Vacancy Clause" to cover the Property. Broker is not responsible for the security of the Property nor for inspecting the Property on any periodic basis.
 - B. Broker is not responsible or liable in any manner for personal injury to any person or for loss or damage to any person's real or personal property resulting from:
 - (1) other brokers, inspectors, appraisers, engineers, and repair persons who are authorized to access the Property;
 - (2) vandalism
 - (3) theft;
 - (4) freezing water pipes
 - (5) a dangerous condition on the Property;
 - (6) the Property's non-compliance with any law or ordinance;
 - (7) acts of third parties; or
 - (8) any act or omission not caused by Broker's negligence.
 - C. Seller agrees to protect, defend, indemnify, and hold Broker harmless from any liability for which Broker is not responsible under this Listing.
15. **IRS:** The Internal Revenue Service (IRS) requires a closing agent to report the sales price, Seller's tax identification number, and other information to the IRS. Seller will provide to any closing agent such information at the time of closing. IRS requires a buyer of real property to withhold a percentage of the sales price from Seller if Seller is a foreign person. A foreign person includes nonresident aliens, foreign corporations, foreign partnerships, foreign trusts, or foreign estates. In most sales, Seller will be required to deliver an affidavit that Seller is not a foreign person. Seller certifies that Seller is is not a foreign person.

16. SPECIAL PROVISIONS:

17. **DEFAULT:** If Seller breaches this Listing, Seller is in default and will be liable to Broker for the amount of Broker's fee specified in Paragraph 5A. The Listing Price will be the sales price for the purpose of calculating Broker's fee if Seller breaches this Listing and does not sell the Property. If Broker breaches this Listing, Broker is in default and Seller may exercise any remedy at law.
18. **MEDIATION:** The parties agree to negotiate in good faith in an effort to resolve any dispute that may arise related to this Listing or any transaction related to or contemplated by this Listing. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a mutually acceptable mediator.
19. **ATTORNEY'S FEES:** If Seller or Broker is a prevailing party in any legal proceeding brought as a result of a dispute under this Listing or any transaction related to or contemplated by this Listing, such party will be entitled to recover from the non-prevailing party all costs of such proceeding and reasonable attorney's fees.

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Commercial Listing concerning

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20. NOTICES: All notices between the parties under this Listing must be in writing and are effective when hand-delivered, mailed, or sent by electronic transmission to:

Broker at Don Hobbs Real Estate
101 E. Broadway Gainesville, TX 76240
Phone 940-668-8523
Fax 940-668-7170
E-mail donhobbs@donhobbs-realtor.com

Seller at HBOS Manufacturing, L.P.
P.O. Box 27081 Greensboro, NC 27425
Phone 336-664-2720
Fax 336-664-2172
E-mail

21. AGREEMENT OF PARTIES:

A. Addenda: Addenda and other documents which are part of this Listing are Information About Brokerage Services and:

- (1) Property Description Exhibit identified in Paragraph 2;
(2) Condominium Addendum;
(3) Commercial Property Condition Statement;
(4) Other: Information About Brokerage Services

B. Entire Agreement: This Listing contains the entire agreement between the parties and may not be changed except by written agreement.

C. Assignability: This Listing may not be assigned by either party without the written approval of the other party.

D. Binding Effect: This Listing is binding upon the parties, their heirs, administrators, executors, successors, and permitted assigns.

E. Joint and Several: All Sellers executing this Listing are jointly and severally liable for the performance of all its terms.

F. Governing Law: The laws of the State of Texas govern the interpretation, validity, performance, and enforcement of this Listing.

G. Severability: If any clause in this Listing is found to be invalid or unenforceable by a court of law, the remainder of this Listing will not be affected and all other provisions of this Listing will remain valid and enforceable.

22. ADDITIONAL NOTICES:

A. Broker's fees and the sharing of fees between brokers are not fixed, controlled, recommended, suggested, or maintained by the Association of REALTORS® or any listing service. Brokerage fees are set by individual firms and may be negotiable.

B. Broker is obligated under law to show and make the Property available to all persons without regard to race, color, religion, national origin, sex, disability, or familial status. Local ordinances may provide for additional protected classes (e.g., creed, status as a student, marital status, sexual orientation, or age).

C. Unless expressly agreed otherwise, Broker will submit all offers received by Broker for the sale of the Property, including any back-up offers Broker receives after Seller has entered into a binding contract to sell the Property. However, Broker is not obligated to continue to market the Property after Seller has entered into a binding contract to sell the Property, unless specifically requested by Seller in writing.

D. If the Property contains any residential dwelling built before 1978, federal law requires that before a buyer is obligated to purchase the Property, the Seller will: (1) provide the buyer with a lead hazard information pamphlet (as prescribed by EPA); and (2) disclose the presence of any known lead-based paint or lead-based paint hazards.

E. Broker cannot give legal advice. This is intended to be a legally binding agreement. READ IT CAREFULLY. If you do not understand the effect of this Listing, consult your attorney BEFORE signing.

Don Hobbs 146608
Broker's Printed Name License No.

Norma R. Nixon
Seller's Signature Date

By: [Signature] 8-23-02
Broker's or Associate's Signature Date

Norma Nixon
[Signature] 1/28/02
Seller's Signature Date
HBOS Manufacturing, L.P.



