

**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE:	§	Chapter 11
	§	
1776 AMERICAN PROPERTIES IV LLC, et. al.¹	§	CASE NO. 17-30422-KKB
	§	
	§	Jointly Administered
	§	

**MOTION FOR ORDER (A) AUTHORIZING AND APPROVING THE SALE OF 12014
BECCA CROSSING WAY, HOUSTON, TEXAS 77067 FREE AND CLEAR OF ALL
LIENS, CLAIMS ENCUMBRANCES AND OTHER INTERESTS, AND (B)
APPROVING THE EARNEST MONEY CONTRACT**

THIS MOTION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 21 DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.

THE COURT WILL CONDUCT A HEARING ON THIS MATTER ON SEPTEMBER 25, 2017, AT 10:30 A.M., IN COURTROOM 403, HOUSTON, TEXAS 77002.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEYS.

Pursuant to 11 U.S.C. §§ 105 and 363 and 365 and the Federal Rules of Bankruptcy Procedure 2002, 6004, 6007 and 9014, Staunton Street Partners LLC (“Staunton” or “Movant”), moves for the entry of an order approving the sale of 12014 Becca Crossing Way, Houston, Texas

¹ The debtors in these cases, along with the last four digits of their respective taxpayer ID numbers, are 1776 American Properties IV LLC (3677), 1776 American Properties V LLC (4327), 1776 American Properties VI LLC (8392), 1776 American Properties VII LLC (9340), 1776 American Properties VIII LLC (8277), APRF SP1-1 LLC (3543), Arica Lane LLC (2643), Austin Road Partners LLC (2582), Hazelwood Brownstone LLC (0949), Hazelwood Management Services LLC (1694) Independence Construction and Finance Inc. (8618), Reims Holdings LLC (8989) and Staunton Street Partners LLC (2406).

77067, a/k/a Lot 6, Block 2, Spears Crossing (the “Property”) free and clear of all liens, claims and encumbrances to Gustavo Baez Hernandez (the “**Purchaser**”), and in support thereof, respectfully represents the following:

REQUEST FOR CONSIDERATION

1. Movant and Purchaser entered into a contract for the sale of the Property. The feasibility period expires on September 3, 2017 and the parties will be ready to close shortly thereafter. Under the terms of the contract, closing must occur no later than September 28, 2017. The Property is subject to a mortgage held by Integrity Bank. The Debtor expects Integrity Bank will consent to the sale.

Jurisdiction and Venue

2. This Court has jurisdiction over this case pursuant to 28 U.S.C. § 1334. This is a core proceeding under 28 U.S.C. §157(b)(2)(M). The statutory predicates for the relief requested in this Motion are sections 105(a), 363 and 365 of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 2002, 6004, 6006, 9007 and 9014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”). Venue of the Chapter 11 cases is proper in this district pursuant to 28 U.S.C. §§ 1408(1) and (2) and 11 U.S.C. § 101(2)(A).

BACKGROUND

I. FACTUAL BACKGROUND

A. Overview of the Debtors

3. The above captioned jointly administered Chapter 11 bankruptcy cases were each filed on January 27, 2017 (“Petition Date”) under Chapter 11 of Title 11 of the Bankruptcy Code, 11 U.S.C. § 101 et sq. (the “Bankruptcy Code”).

4. No trustee or examiner has been appointed in the debtors’ bankruptcy cases and an official committee of unsecured creditors has not been established.

5. The debtors continue to manage their property as debtors-in-possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

6. Prior to the Petition Date, the debtors each retained Erich Munding to serve as Vice President and Chief Restructuring Officer.

B. Operations

7. Historically, the debtors were managed by Jeff Fisher. Jeff Fisher was raised in the Houston area and in 1994, Mr. Fisher moved to Asia as part of his United States Military service. In 1997 Mr. Fisher relocated to Hong Kong and has lived in Hong Kong with his wife and family since that time. In 2008, Mr. Fisher began investing in real estate in the Houston area. Mr. Fisher worked with friends and other business contacts in Asia who decided to invest in special purpose entities organized in the Cayman Islands. The offshore companies would then loan money to Delaware based limited liability companies, who in turn invested in real estate in the United States. By 2012, the US based LLC's had acquired over 70 properties worth over \$10 million.

8. The Debtors' businesses generally fit within one of two business models:

Category 1 -- Buy and Hold Rental Properties. Each of these particular Debtors purchase rental properties based upon certain risk and return evaluations. Most of the rental properties are financed through mortgages from the Cayman Islands or British Islands based lender. The underlying notes require interest only payments with balloon payment upon maturity. The offshore lenders are largely funded through Asian based investors. Two of the Debtors have traditional bank financing arrangements that are secured by deeds of trusts and security agreements.

Category II – New Home Construction. These Debtors obtain loans from a Cayman Islands or British Virgin Islands based lender and then use the funds to purchase vacant lots in residential subdivisions. The lots are then marketed to homebuilders as part of a financing package allowing the value of the lots to be used as an equity down payment on a construction loan. The lots are deeded to the builder by the debtor and the debtor takes a subordinated loan position behind the construction loan. The debtors and the homebuilders also enter into an agreement to split the profits on the ultimate sale of the home. When the homes are sold, the proceeds are paid first to the construction lender, then to the respective debtor for the subordinated debt, and then a profit split between the homebuilder and debtor.

9. Collectively, as of the Petition Date, the Debtors owned one hundred sixteen (116) rental single family homes / apartment units, five (5) single family homes, and seventy six (76) vacant lots. In addition, Debtors 1776 IV, 1776 V, 1776 VII and 1776 VIII hold promissory notes and profit sharing arrangements with various builders on approximately fifty eight (58) lots.

C. Property To Be Sold.

10. Staunton owns the single family residence located at 12014 Becca Crossing Way, Houston, Texas 77067. Staunton has adequately marketed the Property for sale and has received multiple offers on the Property. All things considered, the offer submitted by the Purchaser is the highest and best offer.

11. The Property is subject to a mortgage, which is secured by a first lien deed of trust held by Integrity Bank. A copy of the recorded Deed of Trust is attached hereto as **Exhibit “A.”** The Deed of Trust secures a mortgage on approximately thirty-five (34) single family homes. The

mortgage is reflected by a promissory note (“Note”) in the original principal amount of \$4,060,000. The current principal balance of the Note is approximately \$1.2 million. The Debtor and Integrity expect to reach an agreement on a release price of \$80,000.00, which shall be paid at closing (the “Release Price”). The Debtor is proposing that Integrity Bank continue to have a lien and deed of trust on the remaining 33 tracts, and will continue to have a lien on the net proceeds that will be deposited into the Debtor’s DIP account. Although an agreement has not yet been finalized, Debtor expects an agreement to be reached by the time of the hearing.

REQUESTED RELIEF -- SALE FREE AND CLEAR

12. By this Motion, pursuant to sections 105, 363, and 365 of the Bankruptcy Code and Bankruptcy Rules 2002 and 6004, the Debtor seeks:

- a. authorization of the sale of Property to the Purchaser free and clear of all liens, claims, interests, and encumbrances, for a total purchase price of \$137,500.00.
- b. approval the form Texas Association of Realtors Earnest Money Contract attached hereto as **Exhibit “B”** and the transactions contemplated therein;
- c. authorization for payment of the 2016 and pro-rata 2017 ad-valorem property taxes owed on the Property at the closing;²
- d. authorization for payment of the Release Price to Integrity Bank at closing;
- e. authorization for payment of any other secured claim on the property, including past due HOA assessments;
- f. authorization for payment of such normal and customary closing costs and fees;
- g. waiver any 14-day stay imposed by Bankruptcy Rules 6004 and 6006; and
- h. such other and further relief as is just and proper.

