

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
MCALLEN DIVISION

IN RE: § CASE NO. 16-70518  
§  
MARIA MAGDALENA SANCHEZ, § (Chapter 11)  
Debtor. §

**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. Represented parties should act through their attorney.**

MOTION TO SELL PROPERTY  
FREE AND CLEAR OF LIENS  
UNDER BANKRUPTCY CODE 11 U.S.C. § 363(f)

TO THE HONORABLE JUDGE OF SAID COURT:

Debtor Maria Magdalena Sanchez files this Motion to Sell Property Free and Clear of Liens Under Bankruptcy Code 11 U.S.C. § 363(f), (“Motion”), and respectfully represents the following:

1. The Debtor filed for relief pursuant to Chapter 11 of the Bankruptcy Code on December 5, 2016.
2. This Motion is brought pursuant to Bankruptcy Code section 363(f). Debtor consents to the entry of final orders or judgment by the bankruptcy judge if it is determined that the bankruptcy judge, absent consent of the parties, cannot enter final orders or judgment consistent with Article III of the United States Constitution.

Venue and Jurisdiction

3. This Court has jurisdiction over this proceeding pursuant to 28 U.S.C. §§ 157 and 1334 and 11 U.S.C. §§ 105 and 363(f). This matter is a core proceeding under 28 U.S.C. §§ 157(b)(2).

4. Venue is proper under 28 U.S.C. §§ 1408 and 1409.

Property That is the Subject Matter of Litigation

5. Debtor is owner of ½ interest in real property located in Cameron County, Texas, more particularly described as follows:

TRACT 1

**33575 FM 2925, Rio Hondo, TX**

**ABST2 - XX FARMS N 1/2 LOT 42 BLK 3**

Proposed Sale

6. The Debtor proposes to sell her ½ interest in the above mentioned tract of land that are also listed on Schedule A of his bankruptcy schedules, which reference is hereby made for all purposes as the “property,” because of the necessity of consummating the sale that will benefit the estate and the property’s first lienholder PlainsCapital Bank, (“PCB”).

7. The property is not necessary to the operation of his business in that Debtor will maintain other properties for the operation of her business and in that respect only, not necessary to the administration of the estate.

Authority

8. Bankruptcy Code section 363 governs the sale, use or lease of property of the estate. Section 363(b)(1) 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.” 11 U.S.C. § 363(b)(1). The standards for approval of a section 363 sale are fairly straightforward. To confirm a sale, a bankruptcy court must find that a “sound business reason” exists to approve the sale. If, in the exercise of the debtor’s

business judgment, a valid economic reason exists for a proposed sale, the bankruptcy court will approve the sale upon proper notice and a hearing. *See, e.g., Stephens Indus. Inc. v. Mallory Company, Inc.*, 789 F.2d 386, 390 (6th Cir. 1986); *Committee of Equity Security Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1071 (2nd Cir. 1983). To establish a sound business reason, the evidence before the court must support the conclusion that a fair or favorable price is being paid and that it is in the best interests of the estate to sell rather than keep the asset. Section 363(f) authorizes the bankruptcy court to approve a sale free and clear of all liens, claims and other interests in certain instances. This section 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.

11 U.S.C. §363(f).

9. The Debtor proposes to sell the 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, because:

- a. The lien holders could be compelled, in a confirmed plan with a cram down provision of the lienholder's interest or a tax sale to accept a money satisfaction of such *interest*.
- b. Such lienholders' interests are liens and the price at which such property is to be sold is greater than the aggregate value of all liens on such property; and
- c. Debtor believes that the lienholders will consent.

Sale Based on Sound Exercise of Business Judgment

10. When a proposed use, sale, or lease of assets is outside the ordinary course of business, Sec. 363(b) requires that the assets be property of the estate. What is included in property of the estate is determined by 11 U.S.C. Sec. 541. As described in paragraph 5, Debtor is the owner of ½ interest in the property.

11. The Debtor must justify the proposed transaction through an articulated business justification for using, selling, or leasing the property outside the ordinary course of business. *In re Lionel Corp.*, 722 F.2d 1063, 1071 (2d Cir.1983); Bankruptcy Rule 9014; *See In re Continental Airlines*, 780 F.2d 1223 (5th Cir. 1986).

