

**IN THE 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 94
DOVE CALL CT, THE WOODLANDS, TEXAS 77382 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, Austin Road Partners LLC (“Austin” or “Movant”), moves for the entry of an order approving the sale of 94 Dove Call Ct, The Woodlands, Texas 77382

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).

a/k/a Lot 13, Block 3, Woodlands Village Sterling Ridge (the “Property”) free and clear of all liens, claims and encumbrances to Laurie Reinsmith and David Doty (the “**Purchasers**”), and in support thereof, respectfully represents the following:

SUMMARY OF REQUESTED RELIEF

1. Movant and Purchasers entered into a contract for the sale of the Property. There is no feasibility period and the parties are ready to close. Under the terms of the contract, closing must occur no later than September 29, 2017. The Property is subject to a mortgage held by Green Bank. The net proceeds of the sale shall be paid to Green Bank.

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. Austin owns the single family residence located at 94 Dove Call Ct, The Woodlands, Texas 77382. The Property is subject to a mortgage, which is secured by a first lien deed of trust held by Green Bank. A copy of the recorded Deed of Trust is attached hereto as **Exhibit “A.”** The Deed of Trust secures a mortgage on two (2) remaining tracts. The mortgage is reflected by a promissory note (“Note”) in the original principal amount of \$450,000.00. The current principal balance of the Note is approximately \$250,000.00. The net proceeds will go to pay down the Note at closing. Green Bank will continue to have a lien and deed of trust on the

remaining tract. Green Bank consents to the sale.

REQUESTED RELIEF -- SALE FREE AND CLEAR

11. 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 Purchasers free and clear of all liens, claims, interests, and encumbrances, for a total purchase price of \$212,000.00.
- 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.

12. 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.

13. 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.

14. 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

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.

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).

15. 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.

16. In this case, Austin is not selling all of its assets, rather, it is only selling one of its approximate thirty properties.

17. Debtor is represented by William Klingberg and AIM Realty in the transaction. The buyer is represented by David Doty and Village Realty. Pursuant to the Order Authorizing Application to AIM Realty, Movant requests approval of the commissions provided for in the Contract.

ADEQUATE AND REASONABLE NOTICE

18. 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.

19. 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, Austin Road 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@pbfc.com, tpope@pbfc.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@csrslaw.com

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

Owen Mark Sonik on behalf of Creditor Spring Independent School District
osonik@pbfc.com, tpope@pbfc.com; osonik@ecf.inforuptcy.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 Investment Management Limited
89 Nexu Way
Grand Cayman, KY 1-9007
Cayman Islands

1776 Property Fund SPC Land Lot Arbitrage SP4
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

American Property Recovery Fund SPC Property
Development Loan Fund SP3
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

4818-0273-1086, 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 Austin Road Partners LLC
 (Seller) and Laurie Reinsmith & David Doty (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 13 Block 3, Wdlns Village Sterling Ridg
 Addition, City of The Woodlands, County of MONTGOMERY,
 Texas, known as 94 Dove Call CT 77382
 (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 \$ 53,000.00
 B. Sum of all financing described in the attached: ☒ Third Party Financing Addendum,
☐ Loan Assumption Addendum, ☐ Seller Financing Addendum \$ 159,000.00
 C. Sales Price (Sum of A and B) \$ 212,000.00

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: _____
buyer is licensed realtor

5. EARNEST MONEY: Upon execution of this contract by all parties, Buyer shall deposit \$ 2,050.00 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 \$ 0.00 with escrow agent within 0 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

and Seller

TREC NO. 20-13

This form is authorized for use by David Doty, a subscriber of the Houston Realtors' Information Service, Inc. MLS

InstantFORMS

EXHIBIT B

Contract Concerning 94 Dove Call CT The Woodlands TX 77382 Page 2 of 9 11-2-2015
(Address of Property)