13. The Property shall be sold, transferred and conveyed free and clear of liens, claims, and encumbrances. All liens will attach to the proceeds of the sale or be paid through the closing by the title company.

² To be clear, the 2017 ad valorem tax liens will remain on the Property until paid (when due), and the Declaration and Restrictive Covenants related to HOA constitute a covenant running with the land the sale will be subject to such Declaration and Restrictive Covenants.

14. Section 363(b)(1) of the Bankruptcy Code provides that “[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” In this case, the sale is arguably within the ordinary course of the Movant’s business. Regardless, to avoid any controversy and to provide complete disclosures to all stake holders in these cases, the Debtors will seek court approval of the sale of any of their real estate holdings.

15. Approval of a proposed sale of the debtor’s assets outside of the ordinary course of business and prior to the confirmation of a plan of reorganization is appropriate if the court finds that sound business reasons justify the transaction. *See In re Abbotts Dairies of Pennsylvania*, 788 F.2d 143, 145-147 (3rd Cir. 1986); *In re Lionel Corp.*, 722 F.2d 1063, 1070 (2nd Cir. 1983). In order to win court approval for the sale of estate property other than in the ordinary course of business, the trustee need not show that the sale will produce enough money to pay all, or most claims. *In re Buchanan*, 270 B.R. 689, (Bankr. N.D.Ohio 2001).

16. In determining whether to grant a debtor-in-possession’s motion to use, sell, or lease property of the estate, the Court should grant the relief sought if the Debtor is exercising sound business judgment. *Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1311 fn.10 (5th Cir. 1985); *In re Bombay Co.*, 2007 Bankr. LEXIS 3218 at *12.

17. In this case, Staunton is not selling all of its assets, rather, it is only selling one of its approximate thirty four properties.

18. Debtor is represented by Ross Klingberg and AIM Realty in the transaction. The Purchaser is represented by Isela Hernandez and RE/MAX Elite Properties. Pursuant to the Order Authorizing Application to AIM Realty, Movant requests approval of the commissions provided for in the Contract.

ADEQUATE AND REASONABLE NOTICE

19. Rule 6004 of the Federal Rules of Bankruptcy Procedure requires that Notice of a proposed sale of property ... not in the ordinary course of business shall be given pursuant to Rule 2002(a)(2), (c)(1), (i), and (k) and if applicable in accordance with Section 363(b)(2) of the Code.

20. Rule 2002(a)(2) requires twenty-one (21) days' notice of a sale of assets, unless the Court shortens the notice period. The Movant is giving written notice to all creditors and other parties requesting notice in accordance with the rule and any party asserting a lien on the Property. In addition, the Movant is giving notice to any party who has an expressed an interest in the Property. Accordingly, the Movant urges that the notice of the sale is adequate.

CONCLUSION

WHEREFORE, Staunton Street Partners LLC requests the Court approve the sale of the Property free and clear of all liens, claims and encumbrances to and grant the Movant any such other relief to which it may be entitled.

DATED: September 1, 2017

Respectfully submitted,

ANDREWS MYERS, PC

/s/ T. Josh Judd

T. Josh Judd

SBN: 24036866

1885 Saint James Place, 15h Floor

Houston, TX 77056

Tel: 713-850-4200

Fax: 713-850-4211

jjudd@andrewsmyers.com

CERTIFICATE OF SERVICE

I hereby certify that on September 1, 2017, a true and correct copy of the foregoing Motion was forwarded by email to the parties listed below by the Court's ECF notification system, and via US Mail to the 30 largest unsecured creditors listed on the attached service list.

/s/ T. Josh Judd

T. Josh Judd

Bruce Michael Badger on behalf of Creditor Green Bank, N.A.

bkcy@badgerlawoffice.com

H Miles Cohn on behalf of Creditor Blavesco ltd

mcohn@craincaton.com, mfriery@craincaton.com; mriseden@craincaton.com

H Miles Cohn on behalf of Defendant Blavesco Ltd

mcohn@craincaton.com, mfriery@craincaton.com; mriseden@craincaton.com

Michael J Darlow on behalf of Creditor Fort Bend Independent School District

mdarlow@pbfcm.com, tpope@pbfcm.com; mdarlow@ecf.inforuptcy.com

John P Dillman on behalf of Creditor Harris County

Houston_bankruptcy@publicans.com

John P Dillman on behalf of Creditor Houston Liens

Houston_bankruptcy@publicans.com

John P Dillman on behalf of Creditor Montgomery County

Houston_bankruptcy@publicans.com

Jason D Kraus on behalf of Creditor Bouman Kraus, PC

jdk@boumankraus.com

Susan C Mathews on behalf of Creditor Silverfield Homeowners Association Inc.

smathews@bakerdonelson.com, mward@bakerdonelson.com

Craig E Power on behalf of Creditor 1776 American Properties Limited

cpower@cokinoslaw.com, msegura@cokinoslaw.com; eolson@cokinoslaw.com

Craig E Power on behalf of Creditor 1776 Investment Management Limited

cpower@cokinoslaw.com, msegura@cokinoslaw.com; eolson@cokinoslaw.com

Craig E Power on behalf of Creditor 1776 Property fund SPC

cpower@cokinoslaw.com, msegura@cokinoslaw.com; eolson@cokinoslaw.com

Craig E Power on behalf of Creditor Jeffrey W Fisher

cpower@cokinoslaw.com, msegura@cokinoslaw.com; eolson@cokinoslaw.com

Ron Satija on behalf of Creditor Noble Capital Servicing LLC
rsatija@legalstrategy.com

Brian John Smith on behalf of Interested Party IPP Financial Advisers PTE Ltd
brian.smith@hklaw.com, robert.jones@hklaw.com; brent.mcilwain@hklaw.com;
william.cage@hklaw.com; warren.gluck@hklaw.com

L David Smith on behalf of Creditor Integrity Bank
smith@csrlaw.com

Michael J Smith on behalf of Creditor Integrity Bank
msmith@csrlaw.com

Owen Mark Sonik on behalf of Creditor Spring Independent School District
osonik@pbfc.com, tpope@pbfc.com; osonik@ecf.inforuptey.com

Stephen Douglas Statham on behalf of U.S. Trustee US Trustee
stephen.statham@usdoj.gov

Bobbie Leigh Stratton on behalf of Creditor Silverfield Homeowners Association Inc.
bstratton@bakerdonelson.com, sperez@bakerdonelson.com; rperez@bakerdonelson.com

US Trustee
USTPRegion07.HU.ECF@USDOJ.GOV

Lance E Williams on behalf of Creditor Westbriar Homeowners Association
lwilliams@riddleandwilliams.com, ashanks@riddleandwilliams.com

CONSOLIDATED LIST OF THIRTY LARGEST UNSECURED CREDITORS

American Property Recovery Fund SPC-Land
Lot Arbitrage SP2
PO Box 309
Ugland House
Grand Cayman, KY 1-1104
Cayman Islands

1776 American Properties 1 Limited
PO Box 957
Offshore Incorporations Centre
Road Town, Tortola
British Virgin Islands, VG1110

1776 Investment Management Limited
89 Nexu Way
Grand Cayman, KY 1-9007
Cayman Islands

American Property Recovery Fund SPC Property
Development Loan Fund SP3
PO Box 309, Ugland House
Grand Cayman, KY 1-1104
Cayman Islands

1776 Property Fund SPC Land Lot Arbitrage SP4
PO Box 309
Ugland House
Grand Cayman, KY 1-1104
Cayman Islands

Integrity Bank
c/o L. David Smith
Chermosky, Smith, Ressler & Smith PLLC
4646 Wild Indigo, Suite 110
Houston, Texas 77027