12. Section 363 also impliedly requires the Court to find that it is good business judgment for the Debtor to enter into "the transaction." Whether the proffered business justification is sufficient depends on the case. *Matter of St. Petersburg Hotel Assoc., Ltd.*, 37 B.R. 341, 343 (Bankr.M.D.Fla.1983).

13. If the requirements in section 363(b) are satisfied, a proposed transaction is still subject to the requirements in 11 U.S.C. section 363(d) and (e). According to section 363(d), the use, sale or lease of estate property is authorized under section 363(b) only to the extent not inconsistent with any relief granted under section 362(c), 362(d), 362(e) or 362(f).

14. Therefore, this Court must consider: 1) whether the proposed transaction represents a use, sale, or lease of estate property; 2) whether the business justifications offered for the transaction are sufficient to warrant authorization to proceed with sale or lease; and 3) whether the proposed transaction otherwise violates or is incompatible with the provisions of the Bankruptcy Code.

15. As mentioned in paragraph 5 *supra*, Debtor is owner of 1/2 interest in the following real property:

**TRACT 1**  
**33575 FM 2925, Rio Hondo, TX**  
**ABST2 - XX FARMS N 1/2 LOT 42 BLK 3**  
 (“the Property”).

16. The value of and debt owed on the entire tract of land proposed to be sold is as follows:

|           | VALUE    | DEBT        | LIENHOLDER |
|-----------|----------|-------------|------------|
| -TRACT 1: | \$74,516 | \$51,769.05 | <b>PCB</b> |

17. The value of and debt owed on the 1/2 of the tract of land proposed to be sold is as follows:

|           | VALUE    | DEBT         | LIENHOLDER |
|-----------|----------|--------------|------------|
| -TRACT 1: | \$37,258 | \$25,884.525 | <b>PCB</b> |

(Valuation is from Cameron County Appraisal; Exhibit A).

18. Plains Capital Bank is a first lien holder of TRACT 1. Upon information and belief, the total debt on the loan(s) on this property is approximately \$51,769.05.

19. The proposed sale price of **\$52,000.00, in addition to paying off the debt on the loan for this property**, will reduce approximately **\$51,769.05** from the estate's liabilities to the secured creditor's associated with the property.

20. The business justification offered in support of the sale of the property is sufficient to authorize proceeding with the sale. The proposed sale has a significant economic value to it; 1) assuming that the Court will allow the sale, the sale will payoff the secured debt on the lien; and 2) the reduction of the debt shall demonstrate the effort of good faith in future debt refinancing negotiations with the Creditor International Bank. The Debtor argues that these are reasons sufficient to warrant authorizing the sale of assets that are not necessary to the administration of the estate.

20. Debtor proposes to sell her ½ interest in the property to Francisco Sanchez, the co-owner, in accordance with a commercial contract. The proposed sale price is in the amount of \$52,000.00 to be paid at closing. Exhibits B1-B3.

21. Mr. Francisco Sanchez, shall pay the purchase cost in cash from a loan.

22. The \$52,000.00 proposed sales price for Ms. Sanchez ½ interest is above the county appraised value of that ½ interest which is \$37,258.00 (**\$74,516.00/2**).

23. The proposed buyer is a relative of Debtor and thus an insider as per section 101(31) of the Bankruptcy Code.

24. The proposed transaction is a result of arms-length negotiations between the buyer and seller.

25. Applying a discount factor of 25% to the aforementioned appraisal value for the Debtor's ½ interest of the property (**\$37,258**) that is encumbered by PCB liens would net PCB a liquidated value of \$ 27,943.50.

26. The sale of this property shall prevent any more *ad valorem* taxes on the property from accumulating.

27. All first liens and all tax liens on the Property shall be paid upon closing. The Debtor proposes that the net proceeds be paid to Plains Capital Bank. Upon information and belief, taxes are escrowed each month.

