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ATTORNEYS FOR THE DEBTORS
AND DEBTORS IN POSSESSION

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
LUBBOCK DIVISION**

In re:	§	
	§	Chapter 11
	§	
LE-MAR HOLDINGS, INC., <i>et al.</i> , ¹	§	Case No. 17-50234-RLJ
	§	
Debtors.	§	Jointly Administered
	§	
	§	Expedited Hearing Requested

**DEBTORS' MOTION TO SELL REAL ESTATE LOCATED AT 1926 LOMA ALTA
DRIVE, IRVING, TX 75063 FREE AND CLEAR OF ALL LIENS, CLAIMS
AND INTERESTS PURSUANT TO SECTIONS 363(b) AND (f)
OF THE BANKRUPTCY CODE**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) hereby file this *Motion to Sell Real Estate Located at 1926 Loma Alta Drive, Irving, TX 75063*

¹ The Debtors in these chapter 11 cases are: Le-Mar Holdings, Inc. (Case No. 17-50234-RLJ), Edwards Mail Service, Inc. (Case No. 17-50235-RLJ), and Taurean East, LLC (Case No. 17-50236-RLJ).

**DEBTORS' MOTION TO SELL REAL ESTATE LOCATED AT 1926 LOMA ALTA DRIVE, IRVING, TX 75063 FREE AND CLEAR
OF ALL LIENS, CLAIMS AND INTERESTS PURSUANT TO SECTIONS 363(b) AND (f) OF THE BANKRUPTCY CODE**

Free and Clear of All Liens, Claims and Interests Pursuant to Sections 363(b) and (f) of the Bankruptcy Code (the “Motion”). In support of this Motion, the Debtors submit the Declaration of Chuck C. Edwards (the “Edwards Decl.”), attached hereto as **Exhibit A**, and respectfully state as follows:

Jurisdiction and Venue

1. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

2. On September 17, 2017 (the “Petition Date”), the Debtors commenced these chapter 11 cases by each filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

3. The Debtors remain in possession of their assets and continue to operate and manage their businesses as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these chapter 11 cases.

4. The Debtors’ chapter 11 cases are being jointly administered for procedural purposes only pursuant to Bankruptcy Rule 1015(b) and Rule 1015-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas [Docket No. 55].

5. On October 12, 2017, the United States Trustee for Region 6 (the “US Trustee”) appointed the statutory committee of unsecured creditors (the “Creditors’ Committee”) pursuant to section 1102 of the Bankruptcy Code [Docket Nos. 115, 134].

6. The Debtors own several parcels of real estate located in Texas. These parcels include a residential property located at 1926 Loma Alta Drive, Irving, TX 75063 (the “Property”). The Property has been used by the Debtors as a temporary residence instead of a hotel for the Debtors’ personnel travelling through the area. *See* Edwards Decl. ¶ 3.

7. Michael L. Davis (“Davis”) holds the only secured claim against the Property. *See* Edwards Decl. ¶ 4.

8. Pursuant to the Deed of Trust, Security Agreement and Financing Statement, dated January 27, 2017, and recorded on February 3, 2017 under Document No. 201700033413 in the Official Public Records of Dallas County, Texas (the “Deed of Trust”), Davis holds a first lien against the Property to secure payment of that certain Promissory Note, dated January 27, 2017, between the Debtors (as borrower) and Davis (as lender) in the original principal amount of \$845,000 (the “2017 Note”).² The 2017 Note is also secured by several other real properties owned by the Debtors. The total amount outstanding under the 2017 Note is approximately \$775,000. *See* Edwards Decl. ¶ 5.

9. After the Petition Date, the Debtors employed The Tierny Jordan Team a/k/a The Tierny Jordan Network (“TJN”) as a real estate broker to market and sell the Property. The Debtors

² Pursuant to the Modification Agreement, dated April 18, 2017, and recorded on April 27, 2017 under Document No. 201700116955 in the Official Public Records of Dallas County, Texas, the Debtors and Davis agreed that an advance of \$175,000 by Davis to the Debtors would be secured by the Deed of Trust.

employment and retention of TJN was approved by this Court by Order entered on January 10, 2018 (the “Employment Order”) [Docket No. 305]. TJN marketed the Property with a listing price of \$270,000.

Contract of Sale

10. The Debtors, as sellers, have entered into a One to Four Family Residential Contract (Resale) (the “Contract”) with Kimberly Ann Hawton (the “Buyer”), as buyer, for the sale of the Property (the “Sale”), subject to the approval of this Court. The Contract was fully executed on February 12, 2018. A true and correct copy of the Contract, including the addenda thereto, is attached hereto as **Exhibit B**.

