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AND DEBTOR-IN-POSSESSION

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION**

IN RE:	§	
	§	Case No. 17-10393
SOCO Real Estate, LLC,	§	
	§	Chapter 11
Debtor.	§	
	§	

**DEBTOR’S MOTION TO SELL PROPERTY OF THE
ESTATE PURSUANT TO 11 U.S.C. § 363(f)**

TO THE HONORABLE TONY M. DAVIS,
UNITED STATES BANKRUPTCY JUDGE:

SOCO Real Estate, LLC (the “Debtor”), the debtor and debtor in possession in the above-captioned chapter 11 case (the “Chapter 11 Case”), hereby files this *Motion to Sell Property of the Estate Pursuant to 11 U.S.C. § 363(f)* (the “Motion”), and respectfully represents as follows:

I. JURISDICTION AND VENUE

1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. Consideration of this action 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.

II. BACKGROUND

2. On April 4, 2017 (the “Petition Date”), the Debtor commenced the above-captioned bankruptcy case by filing its voluntary petition for relief under Chapter 11 of Title 11 of the United

States Code, 11 U.S.C. § 101, et seq. (the “Bankruptcy Code”).

3. The Debtor owns and maintains real property located at 808 Avondale Road, Austin, Texas 78704 (the “Property”). After the denial of a preliminary injunction in March of 2017, the Property was scheduled for foreclosure on April 4, 2017. With timing critical and in an effort to preserve the Property and its equity for the company and its creditors, Debtor filed its Chapter 11 petition prior to the foreclosure sale.

4. The Debtor’s Chapter 11 Case is intended to provide the Debtor and its estate a forum for the orderly and efficient reorganization of the Debtor’s assets and satisfaction of outstanding obligations, including working to obtain a sale of Debtor’s assets. The Debtor believes such process will be in the best interests of the Debtor’s creditors and estate.

5. On May 2, 2017, creditor Little City Investments, LLC (“Little City”) filed its *Motion to Lift Stay to Proceed with Foreclosure on Real Property and to Proceed with Lawsuit* [Dkt. 20] (the “Lift Stay Motion”).

6. On May 23, 2017, Debtor filed *Debtor’s Objection and Response to the Motion to Lift Stay to Proceed with Foreclosure on Real Property and to Proceed with Lawsuit* [Dkt. 32].

7. On July 12, 2017, the Court held a hearing on the Lift Stay Motion.

8. On July 19, 2017, the Court issued its oral ruling on the Lift Stay Motion, determining that the stay should be modified to allow Little City to post the Property for an October foreclosure and to allow Little City to pursue the bonds in the prepetition state court lawsuits.

9. On July 21, 2017, the Court entered its *Order Granting Motion to Lift Stay to Proceed with Foreclosure on Real Property and to Proceed with Lawsuit* [Dkt. 48] (the “Lift Stay Order”).

10. On August 17, 2017, Debtor filed its *Motion for Entry of Order Dismissing Chapter*

11 Case [Dkt. 51], which requested expedited dismissal of the Chapter 11 Case to assist the Debtor in the brokering and marketing of the Property for sale.

11. A hearing on the Motion to Dismiss occurred on August 24, 2017. During the hearing, the Court indicated that it would not dismiss the case at that time. The Court did, however, note that a sale of the property would be a good result for the case. The Court reiterated that Debtor should bring any firm offer to the Court for its review and that the Court would consider such offers.

12. Accordingly, since that time, Debtor's management, Gerald McMillan, has been diligently working to obtain replacement financing to pay off Little City prior to the foreclosure, and taking steps to sell the property to pay off Little City and realize sufficient funds to satisfy the remainder of Debtor's liabilities, including payment in full to Debtor's prepetition and postpetition creditors.