- (5) Reservations or exceptions otherwise permitted by this contract or as may be approved by Buyer in writing.
- (6) The standard printed exception as to marital rights.
- (7) The standard printed exception as to waters, tidelands, beaches, streams, and related matters.
- (8) The standard printed exception as to discrepancies, conflicts, shortages in area or boundary lines, encroachments or protrusions, or overlapping improvements: ☐ (i) will not be amended or deleted from the title policy; or ☒ (ii) will be amended to read, "shortages in area" at the expense of ☐ Buyer ☒ Seller.
- B. COMMITMENT: Within 20 days after the Title Company receives a copy of this contract, Seller shall furnish to Buyer a commitment for title insurance (Commitment) and, at Buyer's expense, legible copies of restrictive covenants and documents evidencing exceptions in the Commitment (Exception Documents) other than the standard printed exceptions. Seller authorizes the Title Company to deliver the Commitment and Exception Documents to Buyer at Buyer's address shown in Paragraph 21. If the Commitment and Exception Documents are not delivered to Buyer within the specified time, the time for delivery will be automatically extended up to 15 days or 3 days before the Closing Date, whichever is earlier. If, due to factors beyond Seller's control, the Commitment and Exception Documents are not delivered within the time required, Buyer may terminate this contract and the earnest money will be refunded to Buyer.
- C. SURVEY: The survey must be made by a registered professional land surveyor acceptable to the Title Company and Buyer's lender(s). (Check one box only)
- ☐ (1) Within _____ days after the effective date of this contract, Seller shall furnish to Buyer and Title Company Seller's existing survey of the Property and a Residential Real Property Affidavit promulgated by the Texas Department of Insurance (T-47 Affidavit). **If Seller fails to furnish the existing survey or affidavit within the time prescribed, Buyer shall obtain a new survey at Seller's expense no later than 3 days prior to Closing Date.** If the existing survey or affidavit is not acceptable to Title Company or Buyer's lender(s), Buyer shall obtain a new survey at ☐ Seller's ☐ Buyer's expense no later than 3 days prior to Closing Date.
- ☒ (2) Within 21 days after the effective date of this contract, Buyer shall obtain a new survey at Buyer's expense. Buyer is deemed to receive the survey on the date of actual receipt or the date specified in this paragraph, whichever is earlier.
- ☐ (3) Within _____ days after the effective date of this contract, Seller, at Seller's expense shall furnish a new survey to Buyer.
- D. OBJECTIONS: Buyer may object in writing to defects, exceptions, or encumbrances to title: disclosed on the survey other than items 6A(1) through (7) above; disclosed in the Commitment other than items 6A(1) through (8) above; or which prohibit the following use or activity: _____.
- Buyer must object the earlier of (i) the Closing Date or (ii) 3 days after Buyer receives the Commitment, Exception Documents, and the survey. Buyer's failure to object within the time allowed will constitute a waiver of Buyer's right to object; except that the requirements in Schedule C of the Commitment are not waived by Buyer. Provided Seller is not obligated to incur any expense, Seller shall cure the timely objections of Buyer or any third party lender within 15 days after Seller receives the objections and the Closing Date will be extended as necessary. If objections are not cured within such 15 day period, this contract will terminate and the earnest money will be refunded to Buyer unless Buyer waives the objections.
- E. TITLE NOTICES:
- (1) ABSTRACT OR TITLE POLICY: Broker advises Buyer to have an abstract of title covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a Title Policy. If a Title Policy is furnished, the Commitment should be promptly reviewed by an attorney of Buyer's choice due to the time limitations on Buyer's right to object.
- (2) MEMBERSHIP IN PROPERTY OWNERS ASSOCIATION(S): The Property ☒ is ☐ is not subject to mandatory membership in a property owners association(s). If the Property is subject to mandatory membership in a property owners association(s), Seller notifies Buyer under §5.012, Texas Property Code, that, as a purchaser of property in the residential community identified in Paragraph 2A in which the Property is located, you are obligated to be a member of the property owners association(s). Restrictive covenants governing the use and occupancy of the Property and all dedicatory instruments governing the establishment, maintenance, or operation of this residential community have been or will be recorded in the Real Property Records of the county in which the Property is located. Copies of the restrictive covenants and dedicatory instruments may be obtained from the county clerk. **You are obligated to pay assessments to the property owners association(s). The amount of the assessments is subject to**

Initialed for identification by Buyer LR DR and Seller EM

TREC NO. 20-13

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(Address of Property)

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

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and Seller



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a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions."