American Property Recovery Fund SPC
American Residential SP1
PO Box 309
Ugland House
Grand Cayman, KY 1-1104
Cayman Islands

Green Bank
c/o Bruce M. Badger
Badger Law Office
3400 Avenue H. Second Floor
Rosenberg, TX 77471

1776 Property Fund SPC Commercial Office SP2
PO Box 309
Ugland House
Grand Cayman, KY 1-1104
Cayman Islands

1776 Property Fund SPC SP1 Senior Loan
PO Box 309
Ugland House
Grand Cayman, KY 1-1104
Cayman Islands

Harris County et al
c/o John P. Dillman
Linebarger Goggan Blair & Sampson, LLP
PO Box 3064
Houston, Texas 77253-3064

Montgomery County
c/o John P. Dillman
Linebarger Goggan Blair & Sampson, LLP
PO Box 3064
Houston, Texas 77253-3064

1776 Property Fund SPC SP7 Mezzanine Loan
Fund
PO Box 309
Ugland House
Grand Cayman, KY 1-1104
Cayman Islands

Willis Independent School District
c/o Yolanda Humphrey
1235 North Loop West
Suite 600
Houston, Texas 77008

Spring Independent School District
c/o Yolanda Humphrey
1235 North Loop West
Suite 600
Houston, Texas 77008

Internal Revenue Service Centralized Insolvency
Operation
P. O. Box 7346
Philadelphia, PA 19101-7346

Harris County Municipal Water District #82
c/o Carl O. Sandin
1235 North Loop West, Suite 600
Houston, Texas 77008

Far Hills Utility District
c/o Michael Darlow
1235 North Loop West, Suite 600
Houston, Texas 77008

CIT Bank, NA.
c/o Weltman, Weinberg & Reis Co.
3705 Marlane Drive
Grove City, Ohio 43123

Humble Independent School District
c/o Carl O. Sandin
1235 North Loop West, Suite 600
Houston, Texas 77008

Westbriar Homeowners Association
c/o Lance Williams
Riddle & Williams
3710 Rawlins Street, Suite 1400
Dallas, Texas 75219

Fort Bend County Independent School District
c/o Yolanda Humphrey
1235 North Loop West, Suite 600
Houston, Texas 77008

Alief County Independent School District
c/o Carl O. Sandin
1235 North Loop West, Suite 600
Houston, Texas 77008

Jason C. Kraus
Bouman Kraus LP
2219 Sawdust Road
Suite 1604
Spring, Texas 77380

Montgomery County Municipal Utility District #46
c/o Michael Darlow
1235 North Loop West
Suite 600
Houston, Texas 77008

Emerald Forest Utility District
c/o Carl O. Sandin
1235 North Loop West
Suite 600
Houston, Texas 77008

Select Portfolio Servicing, Inc.
P. O. Box 65250
Salt Lake City, UT 84165-0250

Harris County Municipal Utility District #120
c/o Carl O. Sandin
1235 North Loop West
Suite 600
Houston, Texas 77008

City of Houston
c/o Michael Darlow
1235 North Loop West
Suite 600
Houston, Texas 77008

Beyond IT
1219 Durham Drive
Houston, Texas 77007

Canter Office Equipment
C18, 600 Kenrick Drive
Houston, Texas 77060

4820-2964-2830, v. 1 4436.3



11-2-2015

PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)
ONE TO FOUR FAMILY RESIDENTIAL CONTRACT (RESALE)

NOTICE: Not For Use For Condominium Transactions

1. PARTIES: The parties to this contract are Stauton Street Partners LLC
 (Seller) and Gustavo Baez Hernandez (Buyer).
 Seller agrees to sell and convey to Buyer and Buyer agrees to buy from Seller the Property defined below.

2. PROPERTY: The land, improvements and accessories are collectively referred to as the "Property".

A. LAND: Lot 6 Block 2, Spears Crossing
 Addition, City of Houston, County of Harris,
 Texas, known as 12014 Becca Crossing Way 77067
 (address/zip code), or as described on attached exhibit.

B. IMPROVEMENTS: The house, garage and all other fixtures and improvements attached to the above-described real property, including without limitation, the following **permanently installed and built-in items**, if any: all equipment and appliances, valances, screens, shutters, awnings, wall-to-wall carpeting, mirrors, ceiling fans, attic fans, mail boxes, television antennas, mounts and brackets for televisions and speakers, heating and air-conditioning units, security and fire detection equipment, wiring, plumbing and lighting fixtures, chandeliers, water softener system, kitchen equipment, garage door openers, cleaning equipment, shrubbery, landscaping, outdoor cooking equipment, and all other property owned by Seller and attached to the above described real property.

C. ACCESSORIES: The following described related accessories, if any: window air conditioning units, stove, fireplace screens, curtains and rods, blinds, window shades, draperies and rods, door keys, mailbox keys, above ground pool, swimming pool equipment and maintenance accessories, artificial fireplace logs, and controls for: (i) garage doors, (ii) entry gates, and (iii) other improvements and accessories.

D. EXCLUSIONS: The following improvements and accessories will be retained by Seller and must be removed prior to delivery of possession: _____

3. SALES PRICE:

A. Cash portion of Sales Price payable by Buyer at closing \$27,500
 B. Sum of all financing described in the attached: Third Party Financing Addendum,
 Loan Assumption Addendum, Seller Financing Addendum \$110,000
 C. Sales Price (Sum of A and B) \$137,500

4. LICENSE HOLDER DISCLOSURE: Texas law requires a real estate license holder who is a party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the license holder owns more than 10%, or a trust for which the license holder acts as a trustee or of which the license holder or the license holder's spouse, parent or child is a beneficiary, to notify the other party in writing before entering into a contract of sale. Disclose if applicable: _____

5. EARNEST MONEY: Upon execution of this contract by all parties, Buyer shall deposit \$1500 as earnest money with Fidelity National Title, as escrow agent, at 5151 San Felipe, Suite 125, Houston, TX 77056 (address). Buyer shall deposit additional earnest money of \$ _____ with escrow agent within _____ days after the effective date of this contract. If Buyer fails to deposit the earnest money as required by this contract, Buyer will be in default.

6. TITLE POLICY AND SURVEY:

A. TITLE POLICY: Seller shall furnish to Buyer at Seller's Buyer's expense an owner policy of title insurance (Title Policy) issued by Fidelity National Title (Title Company) in the amount of the Sales Price, dated at or after closing, insuring Buyer against loss under the provisions of the Title Policy, subject to the promulgated exclusions (including existing building and zoning ordinances) and the following exceptions:
 (1) Restrictive covenants common to the platted subdivision in which the Property is located.
 (2) The standard printed exception for standby fees, taxes and assessments.
 (3) Liens created as part of the financing described in Paragraph 3.
 (4) Utility easements created by the dedication deed or plat of the subdivision in which the Property is located.

Initialed for identification by Buyer [Signature] and Seller [Signature]
 HOUSTON ASSOCIATION OF REALTORS® 123 Main St Houston, TX 77150

DS
 EM
 Isela Hernandez

TREC NO. 20-13
 TAR 1601

Contract Concerning 12014 Becca Crossing Way Houston, TX 77067
(Address of Property)



Page 3 of 9 11-2-2015

change. Your failure to pay the assessments could result in enforcement of the association's lien on and the foreclosure of the Property.