13. To that end, on September 28, 2017, Debtor obtained a **firm offer and signed contract** from a buyer for the purchase of the Avondale Property for the price of \$1,500,000. The contract proposes October 15, 2017 as the date of closing. Buyer will also escrow \$15,000 in non-refundable earnest money. A true and correct copy of the redacted sale contract signed by the buyer is attached hereto as "**Exhibit A**." The buyer is not an insider or in any way related to the Debtor or its members. In addition, as of the filing of this Motion, Debtor expects multiple *additional* offers on the property in the next few days for between \$1,500,000 and \$1,700,000. These buyers have sufficient funding to assure closing and are not insiders of the Debtor. Little City is currently owed approximately \$1,125,000. Thus, a sale of the property pursuant to the contract or at such higher offer that is received will net significant equity for the estate and is permissible under section 363(f) of the Bankruptcy Code.

14. Accordingly, to preserve the value of Debtor's estate and obtain maximum recovery for its creditors, Debtor is filing the instant Motion asking the Court to grant Debtor authority to sell the Property.

III. RELIEF REQUESTED AND BASIS FOR RELIEF

15. By this Motion, Debtor respectfully requests that the Court grant the Motion and allow the Debtor to sell the Property.

16. Section 363(f) provides that a trustee or debtor-in-possession may sell property 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).

17. Here, the purchase price of any sale will far exceed the liens on the Property, and therefore the sale is permissible under subsection (3) and (5).

18. The closing under the contract is set for October 15, 2017. Under the contract, the Buyer will escrow \$15,000 in non-refundable earnest money. Debtor intends that any earnest money received under this contract or any other contract under a higher or better offer be provided to Little City as adequate protection during the sale process. If the sale does not close, then Debtor intends that Little City receive the earnest money and can foreclose the following month in the

unlikely event that no sale is consummated.

19. Debtor has been in discussions with Little City to obtain its consent on the sale of the Property and its agreement not to foreclose on October 3rd so that the sale can proceed. Because the offer has only recently been received and higher and better offers are still pending, discussions with Little City remain ongoing and Debtor believes that Little City has not had sufficient time to consider the sale and Debtor's proposal.

20. Granting Debtor authority to sell the Property will provide an equitable and just result for all parties involved. A sale will allow for Little City to be promptly paid in full, including all attorney's fees and costs incurred by Little City and interest and other charges accumulated during this proceeding, as well as satisfy the vast majority of the remaining claims in this case, including administrative expense claims and unsecured claims.

21. Conversely, a foreclosure sale will be detrimental to the estate and its creditors, and be a loss to all interested parties except Little City. Although Little City will see at least some recovery by, at minimum, receiving the property as satisfaction of its loan, the remainder of the claims in this case will likely go unpaid.

22. Debtor is filing a request for expedited hearing contemporaneously with this Motion, which requests that this Motion be heard on or before **October 13, 2017**.

PRAYER

WHEREFORE, for the reasons set forth above, Debtor respectfully requests that the Court enter an order granting the Motion, and provide the Debtor with such other and further relief to which it may be justly entitled, whether at law or in equity.

Dated: September 29, 2017

Respectfully submitted,

/s/ Bryan C. Assink
Mark A. Castillo
Texas State Bar No. 24027795
Bryan C. Assink
Texas State Bar No. 24089009
CURTIS | CASTILLO PC
901 Main Street, Suite 6515
Dallas, Texas 75202
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Email: bassink@curtislaw.net

COUNSEL FOR DEBTOR
AND DEBTOR-IN-POSSESSION

CERTIFICATE OF SERVICE

The undersigned certifies that, on September 29, 2017, a true and correct copy of the foregoing motion was served by the Court's CM/ECF system on all parties consenting to such service, including counsel for Little City Investments, LLC and the U.S. Trustee, as well as via first class mail, postage prepaid, on all parties included on the attached mailing list.