Texas law requires all real estate licensees to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

Information About Brokerage Services

Before working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

IF THE BROKER REPRESENTS THE OWNER:

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written listing agreement, or by agreeing to act as a subagent by accepting an offer of subagency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

IF THE BROKER REPRESENTS THE BUYER:

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

IF THE BROKER ACTS AS AN INTERMEDIARY:

A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License Act. The broker must obtain the written consent of each party to the transaction to act as an intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

- (1) shall treat all parties honestly;
- (2) may not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner;
- (3) may not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
- (4) may not disclose any confidential information or any information that a party specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions of the other party.

If you choose to have a broker represent you,

you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. Your payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding.

Real estate licensee asks that you acknowledge receipt of this information about brokerage services for the licensee's records.

X Deanna Lutz, LP HBos Manufacturing LP 8/28/02
Buyer, Seller, Landlord or Tenant Date

Texas Real Estate Brokers and Salesmen are licensed and regulated by the Texas Real Estate Commission (TREC). If you have a question or complaint regarding a real estate licensee, you should contact TREC at P. O. Box 12188, Austin, Texas 78711-2188 or 512-465-3960.



TEXAS ASSOCIATION OF REALTORS®

COMMERCIAL PROPERTY CONDITION STATEMENT

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS® IS NOT AUTHORIZED.
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CONCERNING THE PROPERTY AT 2600 Bonna Villa Dr, Galnesville, TX 76240

THIS IS A DISCLOSURE OF THE OWNER'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 OWNER, OWNER'S AGENTS, OR ANY OTHER AGENT.

PART I - Complete if Property is Improved or Unimproved

Are you (Owner) aware of:

- | | <u>Aware</u> | <u>Not
Aware</u> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------------|
| (1) any of the following environmental conditions on or affecting the Property: | <input type="checkbox"/> | <input type="checkbox"/> |
| (a) radon gas?..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (b) asbestos components:..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (1) friable components?..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (2) 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 (under 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) radiation?..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (k) open or closed landfills on or under the surface of the Property?..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (l) external conditions materially and adversely affecting the Property such as nearby landfills, smelting plants, burners, storage of toxic or hazardous materials, refining, utility transmission lines, mills, feed lots, and the like?..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (m) 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 (a) through (m) in the preceding question?..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (3) any part of the Property lying in a flood-prone or 100-year flood plain area?..... | <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 on or near the Property that adversely and materially affects the Property?..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (6) outstanding mineral rights, exceptions, or reservations of the Property held by others?..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (7) air space restrictions or easements on or affecting the Property?..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (8) unrecorded or unplatted agreements for easements, utilities, or access on or to the Property?..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (9) special districts (e.g., historical districts, development districts, extraterritorial jurisdictions, or others) in which the Property lies?..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (10) pending changes in zoning, restrictions, or in physical use of the Property?..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (11) 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"/> |
| (12) lawsuits affecting title to or use or enjoyment of the Property?..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (13) your receipt of any written notices of violations of deed restrictions or regulations of the EPA, OSHA, or Texas Natural Resource Conservation Commission, or other governmental agencies?..... | <input type="checkbox"/> | <input type="checkbox"/> |

Initialed for identification by Buyer _____ and Seller Alab

(TAR-1408) 2-22-00

TAR, P.O. Box 2246, Austin, TX 78768-2246

Commercial Property Condition Statement concerning _____

- | | Aware | Not
Aware |
|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------------|
| (14) common areas or facilities affiliated with the Property co-owned in Interest with others?..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (15) 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 | | |
| (16) subsurface structures, hydraulic lifts, or pits on the Property?..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (17) intermittent or weather springs that affect the Property?..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (18) any material defect in any irrigation system, fences, or signs on the Property?..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (19) conditions on or affecting the Property that materially affect the health or safety of an individual?..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If you are aware of any of the above items, explain. (Attach additional information if needed.) _____ | | |
| _____ | | |
| _____ | | |

PART II - Complete Only if Property is Improved

A. Are you (Owner) aware of any material defects in any of the following on the Property:

- | | Aware | Not
Aware | Not
Appl |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------------|-------------------------------------|
| (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 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 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 equipment?..... | <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 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 drop, 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"/> |

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Commercial Property Condition Statement concerning _____

	Aware	Not Aware	Not Appl
(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 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 above items, explain. (Attach additional information if needed.)

B. Are you (Owner) aware of:

	Aware	Not Aware
(1) any of the following water or drainage conditions materially and adversely affecting 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) previous termite treatment on the Property?.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(7) previous fires on or that affected the Property?.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(8) aluminum wiring in the Property?.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(9) 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"/>
(10) 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 of the above items, explain. (Attach additional information if needed.)

Date 2/28/02

Norman R. Luper, V.P.
 Owner HBO5 Manufacturing LP

The undersigned acknowledges receipt of the foregoing statement.

Date _____ Buyer or Tenant _____

NOTICE TO BUYER/TENANT: Listing Broker, _____, and Other Broker, _____, advise you that this statement was completed by Owner, as of the date signed. The Listing Broker and Other Broker 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