Section 207.003, Property Code, entitles an owner to receive copies of any document that governs the establishment, maintenance, or operation of a subdivision, including, but not limited to, restrictions, bylaws, rules and regulations, and a resale certificate from a property owners' association. A resale certificate contains information including, but not limited to, statements specifying the amount and frequency of regular assessments and the style and cause number of lawsuits to which the property owners' association is a party, other than lawsuits relating to unpaid ad valorem taxes of an individual member of the association. These documents must be made available to you by the property owners' association or the association's agent on your request.

If Buyer is concerned about these matters, the TREC promulgated Addendum for Property Subject to Mandatory Membership in a Property Owners Association(s) should be used.

- (3) STATUTORY TAX DISTRICTS: If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fee of the district prior to final execution of this contract.
- (4) TIDE WATERS: If the Property abuts the tidally influenced waters of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included in the contract. An addendum containing the notice promulgated by TREC or required by the parties must be used.
- (5) ANNEXATION: If the Property is located outside the limits of a municipality, Seller notifies Buyer under §5.011, Texas Property Code, that the Property may now or later be included in the extraterritorial jurisdiction of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Property is located within a municipality's extraterritorial jurisdiction or is likely to be located within a municipality's extraterritorial jurisdiction, contact all municipalities located in the general proximity of the Property for further information.
- (6) PROPERTY LOCATED IN A CERTIFICATED SERVICE AREA OF A UTILITY SERVICE PROVIDER: Notice required by §13.257, Water Code: The real property, described in Paragraph 2, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned Buyer hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in Paragraph 2 or at closing of purchase of the real property.
- (7) PUBLIC IMPROVEMENT DISTRICTS: If the Property is in a public improvement district, §5.014, Property Code, requires Seller to notify Buyer as follows: As a purchaser of this parcel of real property you are obligated to pay an assessment to a municipality or county for an improvement project undertaken by a public improvement district under Chapter 372, Local Government Code. The assessment may be due annually or in periodic installments. More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the municipality or county levying the assessment. The amount of the assessments is subject to change. Your failure to pay the assessments could result in a lien on and the foreclosure of your property.
- (8) TRANSFER FEES: If the Property is subject to a private transfer fee obligation, §5.205, Property Code, requires Seller to notify Buyer as follows: The private transfer fee obligation may be governed by Chapter 5, Subchapter G of the Texas Property Code.
- (9) PROPANE GAS SYSTEM SERVICE AREA: If the Property is located in a propane gas system service area owned by a distribution system retailer, Seller must give Buyer written notice as required by §141.010, Texas Utilities Code. An addendum containing the notice approved by TREC or required by the parties should be used.
- (10) NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: "The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as

Initialed for identification by Buyer  and Seller 

HOUSTON ASSOCIATION OF REALTORS® 123 Main St Houston, TX 77150

Isela Hernandez

TREC NO. 20-13
TAR 1601

Contract Concerning 12014 Becca Crossing Way Houston, TX 77067 Page 5 of 9 11-2-2015
 (Address of Property)

9. CLOSING:

- A. The closing of the sale will be on or before 09/28/2017, or within 7 days after objections made under Paragraph 6D have been cured or waived, whichever date is later (Closing Date). If either party fails to close the sale by the Closing Date, the non-defaulting party may exercise the remedies contained in Paragraph 15.
- B. At closing:
 - (1) Seller shall execute and deliver a general warranty deed conveying title to the Property to Buyer and showing no additional exceptions to those permitted in Paragraph 6 and furnish tax statements or certificates showing no delinquent taxes on the Property.
 - (2) Buyer shall pay the Sales Price in good funds acceptable to the escrow agent.
 - (3) Seller and Buyer shall execute and deliver any notices, statements, certificates, affidavits, releases, loan documents and other documents reasonably required for the closing of the sale and the issuance of the Title Policy.
 - (4) There will be no liens, assessments, or security interests against the Property which will not be satisfied out of the sales proceeds unless securing the payment of any loans assumed by Buyer and assumed loans will not be in default.
 - (5) If the Property is subject to a residential lease, Seller shall transfer security deposits (as defined under §92.102, Property Code), if any, to Buyer. In such an event, Buyer shall deliver to the tenant a signed statement acknowledging that the Buyer has acquired the Property and is responsible for the return of the security deposit, and specifying the exact dollar amount of the security deposit.

10. POSSESSION:

- A. Buyer's Possession: Seller shall deliver to Buyer possession of the Property in its present or required condition, ordinary wear and tear excepted: upon closing and funding according to a temporary residential lease form promulgated by TREC or other written lease required by the parties. Any possession by Buyer prior to closing or by Seller after closing which is not authorized by a written lease will establish a tenancy at sufferance relationship between the parties. **Consult your insurance agent prior to change of ownership and possession because insurance coverage may be limited or terminated. The absence of a written lease or appropriate insurance coverage may expose the parties to economic loss.**
- B. Leases:
 - (1) After the Effective Date, Seller may not execute any lease (including but not limited to mineral leases) or convey any interest in the Property without Buyer's written consent.
 - (2) If the Property is subject to any lease to which Seller is a party, Seller shall deliver to Buyer copies of the lease(s) and any move-in condition form signed by the tenant within 7 days after the Effective Date of the contract.

11. SPECIAL PROVISIONS: (Insert only factual statements and business details applicable to the sale. TREC rules prohibit license holders from adding factual statements or business details for which a contract addendum, lease or other form has been promulgated by TREC for mandatory use.)

- 1) This Contract is subject to approval by the United States Bankruptcy Court. This contract will be submitted for approval by the United States Bankruptcy Court after the Option Period has expired or terminated by the Buyer. If this Contract is not approved by the United States Bankruptcy Court, the Buyer will be refunded their earnest money deposit.
- 2) Fridge Washer and Dryer will convey with property

12. SETTLEMENT AND OTHER EXPENSES:

- A. The following expenses must be paid at or prior to closing:
 - (1) Expenses payable by Seller (Seller's Expenses):
 - (a) Releases of existing liens, including prepayment penalties and recording fees; release of Seller's loan liability; tax statements or certificates; preparation of deed; one-half of escrow fee; and other expenses payable by Seller under this contract.
 - (b) Seller shall also pay an amount not to exceed \$0.00 to be applied in the following order: Buyer's Expenses which Buyer is prohibited from paying by FHA, VA, Texas Veterans Land Board or other governmental loan programs, and then to other Buyer's Expenses as allowed by the lender.
 - (2) Expenses payable by Buyer (Buyer's Expenses): Appraisal fees; loan application fees; origination charges; credit reports; preparation of loan documents; interest on the notes from date of disbursement to one month prior to dates of first monthly payments; recording fees; copies of easements and restrictions; loan title policy with endorsements required by lender; loan-related inspection fees; photos; amortization schedules; one-half of escrow fee; all prepaid items, including required premiums for flood and hazard insurance, reserve deposits for insurance, ad valorem taxes and special governmental assessments; final compliance inspection; courier fee; repair inspection; underwriting fee; wire transfer fee; Expenses incident to any loan; Private

Contract Concerning 12014 Becca Crossing Way Houston, TX 77067
 (Address of Property)

Page 6 of 9 11-2-2015

Mortgage Insurance Premium (PMI), VA Loan Funding Fee, or FHA Mortgage Insurance Premium (MIP) as required by the lender; and other expenses payable by Buyer under this contract.

B. If any expense exceeds an amount expressly stated in this contract for such expense to be paid by a party, that party may terminate this contract unless the other party agrees to pay such excess. Buyer may not pay charges and fees expressly prohibited by FHA, VA, Texas Veterans Land Board or other governmental loan program regulations.