7. PROPERTY CONDITION:

A. ACCESS, INSPECTIONS AND UTILITIES: Seller shall permit Buyer and Buyer's agents access to the Property at reasonable times. Buyer may have the Property inspected by inspectors selected by Buyer and licensed by TREC or otherwise permitted by law to make inspections. Any hydrostatic testing must be separately authorized by Seller in writing. Seller at Seller's expense shall immediately cause existing utilities to be turned on and shall keep the utilities on during the time this contract is in effect.

B. SELLER'S DISCLOSURE NOTICE PURSUANT TO §5.008, TEXAS PROPERTY CODE (Notice):
(Check one box only)

- ☐ (1) Buyer has received the Notice.
☐ (2) Buyer has not received the Notice. Within 7 days after the effective date of this contract, Seller shall deliver the Notice to Buyer. If Buyer does not receive the Notice, Buyer may terminate this contract at any time prior to the closing and the earnest money will be refunded to Buyer. If Seller delivers the Notice, Buyer may terminate this contract for any reason within 7 days after Buyer receives the Notice or prior to the closing, whichever first occurs, and the earnest money will be refunded to Buyer.

☒ (3) The Seller is not required to furnish the notice under the Texas Property Code.

C. SELLER'S DISCLOSURE OF LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS is required by Federal law for a residential dwelling constructed prior to 1978.

D. ACCEPTANCE OF PROPERTY CONDITION: "As Is" means the present condition of the Property with any and all defects and without warranty except for the warranties of title and the warranties in this contract. Buyer's agreement to accept the Property As Is under Paragraph 7D(1) or (2) does not preclude Buyer from inspecting the Property under Paragraph 7A, from negotiating repairs or treatments in a subsequent amendment, or from terminating this contract during the Option Period, if any.

(Check one box only)

- ☒ (1) Buyer accepts the Property As Is.
☐ (2) Buyer accepts the Property As Is provided Seller, at Seller's expense, shall complete the following specific repairs and treatments: _____

(Do not insert general phrases, such as "subject to inspections" that do not identify specific repairs and treatments.)

E. LENDER REQUIRED REPAIRS AND TREATMENTS: Unless otherwise agreed in writing, neither party is obligated to pay for lender required repairs, which includes treatment for wood destroying insects. If the parties do not agree to pay for the lender required repairs or treatments, this contract will terminate and the earnest money will be refunded to Buyer. If the cost of lender required repairs and treatments exceeds 5% of the Sales Price, Buyer may terminate this contract and the earnest money will be refunded to Buyer.

F. COMPLETION OF REPAIRS AND TREATMENTS: Unless otherwise agreed in writing: (i) Seller shall complete all agreed repairs and treatments prior to the Closing Date; and (ii) all required permits must be obtained, and repairs and treatments must be performed by persons who are licensed to provide such repairs or treatments or, if no license is required by law, are commercially engaged in the trade of providing such repairs or treatments. At Buyer's election, any transferable warranties received by Seller with respect to the repairs and treatments will be transferred to Buyer at Buyer's expense. If Seller fails to complete any agreed repairs and treatments prior to the Closing Date, Buyer may exercise remedies under Paragraph 15 or extend the Closing Date up to 5 days if necessary for Seller to complete the repairs and treatments.

G. ENVIRONMENTAL MATTERS: Buyer is advised that the presence of wetlands, toxic substances, including asbestos and wastes or other environmental hazards, or the presence of a threatened or endangered species or its habitat may affect Buyer's intended use of the Property. If Buyer is concerned about these matters, an addendum promulgated by TREC or required by the parties should be used.