11. The Contract, which is a standard form provided by the Texas Real Estate Commission, provides that the sale price payable by the Buyer at closing is \$278,500 (the “Sale Price”), and that the closing of the Sale will be the later of March 9, 2018 or within seven (7) days after certain objections under the Contract, if any, have been cured or waived (the “Closing Date”). In addition, the Contract provides that if this Court has not entered an order approving the Sale before the Closing Date, then either the Buyer or the Debtors may terminate the Contract by giving written notice to the other.

12. The Contract also provides that obligations for the payment of real estate brokers’ fees are contained in separate written agreements. Pursuant to the Listing Agreement between the Debtors and TJN (a copy of which was attached to the Debtors’ motion to retain and employ real

estate brokers [Docket No. 265]), the Debtors are obligated to pay TJN a commission of six percent (6%) of the Sale Price.³

13. The Contract is the result of significant arm's length negotiations with the Buyer conducted through the Debtors' real estate broker, TJN. The Buyer qualifies as a good faith purchaser and should be entitled to all of the protections under section 363(m) of the Bankruptcy Code.

Relief Requested

14. By this Motion, the Debtors request entry of an order approving the Sale of the Property on the terms set forth in the Contract. Such sale would be free and clear of all liens, claims and interests, and the sale proceeds would be utilized as set forth immediately below:

- a. All ad valorem and property taxes owed by the Debtors related to the Property and for which the Debtors are responsible under the Contract shall be paid in full;
- b. TJN's real estate broker's commission shall be paid in full;
- c. Any and all other closing costs which the Debtors are obligated to pay under the Contract shall be paid in full; and
- d. Remaining proceeds from the Sale shall be paid to Davis to reduce the outstanding amount owed by the Debtors under the 2017 Note (which benefits the Debtors by reducing the amount of interest accruing on the 2017 Note).

³ This Court previously approved TJN's commission under section 328(a) of the Bankruptcy Code in the Employment Order.

15. The Debtors also request that such order authorize the Debtors to execute all documents and take all other actions necessary to consummate and perform the Contract without further order of this Court.

16. Finally, the Debtors request that, notwithstanding Bankruptcy Rule 6004(h), this Court direct that the order authorizing the Sale shall not be stayed and shall be effective and enforceable immediately upon its entry. This is necessary as the Contract provides for the closing of the Sale to take place on the later of March 9, 2018 or within seven (7) days after certain objections under the Contract, if any, have been cured or waived.

Basis for Relief

A. The Sale Constitutes an Exercise of the Debtors' Sound Business Judgment and is in the Best Interests of the Debtors, Their Estates and Creditors

17. Pursuant to this Motion, the Debtors seek to sell the Property pursuant to the Contract to the Buyer. A major premise of the Bankruptcy Code is maximizing the value of the bankruptcy estate. *See, e.g., Commodity Futures Trading Corn. v. Weintraub*, 471 U.S. 343, 353 (1985) (maximizing the value of the estate is an "important goal" of the Bankruptcy Code). The Sale will maximize the value of the Property and, thus, the requested relief is consistent with the "furtherance of the provisions of the Bankruptcy Code." *See In re Southmark Corp.*, 113 B.R. 280, 281 (Bankr. N.D. Tex. 1990) (stating that the court may "issue any order necessary or appropriate to carry out the provisions of the [Bankruptcy] Code").

18. Section 363(b) of the Bankruptcy Code provides that a chapter 11 debtor, after notice and hearing, may sell property of the estate outside of the ordinary course of business. Although section 363 of the Bankruptcy Code does not set a standard for determining when it is

appropriate for a court to authorize the sale or disposition of a debtor's assets pursuant to section 363(b), the Fifth Circuit Court of Appeals, in construing this provision, has required that it be based upon the sound business judgment of the debtor. *See generally Institutional Creditors of Continental Air Lines, Inc. v. Continental Air Lines, Inc. (In re Continental Air Lines, Inc.)*, 780 F.2d 1223 (5th Cir. 1986); *In re Braniff Airways, Inc.*, 700 F.2d 935 (5th Cir. 1983).