28. The proceeds of the sale, after closing costs and other reasonable expenses related to the sale as well as payment of the ad valorem taxing authorities, shall pay or satisfy Plains Capital Bank's claim(s) in full, in exchange for the full release of all of Plains Capital Bank liens on the property, after deducting expenses of the sale, if any, including but not limited to title policy fees, recording fees, payment of delinquent ad valorem taxes, tax certificates, attorney's fees, and other expenses related to the closing of this sale.

29. All other junior liens and encumbrances which are subordinate to the liens of Plains Capital Bank and the ad valorem taxing entities shall be divested by the sale.

30. The Debtor requests that it be authorized to complete the private sale pursuant to section 363(f) of Title 11, United States Code, after notice and hearing.

WHEREFORE, PREMISES CONSIDERED, Debtor Maria Magdalena Sanchez, prays that after notice and hearing, this Court enter an order authorizing the private sale of the property herein described pursuant to the terms herein above set out; that the Debtor be authorized to execute any and all documents necessary to consummate such sale; that Plains Capital Bank issue its full release of lien(s) upon receiving payment covering all its interest in the property; and that any other liens claimed on the Property shall release from the Property automatically upon the Closing of the sale of the Property with any such liens to attach to any cash proceeds to be received by the Debtor (if any) after payment of the costs of closing and

the requisite amounts to the ad valorem taxing entities, Plains Capital Bank and in full satisfaction, of their claims as described hereinabove; or alternatively enter an order scheduling a hearing wherein the procedures for a public sale be set, and for such other and further relief to which the Debtor may be entitled.

Date: December 22, 2017.

Respectfully submitted,

Law Office of Antonio Martinez, Jr., P.C.

/s/ Antonio Martinez, Jr.

Antonio Martinez, Jr.

State Bar No. 24007607

317 West Nolana St., Suite C

McAllen, TX 78504

(956) 683-1090- Telephone

martinez.tony.jr@gmail.com

*Attorney for Debtors*

### **CERTIFICATE OF SERVICE**

I certify that a true and correct copy of the foregoing document was forwarded to the following persons, as well as those persons required to receive notice of the relief requested and/or who have requested to be served by any applicable Bankruptcy Rule, by first class mail, postage prepaid, and/or electronic transmission on December 22, 2017:

Stephen Douglas Statham  
Office of U.S. Trustee  
515 Rusk, Suite 3516  
Houston, TX 77002

Diann M. Bartek  
Jeana Long  
Dykema Cox Smith  
1400 North McColl Road, Suite 204  
McAllen, Texas 78501  
(956) 984-7400  
(956) 984-7499 (Fax)

Vicki Skaggs  
818 W. Pecan



McAllen, TX 78501

Diane Wade Sanders  
Linebarger Goggan Blair & Sampson, LLP  
PO Box 17428  
AUSTIN, TX 78760-7428  
Telephone: (512) 447-6675  
Facsimile: (512) 443-5114

[austin.bankruptcy@publicans.com](mailto:austin.bankruptcy@publicans.com)

Aqua Finance, Inc.  
1 Corporate Dr.  
Wausau, WI 54401

Internal Revenue Service  
P O Box 7346  
Philadelphia PA 19101-7346

Ocwen Loan Servicing  
P.O. Box 24605  
West Palm Beach, FL 33416-4605

The 20 largest unsecured creditors

International Bank Commerce  
1 S. Broadway  
McAllen, TX 78501

Capital One Bank USA, NA  
15000 Capital One Dr  
Henrico, VA 23238

Amsher Collection Svc  
600 Beacon Pkwy W Ste 15  
Birmingham, AL 35209

TD Bank USA  
PO Box 673  
Minneapolis, MN 55440

Continental Recvy Serv  
2051 Royal Ave  
Simi Valley, CA 93065

Credit One Bank  
PO Box 98875  
Las Vegas, NV 89193

Conns Credit  
3295 College Blvd  
Beaumont, TX 77701

I C System Inc.  
PO Box 64378  
Saint Paul, MN 55164

Security Service FCU  
16211 La Cantera Pkwy  
San Antonio, TX 78256  
and the other creditors in the attached list

/s/Antonio Martinez, Jr.  
Antonio Martinez, Jr.