/s/ Bryan C. Assink
Bryan C. Assink

Exhibit A, Redacted
REDACTED

11-2-2015



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

NOTICE: Not For Use For Condominium Transactions

1. PARTIES: The parties to this contract are Soco Real Estate, LLC
(Seller) and _____ (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 12 Block 2, TRAVIS HEIGHTS AMENDED PLAT OF LOT 3-5,1
Addition, City of Austin, County of Travis,
Texas, known as 808 Avondale Road 78704
(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 personal property

3. SALES PRICE:

- A. Cash portion of Sales Price payable by Buyer at closing \$ 1,500,000.00
- B. Sum of all financing described in the attached: Third Party Financing Addendum,
 Loan Assumption Addendum, Seller Financing Addendum \$ _____
- C. Sales Price (Sum of A and B) \$ 1,500,000.00

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

5. EARNEST MONEY: Upon execution of this contract by all parties, Buyer shall deposit \$ 15,000.00 as earnest money with Chicago Title - Melody Herron, as escrow agent, at 1715 West 35th Street #04 (address). Buyer shall deposit additional earnest money of \$ 0.00 with escrow agent within NA 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 Chicago Title (Title Company) in the amount of the Sales Price, dated at or after closing, insuring Buyer against loss under the provisions of the Title Policy, subject to the promulgated exclusions (including existing building and zoning ordinances) and the following exceptions:
 - (1) Restrictive covenants common to the platted subdivision in which the Property is located.
 - (2) The standard printed exception for standby fees, taxes and assessments.
 - (3) Liens created as part of the financing described in Paragraph 3.
 - (4) Utility easements created by the dedication deed or plat of the subdivision in which the Property is located.

Initialed for identification by Buyer _____ and Seller _____

TREC NO. 20-13

This contract is authorized for use by Realty Austin, a member of ACTRIS®.

TAR 1601 InstantFORMS

EXHIBIT A

Contract Concerning 808 Avondale Road Austin TX 78704 Page 3 of 9 11-2-2015
(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

Initialed for identification by Buyer _____ and Seller _____

Contract Concerning **808 Avondale Road** **Austin TX 78704** Page 4 of 9 11-2-2015
(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 _____ 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.

Initialed for identification by Buyer and Seller

Contract Concerning 808 Avondale Road Austin TX 78704 Page 5 of 9 11-2-2015
(Address of Property)

9. CLOSING:

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

10. POSSESSION:

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

11. SPECIAL PROVISIONS:

(Insert only factual statements and business details applicable to the sale. TREC rules prohibit license holders from adding factual statements or business details for which a contract addendum, lease or other form has been promulgated by TREC for mandatory use.)
 Buyer understands and agrees that earnest money is non-refundable and will be deposited in the registry of the court, or otherwise utilized - with approval of the court - as directed by the Seller. Buyer further understands that this offer is subject to bankruptcy court approval. Buyer is a licensed agent/broker in the State of Texas and Buyer and Seller agree that the Buyer, as agent/broker, will accept \$0 commission from the listing Broker with respect to this transaction.

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

Initialed for identification by Buyer _____ and Seller _____

Contract Concerning 808 Avondale Road Austin TX 78704 Page 7 of 9 11-2-2015
(Address of Property)

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

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

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

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

To Buyer at: _____ _____	To Seller at: _____ _____
Phone: _____	Phone: _____
Fax: _____	Fax: _____
E-mail: _____	E-mail: <u>gerald@socorealestate.net</u>

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

- | | |
|---|---|
| <input 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 checked="" 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 | |

Initialed for identification by Buyer _____ and Seller _____

Contract Concerning 808 Avondale Road Austin TX 78704 Page 8 of 9 11-2-2015
(Address of Property)

23. TERMINATION OPTION: For nominal consideration, the receipt of which is hereby acknowledged by Seller, and Buyer's agreement to pay Seller \$_____ (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 _____, 20____ (EFFECTIVE DATE).
(BROKER: FILL IN THE DATE OF FINAL ACCEPTANCE.)**

Authentisign
Buyer _____ 09/28/2017 4:01:39 PM CDT

Seller **Gerald McMillan, Member, Soco Real Estate, LLC**

Buyer _____

Seller _____

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

Contract Concerning 808 Avondale Road Austin TX 78704 Page 9 of 9 11-2-2015
(Address of Property)

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

Other Broker Firm _____ License No. _____ Realty Austin, LLC 525651
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. _____ Jeffrey Schnabel 550827
Listing Associate's Name License No.