13. PRORATIONS: Taxes for the current year, interest, maintenance fees, assessments, dues and rents will be prorated through the Closing Date. The tax proration may be calculated taking into consideration any change in exemptions that will affect the current year's taxes. If taxes for the current year vary from the amount prorated at closing, the parties shall adjust the prorations when tax statements for the current year are available. If taxes are not paid at or prior to closing, Buyer shall pay taxes for the current year.

14. CASUALTY LOSS: If any part of the Property is damaged or destroyed by fire or other casualty after the effective date of this contract, Seller shall restore the Property to its previous condition as soon as reasonably possible, but in any event by the Closing Date. If Seller fails to do so due to factors beyond Seller's control, Buyer may (a) terminate this contract and the earnest money will be refunded to Buyer (b) extend the time for performance up to 15 days and the Closing Date will be extended as necessary or (c) accept the Property in its damaged condition with an assignment of insurance proceeds, if permitted by Seller's insurance carrier, and receive credit from Seller at closing in the amount of the deductible under the insurance policy. Seller's obligations under this paragraph are independent of any other obligations of Seller under this contract.

15. DEFAULT: If Buyer fails to comply with this contract, Buyer will be in default, and Seller may (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money as liquidated damages, thereby releasing both parties from this contract. If Seller fails to comply with this contract, Seller will be in default and Buyer may (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money, thereby releasing both parties from this contract.

16. MEDIATION: It is the policy of the State of Texas to encourage resolution of disputes through alternative dispute resolution procedures such as mediation. Any dispute between Seller and Buyer related to this contract which is not resolved through informal discussion will be submitted to a mutually acceptable mediation service or provider. The parties to the mediation shall bear the mediation costs equally. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

17. ATTORNEY'S FEES: A Buyer, Seller, Listing Broker, Other Broker, or escrow agent who prevails in any legal proceeding related to this contract is entitled to recover reasonable attorney's fees and all costs of such proceeding.

18. ESCROW:

A. **ESCROW:** The escrow agent is not (i) a party to this contract and does not have liability for the performance or nonperformance of any party to this contract, (ii) liable for interest on the earnest money and (iii) liable for the loss of any earnest money caused by the failure of any financial institution in which the earnest money has been deposited unless the financial institution is acting as escrow agent.

B. **EXPENSES:** At closing, the earnest money must be applied first to any cash down payment, then to Buyer's Expenses and any excess refunded to Buyer. If no closing occurs, escrow agent may: (i) require a written release of liability of the escrow agent from all parties, (ii) require payment of unpaid expenses incurred on behalf of a party, and (iii) only deduct from the earnest money the amount of unpaid expenses incurred on behalf of the party receiving the earnest money.

C. **DEMAND:** Upon termination of this contract, either party or the escrow agent may send a release of earnest money to each party and the parties shall execute counterparts of the release and deliver same to the escrow agent. If either party fails to execute the release, either party may make a written demand to the escrow agent for the earnest money. If only one party makes written demand for the earnest money, escrow agent shall promptly provide a copy of the demand to the other party. If escrow agent does not receive written objection to the demand from the other party within 15 days, escrow agent may disburse the earnest money to the party making demand reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and escrow agent may pay the same to the creditors. If escrow agent complies with the provisions of this paragraph, each party hereby releases escrow agent from all adverse claims related to the disbursement of the earnest money.

Initialed for identification by Buyer [Signature] and Seller [Signature]
 HOUSTON ASSOCIATION OF REALTORS® 123 Main St Houston, TX 77150

Isela Hernandez

TREC NO. 20-13
 TAR 1601

Contract Concerning 12014 Becca Crossing Way Houston, TX 77067 Page 7 of 9 11-2-2015
 (Address of Property)

D. DAMAGES: Any party who wrongfully fails or refuses to sign a release acceptable to the escrow agent within 7 days of receipt of the request will be liable to the other party for (i) damages; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.
 E. NOTICES: Escrow agent's notices will be effective when sent in compliance with Paragraph 21. Notice of objection to the demand will be deemed effective upon receipt by escrow agent.

19. REPRESENTATIONS: All covenants, representations and warranties in this contract survive closing. If any representation of Seller in this contract is untrue on the Closing Date, Seller will be in default. Unless expressly prohibited by written agreement, Seller may continue to show the Property and receive, negotiate and accept back up offers.

20. FEDERAL TAX REQUIREMENTS: If Seller is a "foreign person," as defined by applicable law, or if Seller fails to deliver an affidavit to Buyer that Seller is not a "foreign person," then Buyer shall withhold from the sales proceeds an amount sufficient to comply with applicable tax law and deliver the same to the Internal Revenue Service together with appropriate tax forms. Internal Revenue Service regulations require filing written reports if currency in excess of specified amounts is received in the transaction.

21. NOTICES: All notices from one party to the other must be in writing and are effective when mailed to, hand-delivered at, or transmitted by fax or electronic transmission as follows:

To Buyer	To Seller
at: <u>5111 S. 19th Street</u>	at: _____
<u>Omaha NE 68107-2922</u>	_____
Phone: <u>402-734-8065</u>	Phone: _____
Fax: _____	Fax: _____
E-mail: <u>gbaezh55@gmail.com</u>	E-mail: <u>Emundinger@bridgecapitalcorp.com</u>

22. AGREEMENT OF PARTIES: This contract contains the entire agreement of the parties and cannot be changed except by their written agreement. Addenda which are a part of this contract are (Check all applicable boxes):

- | | |
|--|--|
| <input checked="" type="checkbox"/> Third Party Financing Addendum | <input type="checkbox"/> Environmental Assessment, Threatened or Endangered Species and Wetlands Addendum |
| <input type="checkbox"/> Seller Financing Addendum | <input type="checkbox"/> Seller's Temporary Residential Lease |
| <input checked="" type="checkbox"/> Addendum for Property Subject to Mandatory Membership in a Property Owners Association | <input type="checkbox"/> Short Sale Addendum |
| <input type="checkbox"/> Buyer's Temporary Residential Lease | <input type="checkbox"/> Addendum for Property Located Seaward of the Gulf Intracoastal Waterway |
| <input type="checkbox"/> Loan Assumption Addendum | <input type="checkbox"/> Addendum for Seller's Disclosure of Information on Lead-based Paint and Lead-based Paint Hazards as Required by Federal Law |
| <input type="checkbox"/> Addendum for Sale of Other Property by Buyer | <input type="checkbox"/> Addendum for Property in a Propane Gas System Service Area |
| <input type="checkbox"/> Addendum for Reservation of Oil, Gas and Other Minerals | <input type="checkbox"/> Other (list): _____ |
| <input type="checkbox"/> Addendum for "Back-Up" Contract | _____ |
| <input type="checkbox"/> Addendum for Coastal Area Property | _____ |

DocuSign Envelope ID: 6E5D5BF8-D964-4F76-BA0F-C3EE7DB30B63

dotloop signature verification: 6E5D5BF8-D964-4F76-BA0F-C3EE7DB30B63

Contract Concerning 12014 Becca Crossing Way Houston, TX 77067 Page 8 of 9 11-2-2015
(Address of Property)

23. TERMINATION OPTION: For nominal consideration, the receipt of which is hereby acknowledged by Seller, and Buyer's agreement to pay Seller \$100 _____ (Option Fee) within 3 days after the effective date of this contract, Seller grants Buyer the unrestricted right to terminate this contract by giving notice of termination to Seller within 10 _____ days after the effective date of this contract (Option Period). Notices under this paragraph must be given by 5:00 p.m. (local time where the Property is located) by the date specified. If no dollar amount is stated as the Option Fee or if Buyer fails to pay the Option Fee to Seller within the time prescribed, this paragraph will not be a part of this contract and Buyer shall not have the unrestricted right to terminate this contract. If Buyer gives notice of termination within the time prescribed, the Option Fee will not be refunded; however, any earnest money will be refunded to Buyer. The Option Fee will will not be credited to the Sales Price at closing. **Time is of the essence for this paragraph and strict compliance with the time for performance is required.**

24. CONSULT AN ATTORNEY BEFORE SIGNING: TREC rules prohibit real estate license holders from giving legal advice. READ THIS CONTRACT CAREFULLY.