19. Adequate business reasons exist to justify the Sale. *See In re Continental Air Lines, Inc.*, 780 F.2d at 1226-27 (stating that the decision to authorize a sale of a debtor's assets outside of the ordinary course of business is a determination based upon the debtor's business justification). Courts have made it clear that a debtor's showing of a sound business justification need not be unduly exhaustive, but rather, a debtor is simply "required to justify the proposed disposition with sound business reasons." *In re Baldwin United Corp.*, 43 B.R. 888, 906 (Bankr. S.D. Ohio 1984); see also *In re Continental Air Lines, Inc.*, 780 F.2d at 1226.

20. Approval of the Contract is appropriate in this case because the Debtors can demonstrate that there is "some articulated business justification for using, selling, or leasing the property" *See In re Continental Air Lines, Inc.*, 780 F.2d at 1226. The Contract is the result of good-faith, arm's length negotiations by the Debtors, through their real estate broker TJN, and the Buyer, and the Debtors believe that the Sale Price constitutes fair value for the Property.

21. The proceeds of the Sale will be paid to Davis to reduce the outstanding amount owed by the Debtors under the 2017 Note (which will reduce the accrual of interest against the Debtors with respect to the 2017 Note). *See* Edwards Decl. ¶ 6.

22. Moreover, the Debtors believe that the benefits of selling the Property outweigh the benefit of using it as a temporary residence. The Debtors believe that the Contract represents the highest and best offer that they will receive for the sale of the Property. *See* Edwards Decl. ¶ 7.

23. Given the foregoing, the Debtors believe that the sale of the Property is a proper exercise of their business judgment and is in the best interests of the Debtors' creditors and parties in interest. *See* Edwards Decl. ¶ 8.

B. The Debtors have Provided Adequate Notice of the Proposed Sale

24. Pursuant to Bankruptcy Rule 2002(a)(2), this Court may, for cause shown, shorten or direct another method of giving notice regarding the twenty-one (21) day period for the proposed use, sale or lease of property of the estate other than in the ordinary course of business. *See* Fed. R. Bankr. P. 2002(a)(2). Subject to Bankruptcy Rule 6004, the notice of a proposed use, sale, or lease of property required under Bankruptcy Rule 2002(a)(2) must include the time and place of any public sale, the terms and conditions of any private sale, and the time fixed for filing objections. *See* Fed. R. Bankr. P. 2002(c)(1). Moreover, the notice of a proposed use, sale, or lease of property is sufficient if it generally describes the property. *See* Fed. R. Bankr. P. 2002(c)(1).

25. To ensure that adequate notice of the sale is provided, the Debtors have served this Motion, including all exhibits hereto, by first class mail and/or ECF electronic notification upon (a) the Office of the United States Trustee for the Northern District of Texas; (b) counsel for the Creditors' Committee; (c) state and local taxing authorities; (d) Davis; and (e) all parties that have requested notice pursuant to Bankruptcy Rule 2002.

26. The Debtors submit that such notice as set forth herein satisfies the notice requirements of Bankruptcy Rules 2002 and 6004 and section 363(f) of the Bankruptcy Code, constitutes good and sufficient notice, and that no other or further notice is required.

C. Sale of the Property Pursuant to Section 363(f)

27. Section 363(f) of the Bankruptcy Code permits the sale of property free and clear of any interest in such property if one of several elements is met. Section 363(f) provides:

- (f) The trustee may sell property under subsection (b) or (c) of this section free and clear of any interest in such property of an entity other than the estate, only if—
 - (1) applicable nonbankruptcy law permits sale of such property free and clear of such interest;
 - (2) such entity consents;
 - (3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
 - (4) such interest is in bona fide dispute; or
 - (5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

28. Davis holds a first lien against the Property to secure payment of the 2017 Note. Davis holds the only secured claim against the Property. Davis has consented to the Sale of the Property upon the terms set forth herein. *See* Certificate of Conference attached hereto. Accordingly, a sale of the Property free and clear of all liens, claims and interests is warranted pursuant to section 363(f)(2).

Conclusion

WHEREFORE, the Debtors respectfully request that the Court enter an order substantially in the form annexed hereto as **Exhibit C**, approving the Sale in accordance with the terms of the Contract, and granting the Debtors such other and further relief as is just and proper.

Dated: February 12, 2018
Dallas, Texas

UNDERWOOD PERKINS, P.C.