H. RESIDENTIAL SERVICE CONTRACTS: Buyer may purchase a residential service contract from a residential service company licensed by TREC. If Buyer purchases a residential service contract, Seller shall reimburse Buyer at closing for the cost of the residential service contract in an amount not exceeding \$ 0.00. Buyer should review any residential service contract for the scope of coverage, exclusions and limitations. **The purchase of a residential service contract is optional. Similar coverage may be purchased from various companies authorized to do business in Texas.**

8. BROKERS' FEES: All obligations of the parties for payment of brokers' fees are contained in separate written agreements.

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and Seller

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9. CLOSING:

- A. The closing of the sale will be on or before Sep 29, 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.)

The 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 execution (there is not option period). If this contract is not approved by the United States Bankruptcy Court, the Buyer will be refunded their earnest money deposit.

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

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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.

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- 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

at: 161 S Bantam Woods Circle

The Woodlands TX 77382

Phone: 281-770-5667

Fax: _____

E-mail: lreinsmith@gmail.com

To Seller

at: _____

Phone: _____

Fax: _____

E-mail: Emundinger@bridgecapitalcorp.com

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 | |

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23. TERMINATION OPTION: For nominal consideration, the receipt of which is hereby acknowledged by Seller, and Buyer's agreement to pay Seller \$ 0.00 (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 0 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.)**

AuthenticSIGN  08/22/2017
Laurie Reinsmith
Buyer Laurie Reinsmith

DocuSigned by:
Erich Munding
Seller Austin Road Partners LLC

AuthenticSIGN  08/22/2017
David Doty
Buyer David Doty

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.

Contract Concerning 94 Dove Call CT The Woodlands TX 77382 Page 9 of 9 11-2-2015
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BROKER INFORMATION
(Print name(s) only. Do not sign)

Village Realty

Other Broker Firm

License No.

Aim Realty , Inc.380906

Listing Broker Firm

License No.

represents

☒ Buyer only as Buyer's agent☐ Seller as Listing Broker's subagent

represents

☐ Seller and Buyer as an intermediary☒ Seller only as Seller's agentDavid Doty0666167

Associate's Name

License No.

William Klingberg416425

Listing Associate's Name

License No.

Licensed Supervisor of Associate

License No.

Licensed Supervisor of Listing Associate

License No.

1095 Evergreen Circle #200(888) 607-9586

Other Broker's Address

Fax

14417 Cornerstone Village Dr(281) 440-3571

Listing Broker's Office Address

Fax

SpringTX77380

City

State

Zip

HoustonTX77014

City

State

Zip

david.doty2014@gmail.com(832) 482-4595

Associate's Email Address

Phone

ross@aimrealtymanagement.com(281) 960-5491

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 ☐ \$_____ Earnest Money in the form of _____ is acknowledged.

Escrow Agent: Fidelity National Title Date: _____

By: _____

Email Address

5151 San felipe, Suite 125

Phone:

Address

HoustonTX77056

Fax: _____

City

State

Zip



PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)

THIRD PARTY FINANCING ADDENDUM

TO CONTRACT CONCERNING THE PROPERTY AT

94 Dove Call CT

The Woodlands

TX 77382

(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 \$ 169,600.00 (excluding any financed PMI premium), due in full in 30 year(s), with interest not to exceed 5 % 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 2 % 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.

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and Seller

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Third Party Financing Addendum Concerning

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94 Dove Call CT

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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 5 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.

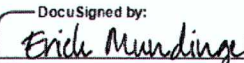
E. AUTHORIZATION TO RELEASE INFORMATION:


(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.

Authenticity

 Buyer Laurie Reinsmith
 0/2/2017 8:51:24 AM

DocuSigned by:

 Seller Austin Road Partners LLC
 EAFF3BFC89674AB...

Authenticity

 Buyer David Doty
 0/2/2017 8:57:24 AM

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.