Buyer's Attorney is: _____

Seller's Attorney is: _____

Phone: _____

Phone: _____

Fax: _____

Fax: _____

E-mail: _____

E-mail: _____

EXECUTED the _____ day of 8/24/2017, 20____ (EFFECTIVE DATE).
(BROKER: FILL IN THE DATE OF FINAL ACCEPTANCE.)

Gustavo Baez Hernandez
Buyer
dotloop verified
08/18/17 12:02AM EDT
LUX8-B5VR NUGS-RRBM

DocuSigned by:
Erich Murringer
Seller
EAFF5BFC89014AB..

Buyer

Seller

The form of this contract has been approved by the Texas Real Estate Commission. TREC forms are intended for use only by trained real estate license holders. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not intended for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, (512) 936-3000 (<http://www.trec.texas.gov>) TREC NO. 20-13. This form replaces TREC NO. 20-12.

DocuSign Envelope ID: 6E5D5BF8-D964-4F76-BA0F-C3EE7DB30B63

dotloop signature verification: <https://www.dotloop.com/signatures/6E5D5BF8-D964-4F76-BA0F-C3EE7DB30B63>

Contract Concerning 12014 Becca Crossing Way Houston, TX 77067 Page 9 of 9 11-2-2015
(Address of Property)

BROKER INFORMATION
(Print name(s) only. Do not sign)

RE/MAX Elite Properties 9005284 Aim Realty, INC 380906
Other Broker Firm License No. Listing Broker Firm License No.

represents Buyer only as Buyer's agent represents Seller and Buyer as an intermediary
 Seller as Listing Broker's subagent Seller only as Seller's agent

Isela Hernandez 500175 William Klingberg 416425
Associate's Name License No. Listing Associate's Name License No.

Renee Bouckhoff 561661
Licensed Supervisor of Associate License No.

14257 FM 2920 #115 14417 Cornerstone Village 281-440-3571
Other Broker's Address Fax Listing Broker's Office Address Fax

Tomball Tx 77377 Houston Tx 77014
City State Zip City State Zip

isela@yahoo.com 281-300-4500 Ross@aimrealtymanagement.com 281-960-5491
Associate's Email Address Phone Listing Associate's Email Address Phone

Selling Associate's Name License No.

Licensed Supervisor of Selling Associate License No.

Selling Associate's Office Address Fax

City State Zip

Selling Associate's Email Address Phone

Listing Broker has agreed to pay Other Broker 3% of the total sales price when the Listing Broker's fee is received. Escrow agent is authorized and directed to pay other Broker from Listing Broker's fee at closing.

OPTION FEE RECEIPT

Receipt of \$ _____ (Option Fee) in the form of _____ is acknowledged.

Seller or Listing Broker Date

CONTRACT AND EARNEST MONEY RECEIPT

Receipt of Contract and \$1500 Earnest Money in the form of check 2809 is acknowledged.

Escrow Agent: Fidelity National Title Date: 8-31-17

By: [Signature] Carrie.Morrison@fnf.com
Email Address

5151 San Felipe Suite 125 713-966-4050
Address Phone:

Houston, TX 77056 State Zip Fax: _____



PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)

THIRD PARTY FINANCING ADDENDUM

TO CONTRACT CONCERNING THE PROPERTY AT

12014 Becca Crossing, Houston, TX 77067

(Street Address and City)

A. TYPE OF FINANCING AND DUTY TO APPLY AND OBTAIN APPROVAL: Buyer shall apply promptly for all financing described below and make every reasonable effort to obtain approval for the financing, including but not limited to furnishing all information and documents required by Buyer's lender. (Check applicable boxes):

- 1. **Conventional Financing:**
 - (a) A first mortgage loan in the principal amount of \$ 110,000 (excluding any financed PMI premium), due in full in 30 year(s), with interest not to exceed 4.375 % per annum for the first 30 year(s) of the loan with Origination Charges as shown on Buyer's Loan Estimate for the loan not to exceed 1 % of the loan.
 - (b) A second mortgage loan in the principal amount of \$ _____ (excluding any financed PMI premium), due in full in _____ year(s), with interest not to exceed _____ % per annum for the first _____ year(s) of the loan with Origination Charges as shown on Buyer's Loan Estimate for the loan not to exceed _____ % of the loan.
- 2. **Texas Veterans Loan:** A loan(s) from the Texas Veterans Land Board of \$ _____ for a period in the total amount of _____ years at the interest rate established by the Texas Veterans Land Board.
- 3. **FHA Insured Financing:** A Section _____ FHA insured loan of not less than \$ _____ (excluding any financed MIP), amortizable monthly for not less than _____ years, with interest not to exceed _____ % per annum for the first _____ year(s) of the loan with Origination Charges as shown on Buyer's Loan Estimate for the loan not to exceed _____ % of the loan.
- 4. **VA Guaranteed Financing:** A VA guaranteed loan of not less than \$ _____ (excluding any financed Funding Fee), amortizable monthly for not less than _____ years, with interest not to exceed _____ % per annum for the first _____ year(s) of the loan with Origination Charges as shown on Buyer's Loan Estimate for the loan not to exceed _____ % of the loan.
- 5. **USDA Guaranteed Financing:** A USDA-guaranteed loan of not less than \$ _____ (excluding any financed Funding Fee), amortizable monthly for not less than _____ years, with interest not to exceed _____ % per annum for the first _____ year(s) of the loan with Origination Charges as shown on Buyer's Loan Estimate for the loan not to exceed _____ % of the loan.
- 6. **Reverse Mortgage Financing:** A reverse mortgage loan (also known as a Home Equity Conversion Mortgage loan) in the original principal amount of \$ _____ (excluding any financed PMI premium or other costs), with interest not to exceed _____ % per annum for the first _____ year(s) of the loan with Origination Charges as shown on Buyer's Loan Estimate for the loan not to exceed _____ % of the loan. The reverse mortgage loan
 - will will not be an FHA insured loan.

Initialed for identification by Buyer [Signature] and Seller [Signature]
 TAR 1904 HOUSTON ASSOCIATION OF REALTORS® 123 Main St Houston, TX 77150

TREC NO. 40-7
 Isele Hernandez 11-2-2015

Third Party Financing Addendum Concerning

Page 2 of 2

12014 Becca Crossing, Houston, TX 77067

(Address of Property)

B. APPROVAL OF FINANCING: Approval for the financing described above will be deemed to have been obtained when Buyer Approval and Property Approval are obtained.

1. Buyer Approval:

This contract is subject to Buyer obtaining Buyer Approval. If Buyer cannot obtain Buyer Approval, Buyer may give written notice to Seller within 25 days after the effective date of this contract and this contract will terminate and the earnest money will be refunded to Buyer. If Buyer does not terminate the contract under this provision, the contract shall no longer be subject to the Buyer obtaining Buyer Approval. Buyer Approval will be deemed to have been obtained when (i) the terms of the loan(s) described above are available and (ii) lender determines that Buyer has satisfied all of lender's requirements related to Buyer's assets, income and credit history.

This contract is not subject to Buyer obtaining Buyer Approval.