By: /s/ David L. Campbell
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*Attorneys for the Debtors
and Debtors in Possession*

CERTIFICATE OF CONFERENCE

I hereby certify that on February 8, 2018, counsel for Debtors contacted counsel for Michael L. Davis (“Davis”) regarding the Sale proposed in this Motion. Counsel for Davis confirmed that Davis consents to the Sale of the Property, upon the terms proposed in the Motion, and therefore, Davis, supports the Court granting this Motion.

Date: February 12, 2018

/s/ Mark N. Parry

Mark N. Parry

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the following documents have been electronically filed in the above captioned case with the Clerk of the United States Bankruptcy Court by using the CM/ECF system and copies were served on the parties who receive notice via the Court's ECF notification system.

Date: February 12, 2018.

/s/ David L. Campbell

David L. Campbell

Exhibit “A”

DEBTORS' MOTION TO SELL REAL ESTATE LOCATED AT 1926 LOMA ALTA DRIVE, IRVING, TX 75063 FREE AND CLEAR OF ALL LIENS, CLAIMS AND INTERESTS PURSUANT TO SECTION 363(b) AND (f) OF THE BANKRUPTCY CODE

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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
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In re:	§	
	§	Chapter 11
	§	
LE-MAR HOLDINGS, INC., <i>et al.</i> , ¹	§	Case No. 17-50234-RLJ
	§	
Debtors.	§	Jointly Administered

**DECLARATION OF CHUCK C. EDWARDS IN SUPPORT OF DEBTORS' MOTION
TO SELL REAL ESTATE LOCATED AT 1926 LOMA ALTA DRIVE, IRVING, TX
75063 FREE AND CLEAR OF ALL LIENS, CLAIMS AND INTERESTS PURSUANT TO
SECTIONS 363(b) AND (f) OF THE BANKRUPTCY CODE**

I, CHUCK C. EDWARDS, do hereby declare as follows:

¹ The Debtors in these chapter 11 cases are: Le-Mar Holdings, Inc. (Case No. 17-50234-RLJ), Edwards Mail Service, Inc. (Case No. 17-50235-RLJ), and Taurean East, LLC (Case No. 17-50236-RLJ).

1. I am the President of Le-Mar Holdings, Inc. ("Le-Mar"), the President of Edwards Mail Service, Inc. ("EMS"), and the managing member of Taurean East, LLC ("Taurean", and collectively with Le-Mar and EMS, the "Debtors").

2. I make this declaration in support of the *Debtors' Motion to Sell Real Estate Located at 1926 Loma Alta Drive, Irving, TX 75063 Free and Clear of All Liens, Claims and Interests Pursuant to Sections 363(b) and (f) of the Bankruptcy Code* (the "Motion").²

3. The Debtors own (among real property) a residential property located at 1926 Loma Alta Drive, Irving, TX 75063 (the "Property"). The Property has been used by the Debtors as a temporary residence instead of a hotel for the Debtors' personnel travelling through the area.

4. Michael L. Davis ("Davis") holds the only secured claim against the Property.

5. Pursuant to the Deed of Trust, Security Agreement and Financing Statement, dated January 27, 2017, and recorded on February 3, 2017 under Document No. 201700033413 in the Official Public Records of Dallas County, Texas (the "Deed of Trust"), Davis holds a first lien against the Property to secure payment of that certain Promissory Note, dated January 27, 2017, between the Debtors (as borrower) and Davis (as lender) in the original principal amount of \$845,000 (the "2017 Note").³ The 2017 Note is also secured by several other real properties owned by the Debtors. The total amount outstanding under the 2017 Note is approximately \$775,000.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

³ Pursuant to the Modification Agreement, dated April 18, 2017, and recorded on April 27, 2017 under Document No. 201700116955 in the Official Public Records of Dallas County, Texas, the Debtors and Davis agreed that an advance of \$175,000 by Davis to the Debtors would be secured by the Deed of Trust.

6. The proceeds of the Sale will be paid to Davis to reduce the outstanding amount owed by the Debtors under the 2017 Note (which will reduce the accrual of interest against the Debtors with respect to the 2017 Note).

7. Moreover, the Debtors believe that the benefits of selling the Property outweigh the benefit of using it as a temporary residence. The Debtors believe that the Contract represents the highest and best offer that they will receive for the sale of the Property.