TREC NO. 40-7

PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)

08-18-2014



**ADDENDUM FOR PROPERTY SUBJECT TO
MANDATORY MEMBERSHIP IN A PROPERTY
OWNERS ASSOCIATION**
(NOT FOR USE WITH CONDOMINIUMS)
ADDENDUM TO CONTRACT CONCERNING THE PROPERTY AT

94 Dove Call CT

The Woodlands

TX 77382

(Street Address and City)

The Woodlands Township

281-210-3800

(Name of Property Owners Association, (Association) and Phone Number)

A. SUBDIVISION INFORMATION: "Subdivision Information" means: (i) a current copy of the restrictions applying to the subdivision and bylaws and rules of the Association, and (ii) a resale certificate, all of which are described by Section 207.003 of the Texas Property Code.

(Check only one box):

- ☐ 1. Within _____ days after the effective date of the contract, Seller shall obtain, pay for, and deliver the Subdivision Information to the Buyer. If Seller delivers the Subdivision Information, Buyer may terminate the contract within 3 days after Buyer receives the Subdivision Information or prior to closing, whichever occurs first, and the earnest money will be refunded to Buyer. If Buyer does not receive the Subdivision Information, Buyer, as Buyer's sole remedy, may terminate the contract at any time prior to closing and the earnest money will be refunded to Buyer.
- ☐ 2. Within _____ days after the effective date of the contract, Buyer shall obtain, pay for, and deliver a copy of the Subdivision Information to the Seller. If Buyer obtains the Subdivision Information within the time required, Buyer may terminate the contract within 3 days after Buyer receives the Subdivision Information or prior to closing, whichever occurs first, and the earnest money will be refunded to Buyer. If Buyer, due to factors beyond Buyer's control, is not able to obtain the Subdivision Information within the time required, Buyer may, as Buyer's sole remedy, terminate the contract within 3 days after the time required or prior to closing, whichever occurs first, and the earnest money will be refunded to Buyer.
- ☐ 3. Buyer has received and approved the Subdivision Information before signing the contract. Buyer ☐ does ☐ does not require an updated resale certificate. If Buyer requires an updated resale certificate, Seller, at Buyer's expense, shall deliver it to Buyer within 10 days after receiving payment for the updated resale certificate from Buyer. Buyer may terminate this contract and the earnest money will be refunded to Buyer if Seller fails to deliver the updated resale certificate within the time required.
- ☒ 4. Buyer does not require delivery of the Subdivision Information.

The title company or its agent is authorized to act on behalf of the parties to obtain the Subdivision Information ONLY upon receipt of the required fee for the Subdivision Information from the party obligated to pay.

B. MATERIAL CHANGES. If Seller becomes aware of any material changes in the Subdivision Information, Seller shall promptly give notice to Buyer. Buyer may terminate the contract prior to closing by giving written notice to Seller if: (i) any of the Subdivision Information provided was not true; or (ii) any material adverse change in the Subdivision Information occurs prior to closing, and the earnest money will be refunded to Buyer.

C. FEES: Except as provided by Paragraphs A, D and E, Buyer shall pay any and all Association fees or other charges associated with the transfer of the Property not to exceed \$ 200.00 and Seller shall pay any excess.

D. DEPOSITS FOR RESERVES: Buyer shall pay any deposits for reserves required at closing by the Association.

E. AUTHORIZATION: Seller authorizes the Association to release and provide the Subdivision Information and any updated resale certificate if requested by the Buyer, the Title Company, or any broker to this sale. If Buyer does not require the Subdivision Information or an updated resale certificate, and the Title Company requires information from the Association (such as the status of dues, special assessments, violations of covenants and restrictions, and a waiver of any right of first refusal), ☐ Buyer ☒ Seller shall pay the Title Company the cost of obtaining the information prior to the Title Company ordering the information.

NOTICE TO BUYER REGARDING REPAIRS BY THE ASSOCIATION: The Association may have the sole responsibility to make certain repairs to the Property. If you are concerned about the condition of any part of the Property which the Association is required to repair, you should not sign the contract unless you are satisfied that the Association will make the desired repairs.

Authenticity

 Buyer Laurie Reinsmith
 8/22/2017 9:51:25 PM CDT

DocuSigned by:

 SELLER Austin Road Partners LLC

Authenticity

 Buyer David Doty
 8/22/2017 6:57:32 PM CDT

Seller

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