Label Matrix for local noticing  
0541-7  
Case 16-70518  
Southern District of Texas  
McAllen  
Fri Dec 22 21:22:06 CST 2017  
PRA Receivables Management, LLC  
PO Box 41021  
Norfolk, VA 23541-1021

Inter National Bank  
c/o Jeana Long  
Dykema Cox Smith  
1400 N. McColl Road  
Ste. 204  
McAllen, TX 78501-9613  
  
PlainsCapital Bank  
c/o Atlas, Hall & Rodriguez  
Attn: Vicki M Skaggs  
PO Box 3725  
McAllen, TX 78502-3725

OCWEN LOAN SERVICING, LLC  
14841 Dallas Parkway, Suite 300  
Dallas, TX 75254-7883  
  
7  
United States Bankruptcy Court  
1133 North Shoreline Blvd #208  
Corpus Christi, TX 78401-2042

AP Gas & Electric  
c/o CRF Solutions  
PO Box 1389  
Simi Valley, CA 93062-1389

Amsher Collection Svc  
600 Beacon Pkwy W Ste 15  
Birmingham, AL 35209-3114

Aqua Finance, Inc.  
1 Corporate Dr.  
Wausau, WI 54401-1724

Cameron County  
c/o Diane W. Sanders  
Linebarger Goggan Blair & Sampson, LLP  
P.O. Box 17428  
Austin, TX 78760-7428

Cameron County Tax Office  
PO Box 952  
Brownsville, TX 78522-0952

Capital One Bank (USA), N.A.  
PO Box 71083  
Charlotte, NC 28272-1083

(p)CAPITAL ONE  
PO BOX 30285  
SALT LAKE CITY UT 84130-0285

City of McAllen  
P.O. Box 220  
McAllen, Texas 78505-0220

City of McAllen  
c/o Diane W. Sanders  
Linebarger Goggan Blair & Sampson, LLP  
P.O. Box 17428  
Austin, TX 78760-7428

Conns Appliances Inc. as Attorney-in-Fact an  
P.O. Box 2358  
Beaumont, TX 77704-2358

Conns Credit  
3295 College Blvd  
Beaumont, TX 77701-4611

Continental Recvy Serv  
2051 Royal Ave  
Simi Valley, CA 93065-4679

Credit One Bank  
Po Box 98875  
Las Vegas, NV 89193-8875

Hidalgo County  
P.O. Box 178  
Edinburg, Texas 78540-0178

Hidalgo County  
c/o Diane W. Sanders  
Linebarger Goggan Blair & Sampson, LLP  
P.O. Box 17428  
Austin, TX 78760-7428

I C System Inc.  
Po Box 64378  
Saint Paul, MN 55164-0378

(p)INTERNAL REVENUE SERVICE  
CENTRALIZED INSOLVENCY OPERATIONS  
PO BOX 7346  
PHILADELPHIA PA 19101-7346

Inter National Bank  
c/o Diann M. Bartek  
Dykema Cox Smith  
1400 N. McColl Road, Suite 204  
McAllen, Texas 78501-9613

InterNational Bank  
1801 S. 2nd St.  
McAllen, TX 78503-1353

International Bank Commerce  
1 S. Broadway  
McAllen, TX 78501-4830

James R. Green  
PO Box 798  
Rio Hondo, TX 78583-0798

Los Fresnos CISD  
c/o Diane W. Sanders  
Linebarger Goggan Blair & Sampson, LLP  
P.O. Box 17428  
Austin, TX 78760-7428

Ocwen Loan Servicing  
12650 Ingenuity Dr  
Orlando, FL 32826-2703

Ocwen Loan Servicing, LLC  
1661 Worthington Rd Ste 100  
West Palm Beach, FL 33409-6493

PlainsCapital Bank  
 P.O. Box 660  
 Edinburg, TX 78540-0660

Quantum3 Group LLC as agent for  
 Aqua Finance Inc  
 PO Box 788  
 Kirkland, WA 98083-0788

Quantum3 Group LLC as agent for  
 MOMA Funding LLC  
 PO Box 788  
 Kirkland, WA 98083-0788