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8. Given the foregoing, the Debtors believe that the sale of the Property is a proper exercise of their business judgment and is in the best interests of the Debtors' creditors and parties in interest.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: February 9, 2018


CHUCK C. EDWARDS

Exhibit “B”

DEBTORS' MOTION TO SELL REAL ESTATE LOCATED AT 1926 LOMA ALTA DRIVE, IRVING, TX 75063 FREE AND CLEAR OF ALL LIENS, CLAIMS AND INTERESTS PURSUANT TO SECTION 363(b) AND (f) OF THE BANKRUPTCY CODE



PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)

11-2-2015

ONE TO FOUR FAMILY RESIDENTIAL CONTRACT (RESALE)

NOTICE: Not For Use For Condominium Transactions

1. **PARTIES:** The parties to this contract are TAUREAN EAST LLC
(Seller) and Kimberly Ann Hawton (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 L, Emerald Valley Ph 03
Addition, City of Irving, County of Dallas,
Texas, known as 1926 Loma Alta Drive 75063
(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: All furniture and decor KAH
3. **SALES PRICE:**
 - A. Cash portion of Sales Price payable by Buyer at closing \$ 13,925.00
 - B. Sum of all financing described in the attached: ☒ Third Party Financing Addendum,
☐ Loan Assumption Addendum, ☐ Seller Financing Addendum \$ 264,575.00
 - C. Sales Price (Sum of A and B) \$ 278,500.00
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: _____
5. **EARNEST MONEY:** Upon execution of this contract by all parties, Buyer shall deposit \$ 2,800.00 as earnest money with Community National, as escrow agent, at Arlington (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 Community National (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.

TAR 1601 Initialed for identification by Buyer KAH and Seller CE

TREC NO. 20-13

Contract Concerning	1926 Loma Alta Drive Irving, Texas 75063 (Address of Property)	Page 2 of 9 11-2-2015
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(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.

KAH.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 3 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 7 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: Residential use

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, and 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 instrument 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

Contract Concerning 1926 Loma Alta Drive Page 3 of 9 11-2-2015
Irving, Texas 75063
 (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

Contract Concerning 1926 Loma Alta Drive Page 4 of 9 11-2-2015
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 (Address of Property)

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 3 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.

Contract Concerning

1926 Loma Alta Drive
Irving, Texas 75063
(Address of Property)

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9. CLOSING:

- A. The closing of the sale will be on or before March 9, 2018, 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 holder from adding factual statements or business details for which a contract addendum, lease or other form has been promulgated by TREC for mandatory use.)

See Special Provisions attached hereto. KAH

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

TAR 1601 Initialed for identification by Buyer KAH and Seller CE

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Contract Concerning	1926 Loma Alta Drive Irving, Texas 75063 (Address of Property)	Page 6 of 9 11-2-2015
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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.

TAR 1601 Initiated for identification by Buyer KAH and Seller CK

TREC NO. 20-13

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 (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 at:
Kim Hawton

Cc agent - Heidi Ferrell

Phone: (214)499-1984

Fax: _____

E-mail: kimhawton@yahoo.com

To Seller at:

Tarcan East LLC c/o Chuck Edwards

CC agent - Walsh Jordan

Phone: (214) 924-7041

Fax: _____

E-mail: chuckedwards@edwardsmailexpress.com
walsh@tiernyjordan.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 | |

Contract Concerning 1926 Loma Alta Drive Page 8 of 9 11-2-2015
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 (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 \$ 200.00 (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 4 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 02/07/2018, _____ (EFFECTIVE DATE).
 (BROKER: FILL IN THE DATE OF FINAL ACCEPTANCE.)

Kimberly Ann Hawton 02/04/2018 21:55:42
 Buyer Kimberly Ann Hawton


 Seller TAUREAN EAST LLC
 By: Chuck Edwards
 Managing Member

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) 935-3000 (<http://www.trec.texas.gov>) TREC NO. 20-13. This form replaces TREC NO. 20-12.

Contract Concerning _____	1926 Loma Alta Drive Irving, Texas 75063 (Address of Property)	Page 9 of 9 11-2-2015
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BROKER INFORMATION (Print name(s) only. Do not sign)			
Jp and Associates Realtors Southlake	0590769	eXp Realty, LLC	0603392
Other Broker Firm	License No.	Listing Broker Firm	License No.
represents <input checked="" type="checkbox"/> Buyer only as Buyer's agent		represents <input type="checkbox"/> Seller and Buyer as an intermediary	
<input type="checkbox"/> Seller as Listing Broker's subagent		<input checked="" type="checkbox"/> Seller only as Seller's agent	
Heidi Ferrell	0640177	Tiemy Jordan	0564785
Associate's Name	License No.	Listing Associate's Name	License No.
Keisha York			
Licensed Supervisor of Associate	License No.	Licensed Supervisor of Listing Associate	License No.
566 N. Kimball Suite 120			
Other Broker's Address	Fax	9600 Great Hills Trail	
Southlake TX 76092		Listing Broker's Office Address	Fax
City State Zip		Austin TX 78759	
hferrell@hfrealtor.com	(214)738-0660	tiemy@tiemyjordan.com	(214)414-2811
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 <u>3.000%</u> 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 <input type="checkbox"/> Contract and <input type="checkbox"/> \$ _____ Earnest Money in the form of _____ is acknowledged.	
Escrow Agent: _____	Date: _____
By: _____	Email Address _____
Address _____	Phone: _____
City State Zip	Fax: _____