2. Property Approval: Property Approval will be deemed to have been obtained when the Property has satisfied lender's underwriting requirements for the loan, including but not limited to appraisal, insurability, and lender required repairs. If Property Approval is not obtained, Buyer may terminate this contract by giving notice to Seller before closing and the earnest money will be refunded to Buyer.

3. Time is of the essence for this paragraph and strict compliance with the time for performance is required.

C. SECURITY: Each note for the financing described above must be secured by vendor's and deed of trust liens.

D. FHA/VA REQUIRED PROVISION: If the financing described above involves FHA insured or VA financing, it is expressly agreed that, notwithstanding any other provision of this contract, the purchaser (Buyer) shall not be obligated to complete the purchase of the Property described herein or to incur any penalty by forfeiture of earnest money deposits or otherwise: (i) unless the Buyer has been given in accordance with HUD/FHA or VA requirements a written statement issued by the Federal Housing Commissioner, Department of Veterans Affairs, or a Direct Endorsement Lender setting forth the appraised value of the Property of not less than \$ _____; or (ii) if the contract purchase price or cost exceeds the reasonable value of the Property established by the Department of Veterans Affairs.

(1) The Buyer shall have the privilege and option of proceeding with consummation of the contract without regard to the amount of the appraised valuation or the reasonable value established by the Department of Veterans Affairs.

(2) If FHA financing is involved, the appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the value or the condition of the Property. The Buyer should satisfy himself/herself that the price and the condition of the Property are acceptable.

(3) If VA financing is involved and if Buyer elects to complete the purchase at an amount in excess of the reasonable value established by the VA, Buyer shall pay such excess amount in cash from a source which Buyer agrees to disclose to the VA and which Buyer represents will not be from borrowed funds except as approved by VA. If VA reasonable value of the Property is less than the Sales Prices, Seller may reduce the Sales Price to an amount equal to the VA reasonable value and the sale will be closed at the lower Sales Price with proportionate adjustments to the down payment and the loan amount.

E. AUTHORIZATION TO RELEASE INFORMATION:

(1) Buyer authorizes Buyer's lender to furnish to Seller or Buyer or their representatives information relating to the status of the approval for the financing.

(2) Seller and Buyer authorize Buyer's lender, title company, and escrow agent to disclose and furnish a copy of the closing disclosures provided in relation to the closing of this sale to the parties' respective brokers and sales agents identified on the last page of the contract.

Gustavo Baez Hernandez
Buyer
dotloop verified
08/18/17 12:02AM EDT
NNRE-G1YK-IXBS-CYTX

DocuSigned by:
Erich Munding
Seller
6AFF5BFC89014AB...

Buyer

Seller

This form has been approved by the Texas Real Estate Commission for use with similarly approved or promulgated contract forms. Such approval relates to this form only. TREC forms are intended for use only by trained real estate license holders. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not intended for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, (512) 936-3000 (http://www.trec.texas.gov) TREC No. 40-7. This form replaces TREC No. 40-6.

DocuSign Envelope ID: 6E5D5BF8-D964-4F76-BA0F-C3EE7DB30B63

dotloop signature verification: [View dotloop signature verification details for this document](#)



Notice to a Purchaser of Real Property in a Water District

Note: This Notice should be completed and given to a prospective purchaser prior to execution of a binding contract of sale and purchase, should be executed by the seller and purchaser and should be attached as a separate portion of a purchase contract. Please see NOTE at bottom of page.

1) The real property, described below, that you are about to purchase is located in the HC MUD #5 District. The district has taxing authority separate from any other taxing authority and may, subject to voter approval, issue an unlimited amount of bonds and levy an unlimited rate of tax in payment of such bonds. As of this date, the rate of taxes levied by the district on real property located in the district is \$1.24 on each \$100 of assessed valuation. If the district has not yet levied taxes, the most recent projected rate of tax, as of this date, is \$1.24 on each \$100 of assessed valuation. The total amount of bonds, excluding refunding bonds and any bonds or any portion of bonds issued that are payable solely from revenues received or expected to be received under a contract with a governmental entity, approved by the voters and which have been or may, at this date, be issued in \$2167000, and the aggregate initial principal amounts of all bonds issued for one or more of the specified facilities of the district and payable in whole or in part from property taxes is \$3210000.

2) 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 most recent amount of the standby fee is \$na. 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.

3) Mark an "X" in one of the following three spaces and then complete as instructed.

Notice for Districts Located in Whole or in Part within the Corporate Boundaries of a Municipality (Complete Paragraph A).

Notice for Districts Located in Whole or in Part in the Extraterritorial Jurisdiction of One or More Home-Rule Municipalities and Not Located within the Corporate Boundaries of a Municipality (Complete Paragraph B).

Notice for Districts that are NOT Located in Whole or in Part within the Corporate Boundaries of a Municipality or the Extraterritorial Jurisdiction of One or More Home-Rule Municipalities.

A) The district is located in whole or in part within the corporate boundaries of the City of _____ . The taxpayers of the district are subject to the taxes imposed by the municipality and by the district until the district is dissolved. By law, a district located within the corporate boundaries of a municipality may be dissolved by municipal ordinance without the consent of the district or the voters of the district.

B) The district is located in whole or in part in the extraterritorial jurisdiction of the City of Houston . By law, a district located in the extraterritorial jurisdiction of a municipality may be annexed without the consent of the district or the voters of the district. When a district is annexed, the district is dissolved.

4) 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: _____

DocuSigned by:
Erich Munding 8/24/2017
Signature of Seller Date

Signature of Seller Date

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.

Gustavo Baez Hernandez dotloop verified 08/16/17 10:44PM EDT ZCUU-ZC1W-5VVA-AD4V
Signature of Purchaser Date

Signature of Purchaser Date

NOTE: Correct district name, tax rate, bond amounts, and legal description are to be placed in the appropriate space. Except for notices included as an addendum or paragraph of a purchase contract, the notice shall be executed by the seller and purchaser, as indicated. If the district does not propose to provide one or more of the specified facilities and services, the appropriate purpose may be eliminated. If the district has not yet levied taxes, a statement of the district's most recent projected rate of tax is to be placed in the appropriate space. If the district does not have approval from the commission to adopt and impose a standby fee, the second paragraph of the notice may be deleted. For the purposes of the notice form required to be given to the prospective purchaser prior to execution of a binding contract of sale and purchase, a seller and any agent, representative, or person acting on the seller's behalf may modify the notice by substitution of the words "January _____" for the words "this date" and place the correct calendar year in the appropriate space.



APPROVED BY THE TEXAS REAL ESTATE COMMISSION (TREC)

8/17/2015

SELLER'S DISCLOSURE OF PROPERTY CONDITION

CONCERNING THE PROPERTY AT 12014 Becca Crossing Way, Houston

(Street Address and City)

THIS THIS NOTICE IS A DISCLOSURE OF SELLER'S KNOWLEDGE OF THE CONDITION OF THE PROPERTY AS OF THE DATE SIGNED BY SELLER AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PURCHASER MAY WISH TO OBTAIN. OBTAIN. IT IS NOT A WARRANTY OF ANY KIND BY SELLER OR SELLER'S AGENTS.A WARRANTY OF ANY KIND BY SELLER OR SELLER'S AGENTS.