Security Service FCU  
 16211 La Cantera Pkwy  
 San Antonio, TX 78256-2421

Security Service FCU  
 PO Box 691510  
 San Antonio, TX 78269-1510

T Mobile/T-Mobile USA Inc  
 by American InfoSource LP as agent  
 4515 N Santa Fe Ave  
 Oklahoma City, OK 73118-7901

TD Bank USA  
 Po Box 673  
 Minneapolis, MN 55440-0673

US Trustee  
 606 N Carancahua  
 Corpus Christi, TX 78401-0680

Antonio Martinez Jr  
 Attorney at Law  
 317 W. Nolana  
 Suite C  
 McAllen, TX 78504-1302

Maria Magdalena Sanchez  
 1232 S. Bluebonnet  
 Pharr, TX 78577-5812

The preferred mailing address (p) above has been substituted for the following entity/entities as so specified by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g)(4).

Capital One Bank USA, NA  
 15000 Capital One Dr  
 Henrico, VA 23238

INTERNAL REVENUE SERVICE  
 INSOLVENCY MAIL STOP 5026AUS  
 300 E. 8th St.  
 Austin, TX 78701

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(u)Cameron County

(u)City Of McAllen

(u)Hidalgo County

(u)Los Fresnos CISD

(d)PRA Receivables Management, LLC  
 PO Box 41021  
 Norfolk, VA 23541-1021

(d)PlainsCapital Bank  
 c/o Atlas, Hall & Rodriguez, LLP  
 Attn: Vicki M. Skaggs  
 PO Box 3725  
 McAllen, TX 78502-3725

(u)James Ray Green

End of Label Matrix  
 Mailable recipients 39  
 Bypassed recipients 7  
 Total 46



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 Maria Magdalena Sanchez, Francisco A. Sanchez (Seller) and Francisco A. Sanchez (Buyer).
2. PROPERTY: The land, improvements and accessories are collectively referred to as the 'Property'.
A. LAND: Lot 42 Block 3, ABST2 - XX FARMS N1/2 LOT 42 BLK 3 (Property ID: 160183) Addition, City of Rio Hondo, County of Cameron, Texas, known as 33575 FM 2925 78583 (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: NONE
3. SALES PRICE:
A. Cash portion of Sales Price payable by Buyer at closing \$ zero
B. Sum of all financing described in the attached: [X] Third Party Financing Addendum, [ ] Loan Assumption Addendum, [ ] Seller Financing Addendum \$ 52,000.00
C. Sales Price (Sum of A and B) \$ 52,000.00
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: N/A
5. EARNEST MONEY: Upon execution of this contract by all parties, Buyer shall deposit \$ 100.00 as earnest money with San Jacinto Title Company, as escrow agent, at 4900 N. 10th St. McAllen, TX 78501 (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 [X] Buyer's expense an owner policy of title insurance (Title Policy) issued by San Jacinto Title Company (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 and Seller TREC NO. 20-13

Contract Concerning Rio Hondo, TX 78583 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 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) 7 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**

(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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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 \_\_\_\_\_ 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 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 \$ N/A. 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.



**9. CLOSING:**

- A. The closing of the sale will be on or before January 31, **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.) **Buyer agrees and accepts responsibility to pay all closing costs incurred for both the seller and buyer sides of transaction that may include but not limited to: taxes, fees, prorations, appraisals, title policies, ownership equity, etc.**

**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 \$ N/A 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:

To Seller at:

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_

Phone: **(956)279-2344**

Fax: \_\_\_\_\_

Fax: \_\_\_\_\_

E-mail: **fasanchez94@aol.com**

E-mail: **adrianamendoza437@yahoo.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 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 \$ N/A (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 \_\_\_\_\_ 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 \_\_\_\_\_, \_\_\_\_\_ (EFFECTIVE DATE).  
(BROKER: FILL IN THE DATE OF FINAL ACCEPTANCE.)**

Buyer **Francisco A. Sanchez**

Seller **Maria Magdalena Sanchez**

Buyer

Seller **Francisco A. Sanchez**

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.