TAR 1601

TREC NO. 20-13

1926 Loma Alta

KAH

**Special Provisions
Between
Taurean East, LLC, Seller
And
Kimberly Ann Hawton, Buyer**

The Seller and its affiliates are currently debtors-in-possession in their chapter 11 cases pending in the U.S. Bankruptcy Court for the Northern District of Texas, Lubbock Division, under the caption *In re Le-Mar Holdings, Inc., et al.*; Case No. 17-50234-RLJ (Jointly Administered).

Accordingly, this Contract is subject to the Seller obtaining approval from the Bankruptcy Court to enter into and consummate this Contract. If the Bankruptcy Court has not entered an order authorizing the Seller to enter into and consummate this Contract before the Closing Date, then either Buyer or Seller may give written notice to the other terminating this Contract at which time all parties shall be released from any further obligation to the other pursuant to this Contract and any earnest money deposit paid by the Buyer shall be refunded to the Buyer.



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

1926 Loma Alta DriveIrving

(Street Address and City)

Principal Management Group of North Texas

(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 20 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 \$ 150.00 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.

Kimberly Ann Hawton
Buyer Kimberly Ann Hawton

02/04/2018 23:50:47

Seller TAUREAN EAST LLC

Buyer

Seller

The form of this addendum has been approved by the Texas Real Estate Commission for use only with similarly approved or promulgated forms of contracts. Such approval relates to this contract form only. TREC forms are intended for use only by trained real estate licensees. 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 (www.trec.texas.gov) TREC No. 36-8. This form replaces TREC No. 36-7.

(TAR-922) 08-18-2014

TREC NO. 36-8



PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)

11-2-2015

THIRD PARTY FINANCING ADDENDUM**TO CONTRACT CONCERNING THE PROPERTY AT****1926 Loma Alta Drive****Irving**

(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 \$ 264,575.00 (excluding any financed PMI premium), due in full in 30 year(s), with interest not to exceed 6.000 % 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 1.000 % 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 KAH and Seller CE
TAR 1901

TREC NO. 40-7
11-2-2015

1926 Loma Alta Drive, Irving, Texas 75063

(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 21 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. FHAVA 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.

Kimberly Ann Hawton

02/04/2018 23:56:49

Buyer Kimberly Ann Hawton

Seller TAUREAN EAST LLC

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) 938-3000 (<http://www.trec.texas.gov>) TREC No. 40-7. This form replaces TREC No. 40-8.



PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)

11-2-2015

AMENDMENT TO CONTRACT CONCERNING THE PROPERTY AT

1926 Loma Alta Drive

Irving

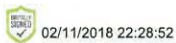
(Street Address and City)

Seller and Buyer amend the contract as follows: (check each applicable box)

- ☐ (1) The Sales Price in Paragraph 3 of the contract is:
 - A. Cash portion of Sales Price payable by Buyer at closing \$ _____
 - B. Sum of financing described in the contract..... \$ _____
 - C. Sales Price (Sum of A and B)..... \$ _____
- ☒ (2) In addition to any repairs and treatments otherwise required by the contract, Seller, at Seller's expense, shall complete the following repairs and treatments:
Repair crack in ceiling in kitchen per inspection. Repair wall damage in the garage per inspection. Repair doorbell per inspection. Repair stair railing/spindles that are not secured properly per inspection. Repair missing/broken light bulbs per inspection. Service AC unit per inspection. Repair attic pull down so the door can be pulled down.
- ☐ (3) The date in Paragraph 9 of the contract is changed to _____, _____.
- ☐ (4) The amount in Paragraph 12A(1)(b) of the contract is changed to \$ _____.
- ☐ (5) The cost of lender required repairs and treatment, as itemized on the attached list, will be paid as follows: \$ _____ by Seller; \$ _____ by Buyer.
- ☐ (6) Buyer has paid Seller an additional Option Fee of \$ _____ for an extension of the unrestricted right to terminate the contract on or before 5:00 p.m. on _____, _____. This additional Option Fee ☐ will ☐ will not be credited to the Sales Price.
- ☐ (7) Buyer waives the unrestricted right to terminate the contract for which the Option Fee was paid.
- ☐ (8) The date for Buyer to give written notice to Seller that Buyer cannot obtain Buyer Approval as set forth in the Third Party Financing Addendum is changed to _____, _____.
- ☐ (9) **Other Modifications:** (Insert only factual statements and business details applicable to this sale.)