Licensed Supervisor of Associate _____ License No. _____ Marc Warshawsky 512-658-2128
Licensed Supervisor of Listing Associate License No.

Other Broker's Address _____ Fax _____ 3801 Capital of Texas North, J-180
Listing Broker's Office Address Fax

City _____ State _____ Zip _____ Austin TX 78746
City State Zip

Associate's Email Address _____ Phone _____ Jeffrey@RealtyAustin.com 512-913-7480
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 _____ of the total sales price when the Listing Broker's fee is received. Escrow agent is authorized and directed to pay other Broker from Listing Broker's fee at closing.

OPTION FEE RECEIPT

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

Seller or Listing Broker Date

CONTRACT AND EARNEST MONEY RECEIPT

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

Escrow Agent: Chicago Title - Melody Herron Date: _____

By: _____ Email Address _____

1715 West 35th Street #04 Phone: _____
Address

City _____ State _____ Zip _____ Fax: _____



APPROVED BY THE TEXAS REAL ESTATE COMMISSION

10-10-11

ADDENDUM FOR SELLER'S DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS AS REQUIRED BY FEDERAL LAW

CONCERNING THE PROPERTY AT 808 Avondale Road Austin
(Street Address and City)

A. LEAD WARNING STATEMENT: "Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-paint hazards is recommended prior to purchase."

NOTICE: Inspector must be properly certified as required by federal law.

B. SELLER'S DISCLOSURE:

- 1. PRESENCE OF LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS (check one box only):
 - (a) Known lead-based paint and/or lead-based paint hazards are present in the Property (explain): _____
 - (b) Seller has no actual knowledge of lead-based paint and/or lead-based paint hazards in the Property.
- 2. RECORDS AND REPORTS AVAILABLE TO SELLER (check one box only):
 - (a) Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the Property (list documents): _____
 - (b) Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the Property.

C. BUYER'S RIGHTS (check one box only):

- 1. Buyer waives the opportunity to conduct a risk assessment or inspection of the Property for the presence of lead-based paint or lead-based paint hazards.
- 2. Within ten days after the effective date of this contract, Buyer may have the Property inspected by inspectors selected by Buyer. If lead-based paint or lead-based paint hazards are present, Buyer may terminate this contract by giving Seller written notice within 14 days after the effective date of this contract, and the earnest money will be refunded to Buyer.

D. BUYER'S ACKNOWLEDGMENT (check applicable boxes):

- 1. Buyer has received copies of all information listed above.
- 2. Buyer has received the pamphlet *Protect Your Family from Lead in Your Home*.

E. BROKERS' ACKNOWLEDGMENT: Brokers have informed Seller of Seller's obligations under 42 U.S.C. 4852d to: (a) provide Buyer with the federally approved pamphlet on lead poisoning prevention; (b) complete this addendum; (c) disclose any known lead-based paint and/or lead-based paint hazards in the Property; (d) deliver all records and reports to Buyer pertaining to lead-based paint and/or lead-based paint hazards in the Property; (e) provide Buyer a period of up to 10 days to have the Property inspected; and (f) retain a completed copy of this addendum for at least 3 years following the sale. Brokers are aware of their responsibility to ensure compliance.

F. CERTIFICATION OF ACCURACY: The following persons have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Authentisign 09/28/2017 12:35:00 PM Date	Seller Gerald McMillan, Member, Soco Real Estate, LLC Date
Buyer Date	Seller Date
Authentisign 09/28/2017 12:35:00 PM Date	Authentisign 09/28/2017 12:35:00 PM Date

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 suitable for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, 512-936-3000 (<http://www.trec.texas.gov>)