Seller [] is [] is not occupying the Property. If unoccupied, how long since Seller has occupied the Property? _____

1. The Property has the items checked below [Write Yes (Y), No (N), or Unknown (U)]:

- Range, Dishwasher, Washer/Dryer Hookups, Security System, TV Antenna, Ceiling Fan(s), Central A/C, Plumbing System, Patio/Decking, Pool, Pool Equipment, Fireplace(s) & Chimney (Wood burning), Natural Gas Lines, Liquid Propane Gas, Garage: Attached, Garage Door Opener(s), Water Heater, Water Supply: City, Oven, Trash Compactor, Window Screens, Fire Detection Equipment, Smoke Detector, Smoke Detector-Hearing Impaired, Carbon Monoxide Alarm, Emergency Escape Ladder(s), Cable TV Wiring, Attic Fan(s), Central Heating, Septic System, Outdoor Grill, Sauna, Pool Heater, Microwave, Disposal, Rain Gutters, Intercom System, Satellite Dish, Exhaust Fan(s), Wall/Window Air Conditioning, Public Sewer System, Fences, Spa, Hot Tub, Automatic Lawn Sprinkler System, Fireplace(s) & Chimney (Mock), Gas Fixtures, LP on Property, Carport, Control(s), Electric, Co-op, LP Community (Captive), Not Attached, Electronic, Gas, Well, MUD

Roof Type: _____ Age: _____ (approx.)

Are you (Seller) aware of any of the above items that are not in working condition, that have known defects, or that are in need of repair? [] Yes [] No [] Unknown. If yes, then describe. (Attach additional sheets if necessary): _____

TREC No. OP-H

Seller's Disclosure Notice Concerning the Property at 12014 Becca Crossing Way, Page 2 8/17/2015
Houston
(Street Address and City)

2. Does the property have working smoke detectors installed in accordance with the smoke detector requirements of Chapter 766, Health and Safety Code? Yes No Unknown. If the answer to this question is no or unknown, explain (Attach additional sheets if necessary): _____

* Chapter 766 of the Health and Safety Code requires one-family or two-family dwellings to have working smoke detectors installed in accordance with the requirements of the building code in effect in the area in which the dwelling is located, including performance, location, and power source requirements. If you do not know the building code requirements in effect in your area, you may check unknown above or contact your local building official for more information. A buyer may require a seller to install smoke detectors for the hearing impaired if: (1) the buyer or a member of the buyer's family who will reside in the dwelling is hearing impaired; (2) the buyer gives the seller written evidence of the hearing impairment from a licensed physician; and (3) within 10 days after the effective date, the buyer makes a written request for the seller to install smoke detectors for the hearing impaired and specifies the locations for the installation. The parties may agree who will bear the cost of installing the smoke detectors and which brand of smoke detectors to install.

3. Are you (Seller) aware of any known defects/malfunctions in any of the following? Write Yes (Y) if you are aware, write No (N) if you are not aware.

- | | | |
|--|---|--|
| <input type="checkbox"/> Interior Walls | <input type="checkbox"/> Ceilings | <input type="checkbox"/> Floors |
| <input type="checkbox"/> Exterior Walls | <input type="checkbox"/> Doors | <input type="checkbox"/> Windows |
| <input type="checkbox"/> Roof | <input type="checkbox"/> Foundation/Slab(s) | <input type="checkbox"/> Sidewalks |
| <input type="checkbox"/> Walls/Fences | <input type="checkbox"/> Driveways | <input type="checkbox"/> Intercom System |
| <input type="checkbox"/> Plumbing/Sewers/Septics | <input type="checkbox"/> Electrical Systems | <input type="checkbox"/> Lighting Fixtures |
| <input type="checkbox"/> Other Structural Components (Describe): _____ | | |

If the answer to any of the above is yes, explain. (Attach additional sheets if necessary): _____

4. Are you (Seller) aware of any of the following conditions? Write Yes (Y) if you are aware, write No (N) if you are not aware.

- | | |
|---|--|
| <input type="checkbox"/> Active Termites (includes wood destroying insects) | <input type="checkbox"/> Previous Structural or Roof Repair |
| <input type="checkbox"/> Termite or Wood Rot Damage Needing Repair | <input type="checkbox"/> Hazardous or Toxic Waste |
| <input type="checkbox"/> Previous Termite Damage | <input type="checkbox"/> Asbestos Components |
| <input type="checkbox"/> Previous Termite Treatment | <input type="checkbox"/> Urea-formaldehyde Insulation |
| <input type="checkbox"/> Previous Flooding | <input type="checkbox"/> Radon Gas |
| <input type="checkbox"/> Improper Drainage | <input type="checkbox"/> Lead Based Paint |
| <input type="checkbox"/> Water Penetration | <input type="checkbox"/> Aluminum Wiring |
| <input type="checkbox"/> Located in 100-Year Floodplain | <input type="checkbox"/> Previous Fires |
| <input type="checkbox"/> Present Flood Insurance Coverage | <input type="checkbox"/> Unplatted Easements |
| <input type="checkbox"/> Landfill, Settling, Soil Movement, Fault Lines | <input type="checkbox"/> Subsurface Structure or Pits |
| <input type="checkbox"/> Single Blockable Main Drain in Pool/Hot Tub/Spa* | <input type="checkbox"/> Previous Use of Premises for Manufacture of Methamphetamine |

If the answer to any of the above is yes, explain. (Attach additional sheets if necessary): _____

*A single blockable main drain may cause a suction entrapment hazard for an individual.

Seller's Disclosure Notice Concerning the Property at 12014 Becca Crossing Way, Page 8/17/2015
Houston
(Street Address and City)

5. Are you (Seller) aware of any item, equipment, or system in or on the Property that is in need of repair? Yes (if you are aware)
 No (if you are not aware) If yes, explain. (Attach additional sheets if necessary): _____

6. Are you (Seller) aware of any of the following? Write Yes (Y) if you are aware, write No (N) if you are not aware.
- _____ Room additions, structural modifications, or other alterations or repairs made without necessary permits or not in compliance with building codes in effect at that time.
 - _____ Homeowners' Association or maintenance fees or assessments.
 - _____ Any "common area" (facilities such as pools, tennis courts, walkways, or other areas) co-owned in undivided interest with others.
 - _____ Any lawsuits directly or indirectly affecting the Property.
 - _____ Any notices of violations of deed restrictions or governmental ordinances affecting the condition or use of the Property.
 - _____ Any condition on the Property which materially affects the physical health or safety of an individual.
 - _____ Any rainwater harvesting system located on the property that is larger than 500 gallons and that uses a public water supply as an auxiliary water source.
 - _____ Any portion of the property that is located in a groundwater conservation district or a subsidence district.

If the answer to any of the above is yes, explain. (Attach additional sheets if necessary): _____

7. If the property is located in a coastal area that is seaward of the Gulf Intracoastal Waterway or within 1,000 feet of the mean high tide bordering the Gulf of Mexico, the property may be subject to the Open Beaches Act or the Dune Protection Act (Chapter 61 or 63, Natural Resources Code, respectively) and a beachfront construction certificate or dune protection permit may be required for repairs or improvements. Contact the local government with ordinance authority over construction adjacent to public beaches for more information.

DocuSigned by:
 8/24/2017
 Signature of Seller Date
 Staunton Street Partners, LLC

The undersigned purchaser hereby acknowledges receipt of the foregoing notice.

 Signature of Purchaser Date Signature of Purchaser Date

DocuSign Envelope ID: 6E5D5BF8-D964-4F76-BA0F-C3EE7DB30B63

12014 Becca Crossing Way, Houston

ADDENDUM "A"

The Property will be sold pursuant to an order of the United States Bankruptcy Code and the Seller is exempt from the disclosure requirements under the Texas Property Code. No representation or warranty of any kind is made as to the condition or suitability of the Property. No written or verbal statement by the Seller or its agent shall be considered a warranty or representation as to the condition of the Property.

4847-4703-5212, v. 1

DocuSigned by:

Erich Munding

8/24/2017

EAFF58FC89014AB...

Stanton Street Partners, LLC