EXECUTED the _____ day of _____, 02/11/2018, _____. (BROKER: FILL IN THE DATE OF FINAL ACCEPTANCE.)

Kimberly Ann Hawton
Buyer **Kimberly Ann Hawton**



Chuck Edwards
Seller **TAUREAN EAST LLC**



Buyer

Seller

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(TAR-1903)

TREC NO. 39-8

Exhibit “C”

DEBTORS' MOTION TO SELL REAL ESTATE LOCATED AT 1926 LOMA ALTA DRIVE, IRVING, TX 75063 FREE AND CLEAR OF ALL LIENS, CLAIMS AND INTERESTS PURSUANT TO SECTION 363(b) AND (f) OF THE BANKRUPTCY CODE

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
LUBBOCK DIVISION**

In re:	§	
	§	Chapter 11
LE-MAR HOLDINGS, INC., <i>et al.</i> , ¹	§	
	§	Case No. 17-50234-RLJ
Debtors.	§	
	§	Jointly Administered

**ORDER GRANTING DEBTORS' MOTION TO SELL REAL ESTATE LOCATED AT
1926 LOMA ALTA DRIVE, IRVING, TX 75063 FREE AND CLEAR OF ALL LIENS,
CLAIMS AND INTERESTS PURSUANT TO SECTIONS 363(b) AND (f)
OF THE BANKRUPTCY CODE**

On February 27, 2018 in Lubbock, Texas, came on for expedited consideration the *Debtors' Motion to Sell Real Estate Located at 1926 Loma Alta Drive, Irving, TX 75063 Free and Clear of All Liens, Claims and Interests Pursuant to Sections 363(b) and (f) of the Bankruptcy*

¹ The Debtors in these chapter 11 cases are: Le-Mar Holdings, Inc. (Case No. 17-50234-RLJ), Edwards Mail Service, Inc. (Case No. 17-50235-RLJ), and Taurean East, LLC (Case No. 17-50236-RLJ).

ORDER GRANTING DEBTORS' MOTION TO SELL REAL ESTATE LOCATED AT 1926 LOMA ALTA DRIVE, IRVING, TX 75063 FREE AND CLEAR OF ALL LIENS, CLAIMS AND INTERESTS PURSUANT TO SECTIONS 363(b) AND (f) OF THE BANKRUPTCY CODE

Code (the “Motion”)², filed by Le-Mar Holdings, Inc., Edwards Mail Service, Inc., and Taurean East, LLC, (collectively, the “Debtors”). After consideration of the Motion, the supporting Declaration of Chuck C. Edwards, evidence and argument of counsel, the Court finds as follows:

a. In the Motion, the Debtors seek approval of a One to Four Family Residential Contract (Resale) (the “Contract”) between the Debtors, as sellers, and Kimberly Ann Hawton (the “Buyer”), as buyer, for the sale of a residential property located at 1926 Loma Alta Drive, Irving, TX 75063 (the “Property”). A true and correct copy of the Contract, including the addenda thereto, is attached to the Motion as **Exhibit B**. As used herein, the sale of the Property, as approved in this Order, is referred to as the “Sale Transaction”;

b. The Debtors filed and served a Notice of Expedited Hearing which includes a certificate of service reflecting the service of the Notice of Expedited Hearing upon creditors and parties in interest. The notice given by the Debtors of the Motion and the expedited hearing thereon was adequate and sufficient under the circumstances, and no other or further notice need be provided;

c. The Court previously approved The Tierny Jordan Team a/k/a The Tierny Jordan Network (“TJN”) as the Debtors’ real estate broker to market and sell the Property pursuant to the Order Granting Application of Debtors for Entry of an Order Pursuant to Sections 327(a) and 328 of the Bankruptcy Code and Bankruptcy Rule 2014 Authorizing the Employment and Retention of Real Estate Brokers (the “Broker Order”) [Docket No. 305] entered on January 10, 2018;