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 (Address of Property)

**BROKER INFORMATION**

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

Other Broker Firm License No. Jinks Realty 352394  
 Listing Broker Firm License No.  
 represents  Buyer only as Buyer's agent represents  Seller and Buyer as an intermediary  
 Seller as Listing Broker's subagent  Seller only as Seller's agent

Associate's Name License No. David Casarez 681657  
 Listing Associate's Name License No.

Licensed Supervisor of Associate License No. LEE JINKS 352394  
 Licensed Supervisor of Listing Associate License No.

Other Broker's Address Fax 502 W. University Dr.  
 Listing Broker's Office Address Fax

City State Zip Edinburg TX 78539  
 City State Zip

Associate's Email Address Phone dav.casarez@gmail.com (956)457-7463  
 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 6.000% 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 \$ N/A (Option Fee) in the form of \_\_\_\_\_ is acknowledged.

Seller or Listing Broker \_\_\_\_\_ Date \_\_\_\_\_

**CONTRACT AND EARNEST MONEY RECEIPT**

Receipt of  Contract and  \$ 1.00 Earnest Money in the form of \_\_\_\_\_ is acknowledged.

Escrow Agent: \_\_\_\_\_ Date: \_\_\_\_\_

By: \_\_\_\_\_

Email Address \_\_\_\_\_

Address \_\_\_\_\_ Phone: \_\_\_\_\_

City State Zip \_\_\_\_\_ Fax: \_\_\_\_\_



## Information About Brokerage Services

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

**TYPES OF REAL ESTATE LICENSE HOLDERS:**

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

**A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):**

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

**A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:**

**AS AGENT FOR OWNER (SELLER/LANDLORD):** The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

**AS AGENT FOR BUYER/TENANT:** The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

**AS AGENT FOR BOTH - INTERMEDIARY:** To act as an intermediary between the parties the broker must first obtain the written agreement of each party to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
  - that the owner will accept a price less than the written asking price;
  - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - any coincidental information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

**AS SUBAGENT:** A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

**TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:**

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

**LICENSE HOLDER CONTACT INFORMATION:** This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

|   |               |                              |                      |
|---|---------------|------------------------------|----------------------|
| <u>Jinks Realty</u>   | <u>352394</u> | <u>lee@jinksrealty.com</u>   | <u>(956)429-3232</u> |
| Licensed Broker /Broker Firm Name or<br>Primary Assumed Business Name | License No.   | Email                        | Phone                |
| <u>Lee Jinks</u>  | <u>352394</u> | <u>lee@jinksrealty.com</u>   | <u>(956)429-3232</u> |
| Designated Broker of Firm   | License No.   | Email                        | Phone                |
| <u>Lee Jinks</u>  | <u>352394</u> | <u>lee@jinksrealty.com</u>   | <u>(956)429-3232</u> |
| Licensed Supervisor of Sales Agent/<br>Associate                      | License No.   | Email                        | Phone                |
| <u>David Casarez</u>  | <u>681657</u> | <u>dav.casarez@gmail.com</u> | <u>(956)457-7463</u> |
| Sales Agent/Associate's Name  | License No.   | Email                        | Phone                |

\_\_\_\_\_  
Buyer/Tenant/Seller/Landlord Initials

\_\_\_\_\_  
Date

**Regulated by the Texas Real Estate Commission**

**Information available at [www.trec.texas.gov](http://www.trec.texas.gov)**



PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)

THIRD PARTY FINANCING ADDENDUM

TO CONTRACT CONCERNING THE PROPERTY AT

33575 FM 2925

Rio Hondo

(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):

- X 1. Conventional Financing:
X (a) A first mortgage loan in the principal amount of \$ 52,000.00 (excluding any financed PMI premium), due in full in 30 year(s), with interest not to exceed 4.500 % 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 and Seller TAR 1901

TREC NO. 40-7 11-2-2015

33575 FM 2925, Rio Hondo, TX 78583

(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 20 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.

Buyer **Francisco A. Sanchez**

Seller **Maria Magdalena Sanchez**

Buyer

Seller **Francisco A. Sanchez**

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.