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

d. The Contract is a result of arm's length negotiations with the Buyer which were conducted through TJN as the Debtors' real estate broker, and the terms of the Contract are fair and reasonable;

e. The Contract provides that obligations for the payment of real estate brokers' fees are contained in separate written agreements. Pursuant to the Listing Agreement between the Debtors and TJN (a copy of which was attached to the Debtors' motion to retain and employ real estate brokers [Docket No. 265]), the Debtors are obligated to pay TJN a commission of six percent (6%) of the Sale Price, all of which will be paid to TJN as the Debtors' real estate broker. Such commission was previously approved by this Court in the Broker Order pursuant to section 328(a) of the Bankruptcy Code;

f. Michael L. Davis ("Davis") holds the only secured claim against the Property. The proceeds of the Sale Transaction will reduce the outstanding amount owed by the Debtors under the 2017 Note. Davis has consented to the Sale of the Property upon the terms set forth in the Motion. No creditor or party in interest has made any objection to the Motion. The Court finds the Contract constitutes an appropriate exercise of the Debtors' good faith business judgment and that the Debtors have demonstrated a sufficient business justification for the approval of the Contract;

g. Consummation of the Sale Transaction is in the best interests of the Debtors, their estates, creditors and other parties in interest in these cases;

h. The Buyer has entered into the Contract in good faith and is entitled to all of the protections of section 363(m) of chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”);

i. Other than the liens held by Davis, the Debtors are unaware of any liens against the Property. The Debtor has requested approval of a sale of the Property free and clear of liens, claims and interests pursuant to section 363(f) of the Bankruptcy Code. The Court finds that the sale of the Property free and clear of liens, claims and interests pursuant to section 363(f) of the Bankruptcy Code is appropriate; and

j. The Motion should be granted and the Debtors authorized to consummate the Sale Transaction in accordance with the terms of the Contract.

ACCORDINGLY, it is hereby ORDERED that:

1. The Motion is hereby GRANTED.
2. The Debtors are hereby authorized to sell the Property to the Buyer and to perform and consummate the Contract in accordance with the terms thereof without further order of this Court. This includes without limitation the delivery by the Debtors of all documents and the performance of all acts required by the terms of the Contract or which may be reasonably necessary, in the Debtors’ good faith business judgment, to perform, consummate or close the Sale Transaction.
3. All entities, including without limitation, all filing agents, filing officers, title agents, administrative agencies, governmental departments, secretaries of state, federal, state, and

ORDER GRANTING DEBTORS’ MOTION TO SELL REAL ESTATE LOCATED AT 1926 LOMA ALTA DRIVE, IRVING, TX 75063 FREE AND CLEAR OF ALL LIENS, CLAIMS AND INTERESTS PURSUANT TO SECTIONS 363(b) AND (f) OF THE BANKRUPTCY CODE

local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instructions, or who may be required to transfer, record, report or insure any title or state of title in or to the Property are hereby directed to accept a certified copy of this Order to record, document and index the transfer of the Property to the Buyer.

4. The sale of the Property to the Buyer shall be free and clear of all liens, claims and interests pursuant to section 363(f) of the Bankruptcy Code.

5. The proceeds from the Sale Transaction shall be distributed in the following manner and order:

- a. At the closing of the Sale Transaction, proceeds from the sale shall be distributed to fully satisfy (i) all ad valorem and property taxes owed by the Debtors related to the Property and for which the Debtors are responsible under the Contract; (ii) TJN's real estate broker's commission; and (iii) any and all other closing costs which the Debtors are obligated to pay under the Contract.
- b. Remaining proceeds from the sale shall be paid at the closing of the Sale Transaction to Davis to reduce the outstanding amount owed by the Debtors under the 2017 Note.

6. The consideration to be provided by the Buyer under the Contract constitutes reasonably equivalent value and fair consideration for the Property under the Bankruptcy Code.

7. The Buyer shall be entitled to all of the protections under section 363(m) of the Bankruptcy Code. The reversal or modification of this Order on appeal will not affect the validity of the sale of the Property under the Contract, whether or not the Buyer under the Contract is aware of the appeal, unless this Order is stayed pending appeal.

8. This Order shall be effective and enforceable immediately upon entry and shall not be stayed pursuant to Bankruptcy Rule 6004(h).

9. This Court hereby retains jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this Order.

End of Order